

COMMITTEE ON WAYS AND MEANS

U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515

January 4, 2019

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

Dear Commissioner Rettig:

I write today concerning the impact of the lapse in government funding on the Internal Revenue Service ("IRS"), taxpayers, and the upcoming tax return filing season. I understand that the IRS furloughed nearly 70,000 IRS employees (87.5 percent of the workforce), ceased needed taxpayer services, and stopped issuing tax refunds during the government shutdown. These actions are causing undue hardship to American taxpayers and IRS civil servants.

Last year, the IRS announced on January 4th that it would begin accepting tax returns on January 29, 2018. Through April 27, 2018, the IRS processed about 130 million individual tax returns and issued nearly 100 million refunds worth \$275 billion. The then-average refund was about \$2,800. This is money families expect to receive in a timely fashion each year in order to pay for basic expenses like rent, food, and child care.


As the lapse in funding continues, I understand that there are additional, IRS-related hardships that taxpayers will experience, including the inability of lenders (such as mortgage companies) to obtain tax transcripts to verify incomes for loans. In an effort to understand the full effect of the lapse in government funding on the IRS, its workforce, and Americans and their families, please provide me with the following information by January 11, 2019:

1. The date when the IRS will begin accepting and processing individual tax returns. If the tax filing season will open after January 29, 2019, please provide the specific reason for the delay and the portion attributable to the lapse in government funding.

2. Please confirm whether the IRS will issue federal tax refunds at any time during government shutdown. If so, please provide the anticipated date when the IRS will begin issuing refunds.
3. A list of all functions that have been stopped or reduced during the lapse in funding. For functions that have been reduced, please provide the percentage of the reduction.
4. A statement as to whether the IRS will move to implement a filing season contingency plan for fiscal year 2019. If so, please provide the date of the move and when this contingency plan will be made public.
5. A statement as to whether the government shutdown has impacted the ability of the IRS to recruit and retain employees who perform filing season work, including temporary employees.
6. A statement as to whether the lapse in government funding has increased backlogs in responding to taxpayer correspondence or processing activities. If so, please provide a plan to address these backlogs going forward.
7. A description of how the lapse in funding has impacted the ability of the IRS to be prepared for what many expect to be a confusing tax filing season for Americans.

Given this is the first tax filing season to reflect the overhaul of the tax law, it is particularly important for both taxpayers and the Congress to understand the agency's current capabilities and anticipated challenges, including those related to the government shutdown. Thank you, in advance, for your prompt attention to this matter.

Sincerely,



Richard E. Neal
Chairman
Committee on Ways and Means