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about half the IRS staff – around 35,000 workers -- will be told to stay home. The other half will still punch in.

Feb. 06, 2018

The shutdown of the federal government on January 20 only lasted two days. But another deadline is looming: Uncle Sam will close up shop again on Thursday, February 8, if Congress doesn't take further action.

And this time the impact for U.S. taxpayers would be greater than before because the shutdown would come during tax filing season.

[Where's My Refund? Chart Shows Estimated Dates for Receiving IRS Income Tax Refunds.]

When the government shuts down, it generally furloughs non-essential employees

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running. Of course, with fewer people in-house to handle the workload, things are bound to slow down.

But the major difference from the first shutdown is that the IRS began accepting 2017 returns, as scheduled, on January 29. Many early filers in February expect to get fast refunds – after all, that's often why they file early. Not only will refunds be delayed, if a shutdown drags on they cut be put on hold indefinitely because the government simply won't have the money to pay tax return filers.

Plus, the IRS won't be processing any 2017 tax returns filed on paper. They'll be gathering dust in a bin somewhere. What's more, refunds that are due for tax returns for tax years prior to 2017 – for example, refunds on amended returns – are also likely to languish.

Finally, some other IRS functions will come to a complete halt in the event of a shutdown, including audits, return examinations, processing of amended returns, taxpayer assistance centers and tax hotlines.

To complicate matters, the IRS is already dealing with a reduced budget and increased responsibilities. Former IRS Commissioner John Koskinen, who stepped down in November, has long complained about a lack of resources and National Taxpayer Advocate (NTA) Nina E. Olson just requested more support for the tax collection agency in her annual report to Congress. As the IRS begins to accommodate changes required by the new Tax Cuts and Jobs Act (TCJA), its resources will be stretched even further. Most TCJA provisions take effect in 2018.

The two-day shutdown in January was inconvenient for some U.S. citizens and a non-factor for many others. If the feds shut down the government for any significant length of time in in February, however, tax return filers can expect to feel the pain.

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