

IRS updates operations status, introduces People First Initiative

March 27, 2020

In brief

The IRS on March 24 posted to its website a [press release](#) providing an update on the status of its operations, emphasizing that, although curtailing some operations during this crisis period, it plans to continue with its “mission-critical” functions, including processing tax returns and refunds.

The agency on March 25 in [IR-2020-59](#) unveiled its People First Initiative to assist taxpayers facing tax challenges during the current crisis by providing immediate relief through temporary process adjustments, including easing payment guidelines, postponing compliance actions, and suspending key compliance programs.

The IRS Large Business and International (LB&I) Division on March 25 issued a deviation memorandum to all LB&I employees announcing the suspension through July 15 of the Information Document Request (IDR) enforcement procedures with respect to taxpayers who, due to the COVID-19 pandemic, are unable to respond timely to an IDR. Notwithstanding this deviation memorandum, managers retain the discretion to continue the IDR enforcement process when, in their judgement, the interests of tax administration warrant.

In detail

March 24 press release

The IRS announced in its March 24 press release that it has scaled back its operations to focus on “mission-critical” activities to assist taxpayers during the current crisis. Many IRS offices in areas hardest hit by the coronavirus are closed or have reduced operations, but telework-eligible employees continue to work during this emergency. The press release — emphasizing that the IRS is assessing its operations on a daily basis — provides the following overview of various operations:

- The IRS has temporarily suspended almost all [face-to-face contacts with taxpayers](#), including face-to-face appointments at a Taxpayer Assistance Center (TAC). The agency plans to make efforts to assist taxpayers with TAC appointments by phone.
- Limited live [telephone customer service assistance](#) is currently available, but local office closings, limited call staff, and high demand likely will result in extremely high call volume and lengthy call times.

- The IRS will be responding to paper correspondence on a limited degree during this crisis. However, taxpayers who mail correspondence to the agency during this period should expect to wait longer than usual for a response.

People First Initiative

The temporary modifications set forth in the People First Initiative are projected to run from April 1 through July 15. Some of the key actions of the initiative include the following:

- Existing installment agreements: Payments due between April 1 and July 15 for taxpayers under an existing installment agreement are suspended. The IRS will not default on any installment agreement during this period, but interest will continue to accrue on unpaid balances.
- Pending Offers in Compromise (OIC) applications: The IRS will allow taxpayers until July 15 to provide requested additional information to support a pending OIC. In addition, the agency will not close any pending OIC request before July 15 without the taxpayer's consent.
- OIC payments: Taxpayers may suspend all payments on accepted OICs until July 15, but interest will continue to accrue on unpaid balances.
- Delinquent return filing: During this period, the IRS will not default on OICs for taxpayers delinquent in their tax returns for the 2018 tax year.
- Field collection activities: Liens and levies initiated by field revenue officers will be suspended during this period.
- Automatic liens and levies: New automatic, systemic liens and levies will be suspended during this period.
- Passport certifications to the State Department: During this period, the IRS will suspend submitting to the State Department new certifications preventing seriously delinquent taxpayers from receiving or renewing passports.
- Private debt collection: The IRS will not forward new delinquent amounts to private collection agencies during this period.
- Field, office, and correspondence audits: The IRS generally will not start new field, office, and correspondence examinations during this period. The agency will continue to work refund claims (without in-person contact if possible).
- In-person meetings: In-person meetings regarding current field, office, and correspondence examinations will be suspended. IRS examiners will continue their examinations remotely when possible. Taxpayers should respond to requests of information already received or received during this period. The IRS may initiate activities to move forward with an examination if it is in the best interest of both parties and appropriate personnel are available.
- Independent Office of Appeals: Appeals employees will continue to work their cases during this period. Although Appeals is not currently holding in-person conferences with taxpayers, conferences may be held via telephone or videoconference.
- Statute of limitations: The IRS will continue to take steps where necessary to protect all applicable statutes of limitations. The agency will issue Notices of Deficiency and pursue other similar actions to protect the interests of the government in preserving limitations statutes. The IRS is unlikely to pursue the foregoing actions until at least July 15 where a statutory period is not set to expire during 2020.

The takeaway

Taxpayers and practitioners have had many questions about the status of IRS operations during the current pandemic. The IRS press release issued on March 24 answers some of those questions. The IRS People First Initiative unveiled on March 25 provides more clarity. At the same time, unresolved issues remain around the rapidly evolving situation. We will continue to request additional clarifications from the IRS and will provide updates on this fluid and challenging situation.

Let's talk

For a deeper discussion of how this guidance may affect you, please contact:

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