

# IR 2020-59: IRS People First

**IRS unveils new People First Initiative in response to COVID-19. Beginning on April 1, new initiative provides relief to taxpayers ranging from easing payment guidelines on installment agreements and Offers in Compromise to postponing certain compliance actions.**

April 1 through at least July 15 (suspension period), the IRS will be modifying the following activities:

**Existing installment agreements.** For taxpayers with an existing installment agreement, the IRS is suspending installment agreement payments during the suspension period; however, interest will continue to accrue on any unpaid balances. Furthermore, the IRS will not default any installment agreements during the suspension period.

**New installment agreements.** Taxpayers unable to fully pay their federal taxes can resolve outstanding liabilities by entering into a monthly payment agreement with the IRS. Taxpayers who need more information about setting up an installment agreement can find it here .

**Offers in compromise (OIC).** The IRS is taking several steps to assist taxpayers in various stages of the OIC process:

■ **Pending OIC applications.**

The IRS will allow taxpayers until July 15 to provide additional information the IRS requested to support a pending OIC. In addition, the IRS will not close any pending OIC request before July 15, 2020 without the taxpayer's consent.

■ **OIC Payments.**

The IRS is giving taxpayers the option of suspending all payments on accepted OICs

until July 15, 2020, although by law interest will continue to accrue on any unpaid balances

■ **Delinquent return filings.**

The IRS will not default an OIC for those taxpayers who are delinquent in filing their tax return for tax year 2018. However, taxpayers should file any delinquent 2018 return (and their 2019 return) on or before July 15, 2020.

■ **New OIC applications.**

Taxpayers facing a tax liability that exceeds their net worth may be able to resolve that liability using the OIC process, which is designed to resolve outstanding tax liabilities by providing a "Fresh Start." Taxpayers who need more information about offers in compromise can find it here.

**Non-filers.** Taxpayers who have not filed their return for tax years before 2019 should file their delinquent returns. According to the IRS, more than 1 million households that haven't filed tax returns during the last three years are owed refunds that they still have time to claim. Taxpayers should consider contacting a tax professional to consider various available options since the time to receive refunds is limited by statute. Once delinquent returns have been filed, taxpayers with a tax liability should consider taking the opportunity to resolve any outstanding liabilities by entering into an installment agreement or an OIC.

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**Field collection activities.** Field revenue officers will not initiate liens and levies (including any seizures of a personal residence) during the suspension period. However, “field revenue officers will continue to pursue high-income non-filers.”

**Automated liens and levies.** The IRS will not be issuing new automatic, systemic liens and levies during the suspension period.

**Passport certifications to the State Department.**

The IRS will not send new certifications to the State Department for taxpayers who are “seriously delinquent”(i.e. owe more than \$52,000 in taxes) during the suspension period. These “seriously delinquent” taxpayers are encouraged to request an installment agreement or, if applicable, an OIC to resolve their outstanding tax liability.

**Private debt collection.** The IRS will not send new delinquent accounts to private collection agencies to work during the suspension period.

**New field, office and correspondence audits.**

During the suspension period, the IRS generally will not start new field, office and correspondence audits. However, the IRS may start new audits when necessary to protect the government’s interest in preserving the applicable statute of limitations. Also, in instances where it’s in the best interest of both the IRS and the taxpayer, the IRS may move forward with a new audit during the suspension period on the understanding that COVID-19 developments could later reduce audit activities for an agreed period.

**Existing field, office and correspondence audits.**

The IRS has suspended in-person meetings for current field, office and correspondence audits.

However, where possible, IRS examiners will continue their audits remotely. The IRS asks taxpayers with open audits to respond to any requests for information from examiners that they have already received, and any that they may receive, if they are able to do so.

**Earned income tax credit and wage verification reviews.**

Taxpayers have until July 15, 2020, to submit verification to the IRS that they qualify for the Earned Income Tax Credit or verification of their income. These taxpayers should exercise their best efforts to obtain and submit all requested information, and if unable to do so, to reach out to the IRS indicating the reason such information is not available. Until July 15, 2020, the IRS will not deny these credits for a failure to provide requested information.

**Independent Office of Appeals (IOA).** Appeals employees will continue to work their cases during the suspension period. Although Appeals is not currently holding in-person conferences with taxpayers, conferences may be held over the telephone or by video conference. The IRS asks taxpayers with cases in IOA to promptly respond to any IOA requests for information.

**Statute of limitations.** The IRS will continue to take steps where necessary to protect all applicable statutes of limitations. In instances where a statute might expire during the suspension period, the IRS asks taxpayers to cooperate in extending such statutes. Otherwise, the IRS will issue Notices of Deficiency and pursue other similar actions to protect the government’s interests in preserving such statutes. Where a statutory period is not set to expire during 2020, the IRS is unlikely to pursue an extension or issue a deficiency notice until at least July 15, 2020.

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