**BizBoost News**

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**IRS Suspension of Certain Taxpayer Notices**

Receiving a notice from the IRS is often a stressful and intimidating experience. What makes it even worse, however, is when a taxpayer cannot easily speak with an IRS representative to get it resolved or is unable to get a timely response to any correspondence sent to IRS to dispute the proposed changes or tax due. Unfortunately, this has been the situation for many taxpayers (and even their tax professionals) over the last two years - in large part because of processing delays and staff shortages brought on by the COVID-19 pandemic. It has been almost impossible to reach an IRS representative over the phone, and correspondence mailed to the IRS is taking months instead of weeks to process. The good news is that IRS has recognized this problem and, as a result, put a temporary hold on sending certain types of notices to taxpayers.

The suspended notices primarily focus on those which may require extra processing or manual review of payments/returns, so this does not include all taxpayer notices. Below are the notices that are currently included on this list:

* CP80, Unfiled Tax Return (IRS hasn’t received a tax return for a particular year/period but shows payments/credits on file)
* CP59 and CP759, Unfiled Tax Return(s) – 1st Notice (No record of a prior-year tax return being filed)
* CP516 and CP616, Unfiled Tax Return(s) – 2nd Notice
* CP518 and CP618, Unfiled Tax Return(s) – Final Notice
* CP501, Balance Due – 1st Notice (There is an outstanding balance due)
* CP501, Balance Due – 2nd Notice
* CP504, Balance Due – 3rd Notice, Intent to Levy (IRS communicates Intent to Levy (seize assets) if balance due not received)
* 2802C, Withholding Compliance Letter (Under-withholding of Federal tax from wages and instructions on how to correct)
* CP259 and CP959, Return Delinquency (No record of prior year return being filed – business filers)
* CP518 and CP618, Final Notice – Return Delinquency (business filers)

The IRS has stated that this suspension will last until the backlog of returns and correspondence is cleared, but has not given a specific date. If one of these notices has already been received, IRS has said there is no need to respond if it is inaccurate or reflects something that has already been resolved – however, they have also warned that if a taxpayer or tax professional believes a notice is accurate, steps should still be taken to resolve the issue as soon as possible. With a balance due notice, if accurate, penalties and interest will continue to accrue until it has been paid.

The IRS Commissioner has said there is a possibility that more types of notices will get added to this list, but for now, the focus is to ramp up efforts to reduce the inventory of outstanding returns/correspondence before providing any further relief. The IRS has recently announced hiring of additional staff as well as reallocation of resources to help succeed in these efforts, but hopefully this temporary suspension will reduce frustration and provide some peace of mind to taxpayers and tax professionals.

As always, if you need assistance with any IRS correspondence, we’re happy to help.

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Tweets

Insert a link to your newsletter, website or blog before you post these:

Our latest blog: “IRS Suspension of Certain Taxpayer Notices” is available now! Subscribe here: [link]

Over the last two years, it has been almost impossible to reach an IRS representative over the phone, and correspondence mailed to the IRS is taking months instead of weeks to process, largely due to COVID-19 delays and shortages. Learn what the IRS is doing to handle this situation in our latest blog article: [link]

Receiving a notice from the IRS is often a stressful and intimidating experience. What makes it even worse is when a taxpayer cannot easily speak with an IRS representative. The good news is that the IRS has recognized this problem and, as a result, put a temporary hold on sending certain types of notices to taxpayers. Learn more in our latest blog article: [link]

DID YOU KNOW… The IRS has stated the recent suspension of certain types of notices will last until the backlog of returns and correspondence is cleared, but has not given a specific date. If you have already received one of these notices, the IRS has said there is no need to respond if it is inaccurate or reflects something that has already been resolved – however, they have also warned that if a taxpayer or tax professional believes a notice is accurate, steps should still be taken to resolve the issue as soon as possible. Learn more here: [link]

The IRS has put a temporary hold on sending certain types of notices to taxpayers. The suspended notices primarily focus on those which may require extra processing or manual review of payments/returns, so this does not include all taxpayer notices. Learn more here: [link]

The IRS Commissioner has said there is a possibility that more types of notices will get added to the recent list of suspended notices, but for now, the focus is to ramp up efforts to reduce the inventory of outstanding returns/correspondence before providing any further relief. Learn more about these changes here: [link]

The IRS has recently announced hiring of additional staff as well as reallocation of resources to help succeed in efforts to fix the problems in service due to delays and shortages, but hopefully the temporary suspension of certain types of notices will reduce frustration and provide some peace of mind to taxpayers and tax professionals. Learn more about these suspensions here: [link]

The IRS has suspended certain types of notices in an effort to reduce the inventory of outstanding returns/correspondence. Sign up for our newsletter to learn more about the recent changes made by the IRS: [link]