

CLIENT ALERT

IRS Temporarily Suspends Some Collection and Enforcement

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The IRS is temporarily suspending many collection and enforcement functions through at least July 15, 2020 as a result of the COVID-19 pandemic. The IRS's "People First Initiative" is intended to provide relief to individuals and businesses facing uncertainty over taxes. Some of the key provisions of the temporary suspension include the following:

- **Audits:** The IRS generally will not start new examinations through at least July 15, 2020; however, the IRS may begin new examinations where necessary to protect the government's interest in preserving the applicable statute of limitations, which continue to run during the pandemic.
- **Collection Activities:** Liens and levies also are suspended through at least July 15, 2020; however, the IRS will continue to pursue high-income non-filers and perform other similar activities where warranted.
- **Automated Liens and Levies:** New automatic, systemic liens and levies will be suspended during this period.
- **Private Debt Collection:** The IRS will not forward new delinquent accounts to private collection agencies through at least July 15, 2020.
- **Existing Installment Agreements:** For taxpayers under existing Installment Agreements, payments due between April 1 and July 15, 2020 are suspended. Taxpayers who are currently unable to comply with the terms of an Installment Agreement may suspend payments during this period. IRS will not default an Installment Agreement for nonpayment during this period; however, interest will continue to accrue on any unpaid balances.
- **New Installment Agreements:** The IRS will continue to process requests for new installment agreements.
- **Offers in Compromise (OIC):** The IRS will take several steps to assist taxpayers in various stages of the OIC process:
 - **Pending OIC applications** – The IRS will allow taxpayers until July 15, 2020, to provide requested additional information 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** – Taxpayers have the option to suspend all payments on accepted OICs until July 15, 2020, although 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 2018 tax returns. However, taxpayers should file any delinquent 2018 return (and their 2019 return) on or before July 15, 2020.
- **Office of Appeals:** IRS Appeals employees will continue to work their cases. Appeals is not currently holding in-person conferences; however, conferences may be held over the telephone or by videoconference.
- **Statute of Limitations:** The IRS will continue to take steps where necessary to protect applicable statutes of limitations. Where statute expirations might be jeopardized during this period, taxpayers are encouraged to cooperate in extending such statutes. Otherwise, the IRS will issue Notices of Deficiency and pursue similar actions to protect the interests of the government. Where a statutory period is not set to expire during 2020, the IRS is unlikely to pursue statute extensions or jeopardy assessments until at least July 15, 2020.
- **Non-Filers:** The IRS reminds people who have not filed their return for tax years before 2019 that they should file their delinquent returns. More than 1 million households that haven't filed tax returns during the last three years are actually owed refunds. Many should consider contacting a tax professional to consider various available options since the time to receive such 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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