

July 31, 2020

People First Initiative Ended on 7/15/2020

In response to the Coronavirus, the IRS announced the People First Initiative on March 25th. It provided temporary relief to taxpayers on various IRS installment agreements and IRS payment plans from April 1st through July 15th (covered period). The relief suspended most of the collection enforcement action and taxpayers who failed to make their payments due to economic hardship were not considered delinquent. The IRS will resume compliance activity after July 15th.

Installment Agreements

Throughout the covered period, taxpayers who experienced economic hardship were able to suspend their monthly payments without defaulting on their installment agreements. By law, interest continues to accrue on any unpaid balances. After the covered period expired, taxpayers were expected to resume their normally scheduled payments.



Offers in Compromise (OIC)

The IRS took numerous steps in assisting taxpayers with the various stages of the OIC process. For pending OIC payments, the IRS allowed taxpayers until July 15th to provide requested additional information to support their pending OIC. The IRS did not close any pending OIC requests before July 15th without the taxpayer's consent. Simultaneously, taxpayers had the option of postponing their payments on accepted OIC's; although, interest continued to accrue on any unpaid balances.



Liens and Levies

Issuance of tax liens, garnishments, bank levies, and seizure notices from both automated collections and field officers will resume on a case by case basis. Taxpayers can address their situation by contacting the revenue officer assigned to their case or fax their request to 855-796-4524 which is only to be used to address emergency levy requests.

Passport Certifications to the State Department

For seriously delinquent taxpayers with over \$53,000 in unpaid tax due, the IRS may issue certifications to the Department of State, which will prevent taxpayers from receiving or renewing passports. During the covered period, no new certifications were issued by the IRS.

Audits

During the Coronavirus, the IRS auditors have continued their examinations remotely when possible. After the covered period, the IRS will resume in-person examinations. The IRS may request that taxpayers extend the statute of limitation as the audit timetable was suspended. In which case the taxpayer will be contacted by the IRS.



Further FAQ's can be found on the IRS website:

<https://www.irs.gov/newsroom/people-first-initiative-faqs-general-information>

As the IRS resumes, we expect to see more compliance activities. Although IRS employees are advised to handle these hardship issues properly, the taxpayers may acquire additional assistance from experienced professionals to address their unique tax obligations.

If you are still being affected by the pandemic and need assistance with your tax situation, please let us know. We are here to guide you and your business through this unprecedented time.

GRIFFING & COMPANY, P.C.
One Sugar Creek Center Blvd., Suite 650
Sugar Land, TX 77478
(281) 491-8866 Fax (281) 491-8998
info@griffing.com
www.griffing.com

