February 1, 2021

The Honorable Janet Yellen
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Ave, NW
Washington, D.C. 20220

The Honorable Charles P. Rettig
Commissioner
Internal Revenue Service
1111 Constitution Avenue, NW
Washington, D.C. 20224

RE: 2021 Tax Filing Season

Dear Secretary Yellen and Commissioner Rettig:

As the start to the delayed 2021 tax filing season quickly approaches, the tax and accounting community remains significantly impacted by the complexities stemming from the ongoing pandemic, recently enacted federal legislation, and various IRS administrative challenges. Many members of the National Society of Accountants (NSA) have expressed significant concerns related to the ability of tax practitioners to provide quality return preparation while working to understand new tax laws and resolving lingering issues from last year’s filing season, all within a now shortened filing season beginning on February 12, 2021.

NSA serves not only as an advocate for its members but also as a facilitator of communication between tax and accounting professionals and the IRS, working toward the shared goal of a smooth tax filing season. NSA members’ most significant concerns surrounding the ability of tax practitioners and the IRS alike to successfully operate during the shortened 2021 tax filing season are as follows:

- Although the IRS reports to have remedied its once significant mail backlog, many 2019 tax returns and related taxpayer correspondence remain unprocessed from last year’s filing season;

- Tax and accounting professionals are dealing with an overwhelming workload with lingering uncertainties related to Economic Impact Payments (EIP), the Paycheck Protection Program (PPP), and extension and significant expansion of the Employee Retention Credit (ERC), all of which were created under the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) enacted on March 27, 2020, and significantly modified by legislation enacted just over four weeks ago on December 27, 2020; and

- The shortened 2021 tax filing season, coupled with new tax law uncertainties surrounding legislation enacted under the aforementioned Consolidated Appropriations Act, 2021 (P.L. 116-
260), could result in compromised return preparation, rejections, taxpayer penalties and fees, and subsequent taxpayer correspondence all leading to expenditure of the IRS’s already strained resources.

As noted in the National Taxpayer Advocate’s 2020 Annual Report to Congress, “challenges created by the COVID-19 pandemic will continue through the 2021 filing season and possibly for months longer, affecting both the IRS and taxpayers.” Thus, NSA respectfully seeks for its members information regarding:

- the IRS’s status on processing 2019 tax returns and related correspondence;
- the IRS’s plan to remedy confusion caused by automated IRS collection notices, including Notices of Intent to Levy, mailed while the IRS has not completed processing its backlog of taxpayers’ mailed payments and related correspondence;
- the IRS’s overall preparedness for the 2021 tax filing season; and
- specific filing and payment extensions that the agency may be considering.

NSA recognizes the challenging times endured by all and appreciates the IRS’s leadership and commitment to serving taxpayers and communicating with the tax practitioner community. Thank you for your consideration of our members’ concerns. We welcome the opportunity to discuss these issues further; please direct any questions or information related to this letter to our Director of Public Policy Jessica L. Jeane at 571-982-7360 or jjeane@nsacct.org.

Sincerely,

John Rice
CEO

Curtis Lee, Jr., ATA, ATP
President

Jessica L. Jeane, J.D.
Director of Public Policy