



# AICPA Comments on Recent IRS Statement: ‘We Believe That There Is More They Can Do’

**Washington, D.C. (January 27, 2022)** – Following calls by the Tax Professionals United for Taxpayer Relief Coalition, and members of both the Senate and the House for the Internal Revenue Service (IRS) to provide meaningful relief to taxpayers ahead of this tax filing season, the IRS announced today its intention to stop some notices to taxpayers as they increase resources to process backlogged files. The American Institute of CPAs (AICPA) believes this action is a positive first step, but believes that more should be and could be done by the IRS, without the need for congressional action, to reduce erroneous automated notices and unnecessary taxpayer contact with the Service.

The AICPA joined a diverse group of stakeholders to form this Coalition representing Latinos, African Americans, small businesses, tax practitioners and low-income taxpayers in an effort to compel the IRS to take immediate action to meaningfully reduce unnecessary burdens for taxpayers and practitioners during this upcoming tax filing season. Twenty-five Members of the Senate, led by Senators Bob Menendez (D-NJ) and Bill Cassidy (R-LA), and 191 Members of the House, led by Representative Linda Sanchez (D-CA) also expressed their desire to see the IRS adopt the recommendations of the Coalition and reduce the strain on both taxpayers and on the agency.

“The actions taken today by the IRS signals their desire to help taxpayers, but we believe that there is more they can do and respectfully disagree with the IRS’s assertion that congressional action is needed to suspend *the automatic issuance* of notices,” said AICPA President & CEO, Barry Melancon, CPA, CGMA. “All of the recommendations put forth by the AICPA and the Coalition are actions that we believe the IRS can legally take right now to provide immediate relief to taxpayers – but we would welcome more details from the Commissioner on what he believes the IRS can do and what might require congressional action. Congress has demonstrated that it is more than ready to advocate for taxpayers and practitioners, and we are confident that lawmakers would act swiftly to assist. We appreciate the strain the IRS is under and continue to urge them to fully implement all of our recommendations to alleviate unnecessary stress on the agency and the taxpayers.”

Those recommendations submitted to the IRS are:

1. Discontinue automated compliance actions until the IRS is prepared to devote the necessary resources for a timely resolution – *similar recommendation also included in the 2021 National Taxpayer Advocate report*
2. Align requests for account holds with the time it takes the IRS to process any penalty abatement requests – *similar recommendation also included in the 2021 National Taxpayer Advocate report*
3. Offer a reasonable cause penalty waiver, *similar to* the procedures of first time abate administrative waiver
4. Provide taxpayers with targeted relief from the underpayment and the late payment penalty for the 2020 and 2021 tax year

### **About the American Institute of CPAs**

The American Institute of CPAs® (AICPA®) is the world's largest member association representing the CPA profession, with more than 428,000 members in the United States and worldwide, and a history of serving the public interest since 1887. AICPA members represent many areas of practice, including business and industry, public practice, government, education and consulting. The AICPA sets ethical standards for its members and U.S. auditing standards for private companies, not-for-profit organizations, and federal, state and local governments. It develops and grades the Uniform CPA Examination, offers specialized credentials, builds the pipeline of future talent and drives continuing education to advance the vitality, relevance and quality of the profession.

###

### **BACKGROUND:**

- The Tax Professionals United for Taxpayer Relief Coalition is made up of the following organizations:
  - AICPA
  - Latino Tax Professional Association
  - National Association of Black Accountants, Inc. (NABA)
  - National Association of Enrolled Agents (NAEA)
  - National Association of Tax Professionals (NATP)
  - National Conference of CPA Practitioners (NCCPAP)
  - National Society of Accountants (NSA)
  - National Society of Black Certified Public Accountants, Inc. (NSBCPA)
  - National Society of Tax Professionals (NSTP)
  - Padgett Business Services
  - H&R Block
  - Prosperity Now
- On July 2, 2020, the AICPA submitted a letter to the Department of the Treasury and the IRS once again urging them to act immediately to provide broader tax administrative and penalty relief due to the pandemic.
- On November 5, 2020, the AICPA submitted a letter to the Department of the Treasury and the IRS renewing the request for penalty relief for the 2019 tax year filing season.

- On November 20, 2020, following testimony given by IRS Commissioner Charles Rettig before the House Committee on Ways & Means, Subcommittee on Oversight, the AICPA released a statement stating current penalty relief measures were not enough.
- On December 8, 2020, the AICPA led a coalition of seven professional tax organizations in sending a letter to the Department of the Treasury and the IRS calling on the IRS to offer targeted penalty relief to Americans facing hardship due to the COVID-19 pandemic.
- In a letter sent February 16, 2021, the AICPA called attention to the hardship that millions of taxpayers and tax practitioners are facing while making good faith efforts to comply with their tax obligations. The AICPA called for relief from underpayment and late payment penalties for the 2020 taxable year.
- On February 24, 2021, the AICPA called for greater certainty for taxpayers and tax practitioners and underpayment and late payment penalty relief, both of which will provide greater assistance to those affected by the pandemic.
- On May 17, 2021, the AICPA submitted a letter to the Department of the Treasury and the IRS urging specific penalty relief measures for millions of taxpayers affected by the COVID-19 pandemic.