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the wherewithal to continue to voluntarily meet their tax obligation.

Jul. 09, 2020



As the July 15<sup>th</sup> filing and payment deadline approaches and the country continues to navigate new social norms, many taxpayers and tax preparers continue to struggle to calculate and pay tax bills and prepare and file tax returns.-The [American Institute of CPAs](#) (AICPA) submitted a letter to the Department of the Treasury and the Internal Revenue Service (IRS) strongly calling for more tax administrative and penalty relief.

In the letter, the AICPA urges the IRS to “act immediately to automatically waive failure to file and failure to pay penalties to the millions of taxpayers affected and working through the challenges created by the coronavirus.” The AICPA recommendations address the following areas:

- Penalty Relief

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One payment may enter into an agreement with the IRS to pay any balance in installments.

- *The AICPA recommends the IRS establish an expedited process to approve new installment agreements or modifications of existing installment agreements based on realistic and affordable payment arrangements for taxpayers impacted by the coronavirus.*

- Delay in IRS Collections

- Current state: If taxpayers do not pay their tax obligation in full at the time it is due, they generally will receive a series of escalating automated notices reminding them of the amount owed, including any penalties and interest accrued, and demanding payment. These notices precede the automated collection process, which continues until the account is satisfied, the case is transferred to a revenue officer or until the IRS is no longer able to legally collect the tax.
- *The AICPA recommends that the IRS continue to halt its automatic collections activities of liens and levies by at least an additional 90 days after July 15<sup>th</sup>. At that time, the IRS should reassess the appropriateness of re-establishing any collection activities.*

“The coronavirus pandemic has created a tremendous amount of hardship and uncertainty for taxpayers and their advisers, and for the IRS,” said AICPA VP of Taxation, Edward Karl, CPA, CGMA. “We are asking the IRS to do their part to help businesses and individual taxpayers by waiving penalties and delaying collections as the country begins the process of re-opening and operating in only a limited capacity.”

AICPA believes it is both necessary and appropriate to provide further compliance relief to those taxpayers that are truly impacted by the coronavirus and do not have the wherewithal to continue to voluntarily meet their tax obligation. The AICPA

provides up-to-date information, news and resources to navigate the COVID-19

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