

## IRS Shutdown

During the longest partial government shutdown in U.S. history, many IRS operations are inactive. About 70,000 IRS employees are furloughed (87.5% of its workforce), and most of those who are still on the job are working without pay. Although the IRS has announced that filing season will still open on time, and that tax refunds will be issued during the government shutdown, most other functions of the IRS are halted, including processing of transcripts, audits, and processing amended returns. Additionally, the IRS will not respond to taxpayer questions.

In recent days, the IRS has reopened its Income Verification Express Service (IVES) program, which is a user fee-based program which enables mortgage lenders and others within the financial services community to confirm a loan applicant's level of income. However, the normal 72-hour turnaround time for IRS to process these requests is expected to be somewhat longer.

The U.S. Tax Court is also out of operation during the government shutdown.

### Author's Comment

It is not clear at this time whether all tax refunds will be issued during the shutdown. While the IRS has announced that it will issue refunds, some refunds require additional verification, such as the refundable Earned Income Credit and the Additional Child Tax Credit. It is questionable if the IRS will be able to handle problems with filing returns that get rejected during the automated filing process, since some of these types of returns require human interaction. It may be advisable in some cases to delay filing returns until we get more guidance.