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## During Coronavirus Pandemic, IRS Cuts Taxpayers Some Much Needed Slack



Crypto communities and the United States Internal Revenue Service haven't exactly had a love fest over the last five years. It started in 2014, when the IRS said crypto was property, and it hasn't got much better since. In addition to sending those 10,000 "beware" letters and trying to get crypto exchanges to turn over customer lists, the IRS has even gone so far as to [alter](#) the most hallowed tax form, Form 1040, to ask a crypto-specific question.

However, the [IRS](#) is actually making a big effort to cut all taxpayers — and that includes the crypto community too — some much needed slack during this unprecedented time. It started when the head of the IRS, Commissioner Chuck Rettig, [announced](#) the "People

First Initiative.” Need to pay your taxes in installments? The IRS will help and has a well-worn process for working out installment payments.

What if you have an existing installment agreement, but can't make your payments right now? The IRS says installment payments due between April 1 and July 15 are suspended. It says this also applies in the case of direct deposit installment agreements, so you can suspend payments during this period. It says it will not default any installment agreements during this period. How about an offer in compromise, also known as an OIC?

As with installment agreements, the IRS allows some people to pay a part of what they owe and have the rest written off by the IRS. It is based on ability to pay and other factors, and there is an established procedure to go through to try to get the IRS to accept your proposal. The IRS is giving people more time to submit materials.

Haven't filed a return? The IRS says over 1 million households that haven't filed tax returns during the last three years are owed refunds, so fill out those returns! Once delinquent returns are filed, taxpayers who owe money should consider an installment agreement or an OIC.

Tax liens and levies are also generally being suspended during this period. A Notice of Federal Tax Lien is normally sent out almost automatically when the IRS is owed taxes, serving as a way to insure by public notice that it will eventually get paid. A levy, on the other hand, involves the IRS actually collecting owed taxes by allowing it to take funds directly from a bank account upon deposit. The fact that the IRS is trying to ease up on both during this time is significant. Even new passport debt certifications when delinquent tax debts exceed \$50,000 are on hold too.

New tax audits are on hold too. One exception is when the IRS needs to act right away to protect the government's interest in preserving the applicable statute of limitations. Usually, the statute of limitations is three years, but that's not always the case: [Here](#) are some rules everyone should know. The IRS will continue to take steps where necessary to protect all applicable statutes of limitations. The IRS may ask taxpayers to extend the statute, or when needed, will issue notices of deficiency.

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