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By [Robert W. Wood](#)

Tax Season 2020: IRS Eases Up On Tax Collections During Coronavirus Crisis

The IRS is still operating, but with work from home and other issues, the IRS cannot operate with its usual efficiency. On top of that, the IRS is actually making a big effort to cut taxpayers some needed slack during this unprecedented time. It starts with the head of the IRS, Commissioner Chuck Rettig, who announced the IRS “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, 2020 are *suspended*.

That applies in the case of Direct Deposit Installment Agreements too, says the IRS, so you can suspend payments during this period. Interest continues to run on anything you don’t pay—the IRS can’t do anything about that. However, the IRS says it will not default any Installment Agreements during this period.

How about an Offer in Compromise (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.

On OIC applications that were already accepted but so far unpaid, the IRS is giving people more time there too. 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 Offer in Compromise.

Tax liens and levies are also being suspended during this period. New automatic, systemic liens and levies are being suspended during this period. Even new passport debt certifications when delinquent tax debts exceed \$50,000 are on hold too.

During this period, the IRS will generally not start new audits. One exception is where 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 here are [IRS Statute of Limitation 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 where needed, will issue Notices of Deficiency to protect the interests of the government. The IRS says that if the statutory period is not set to expire during 2020, the IRS is unlikely to pursue the foregoing actions until at least July 15, 2020.

IRS examiners will not hold in-person meetings, they will continue their examinations remotely, where possible. How about the Earned Income Tax Credit? Taxpayers have until July 15, 2020, to respond to the IRS to verify that they qualify for the Earned Income Tax Credit or to verify their income. Until July 15, 2020, the IRS will not deny these credits for a failure to provide requested information.

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