



IRS POSTS INFORMATION ABOUT CHECK PROCESSING BACKLOG AND INCORRECT NOTICES

From the *Journal of Accountancy* by Alistair M. Nevius, J.D.

The IRS last Thursday, August 13 posted an update to the webpage that describes its operations during the COVID-19 pandemic. The page notes that the IRS is working through its correspondence backlog and is experiencing delays in processing paper returns, due to its limited staff.

Checks: The correspondence backlog includes checks that taxpayers have mailed to the IRS (either with or without a tax return). The IRS says that payments will be posted as of the date they received the check, rather than on the date the Service processes the check.

The IRS urges taxpayers whose check has not been cashed yet not to cancel the check. However, the Service is also providing relief from bad check penalties for dishonored checks that it received between March 1 and July 15, 2020. (Interest and penalties may still apply.)

Notices: The IRS has begun mailing backlogged letters and notices as it returns to normal operations. Many of these are mailed with past due payment or response dates. Instead of generating a new, correct notice, the IRS is including as an insert with the notice or letter a Notice 1052, Important! You Have More Time to Make Your Payment. That insert will provide the updated pay or response date.

The IRS says it has mailed over 20 million notices since early June with either the insert or with current dates. However, it reports that approximately 11,000 notices went out without the insert, and the Service is reaching out to the affected taxpayers.