

Grassley at Hearing on the 2020 Filing Season and IRS COVID-19 Recovery

Prepared Opening Remarks by U.S. Senator Chuck Grassley of Iowa

Chairman, Senate Finance Committee

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[VIDEO](#)

Commissioner Rettig, thank you for agreeing to testify on the 2020 tax filing season and the IRS' handling of the challenges posed by ongoing pandemic.

The 2020 filing season got off to its typical start at the end of January.

However, since then this filing season has been anything but typical.

As a result of the national health emergency stemming from the ongoing pandemic, almost all regular tax filing and tax payment deadlines have been extended.

This includes the individual and corporate income tax filing and payment deadlines, which were pushed back from the normal April 15th date to July 15th.

Despite these extended deadlines, the tax filing season continued, with many taxpayers still filing their taxes as usual to get a much needed tax refund.

At the same time, consistent with government shutdown orders and CDC guidance, the IRS limited much of its work to essential services, closed a number of facilities, and instituted telework policies where practicable.

This left the IRS short staffed during its busiest time of the year.

Understandably, that meant taxpayers experienced longer wait times to get their tax questions answered, more calls than usual went unanswered, and mail, including paper returns, went unprocessed.

Over the last couple of weeks the IRS has begun to reopen facilities and start back to normal operations.

Commissioner, I will be interested to learn more from you on how the reopening is proceeding and what actions are being taken to clear the backlog of taxpayer correspondence.

While the IRS has worked to keep up with its filing season duties, it also has been tasked with implementing a number of tax measures enacted by Congress to provide relief to individuals and businesses.

IRS and Treasury have worked nonstop to put out necessary guidance to help taxpayers navigate important provisions designed to help families make ends meet and provide businesses with needed liquidity to keep the lights on and employees on the payroll.

But even more daunting was the implementation of the rebates for individuals, often referred to as Economic Impact Payments.

IRS and Treasury worked at unprecedented speed to get payments out the door and in the hands of individuals and families forced to stay home due to the pandemic.

Over about a two-month span, nearly 160 million stimulus payments totaling almost \$267 billion were delivered by direct deposit, check, or pre-paid debit card.

The IRS took steps to get payments to as many eligible individuals as possible.

This included working with the Social Security Administration and the Department of Veterans Affairs to get payments to seniors, veterans, and individuals receiving certain federal benefits, with no need to file a tax return.

For others who typically do not file a tax return, the IRS established an on-line tool to register for the payment.

Over 6 million individuals and families took advantage of this tool to receive their Economic Impact Payment.

Commissioner Rettig, I want to thank you and your staff for working around the clock to get this much needed assistance in the hands of taxpayers during these difficult times.

All and all, I would say the IRS performed exceptionally well under the circumstances.

Of course, when you're tasked with processing 160 million payments in expedited fashion, there are bound to be some hiccups.

And there will always be Monday morning quarterbacks eager to criticize, even though we all know they couldn't have done it any better.

I am interested in getting your perspective on how the process has worked, what the IRS has learned, and what improvements could be made should this or a future Congress once again task IRS with administering stimulus payments.

Beyond the current filing season and the challenges posed by the pandemic, the IRS has been working to implement the Taxpayer First Act, which was enacted last year to modernize the IRS and beef up taxpayer protections.

The Taxpayer First Act calls on the IRS to institute a comprehensive customer service strategy, modernize its organizational structure, and implement an information technology strategy.

I look forward to hearing how the IRS is proceeding with these reforms and how the recent challenges may be informing your efforts.

Commissioner, thank you again for appearing before us today.

I appreciate your and your staff's commitment and hard work during these trying times.