

Congress of the United States
Washington, DC 20510

August XX, 2022

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

Dear Commissioner Rettig:

Thank you for your continued work to eliminate the unprecedented backlog at the Internal Revenue Service (IRS). Since last year, numerous Members of Congress in the House and Senate have sent several letters regarding customer service issues, processing delays, and the outstanding backlog of returns. Several Members of Congress have urged you to provide penalty relief for taxpayers, have continually pressed the agency to pursue maximum overtime options for staff who are working on the backlog and on surge teams, and have asked the agency to deploy additional surge teams and other resources in an effective manner to reduce the backlog. Yet, we are writing again to urge the IRS to extend the suspension of automated collections, continue the pause on automated notices, and keep its surge teams in place until hiring challenges and processing backlogs are adequately addressed.

In a Senate Finance Committee Hearing on April 7, 2022, you estimated that the IRS would return to a “healthy state” by the end of 2022 and that the IRS expected to hire 10,000 customer service representatives between this year and next year. Yet, according to the National Taxpayer Advocate (NTA), the paper return backlog has actually *increased* by 1.3 million from the same point as last year and that the IRS was only able to meet 12 percent of its hiring goals for customer service representatives earlier this year.¹ NTA also noted that the IRS has not met its 5,000 employee hiring goal for submission processing positions—falling short by 3,417 employees, and that while historically the IRS has paid refunds from paper returns in four to six weeks, refunds are currently taking six months or longer.²

Accordingly, we believe that the IRS must take additional steps to improve customer service issues, decrease processing delays, and work-down the backlog of paper returns and correspondence by continuing the maximum use of overtime and surge teams, as well as the continued suspension of automated notices and collections—which have been critical in reducing pandemic-related tax return and correspondence backlogs. Additionally, the IRS must bolster its

¹ See NATIONAL TAXPAYER ADVOCATE, OBJECTIVES REPORT TO CONGRESS (June 2022) at v, <https://www.taxpayeradvocate.irs.gov/reports/2023-objectives-report-to-congress/full-report/> (“For the week ending May 22, 2021, the backlog of unprocessed paper returns stood at 20 million. At the end of May this year, the backlog had increased to 21.3 million.”).

² *Id.* at iv.

recruitment and retention efforts to adequately address the backlog and increase levels of taxpayer service.

In order to gauge the extent of hiring and processing challenges still facing the Agency, we ask that you provide answers to the following questions no later than August 19, 2022:

Processing Backlogs:

1. How do you plan to keep your promise to eliminate the backlog?
2. What is a “healthy level” of unprocessed tax returns? How does this level align with average carryover levels, prior to the pandemic? Please provide the average carryover level over the ten years prior to FY2020, and the current carryover levels.
3. How would you quantify a “manageable” carryover level? How does this compare to average carryover levels prior to the pandemic? Please provide a breakdown of average carryover levels for accounts management, submission processing, and returns in suspense.
4. By how much do you estimate the carryover level will increase following the October 15, 2022 extension filing deadline?
5. Do you believe your answers to questions 2-4 call your end-of-year estimate for a “healthy” IRS into question?
6. For this filing season, what is the average refund delivery period? For comparison, please provide the average refund delivery period over the past ten years including the COVID-19 pandemic and excluding the COVID-19 pandemic.
7. How long will the surge teams continue? Will they continue through the end of the fiscal or calendar year, or beyond? Is the National Treasury Employees Union (NTEU) aware of this timeline?
8. What effect does the use of surge teams to process the backlog have on the IRS’ other activities, particularly answering phones?
9. What steps is the Agency taking to speed up its processing of tax returns? Please specifically note whether the agency prioritizes the processing of returns with refunds.
10. What is the status of IRS efforts to implement scanning technology, as recommended by the NTA?

Hiring Challenges:

11. How many contractors is the IRS currently utilizing? How do contractors factor into the IRS’ stated hiring goals for submission processing and accounts management positions?

We appreciate your consideration of these requests and attention to these issues.

Sincerely,