



DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Chapter I

IRS Review of Regulatory and Other Relief to Support Economic Recovery

AGENCY: Internal Revenue Service, Department of the Treasury.

ACTION: Request for comments.

SUMMARY: On May 19, 2020, the President signed Executive Order 13924, Executive Order On Regulatory Relief to Support Economic Recovery, to direct agencies to consider principles of fairness in administrative enforcement and adjudication and to consider rescinding, modifying, or waiving any regulations and other requirements that may inhibit the ongoing economic recovery from the Coronavirus Disease 2019 pandemic. In furtherance of E.O. 13924, this document invites members of the public to submit comments to the Internal Revenue Service concerning regulations and other requirements that can be rescinded, modified, or waived to assist business and individual taxpayers with the ongoing economic recovery from the Coronavirus Disease 2019 pandemic.

DATES: Comment due date: [INSERT DATE 45 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Interested persons are invited to submit comments in response to this notice according to the instructions below. All submissions should refer to the title of this document, IRS Review of Regulatory and Other Relief to Support Economic Recovery.

Submission of Comments: Taxpayers are strongly encouraged to submit comments electronically via the Federal eRulemaking Portal at www.regulations.gov (type IRS Review of Regulatory and Other Relief to Support Economic Recovery in the search field on the [regulations.gov](http://www.regulations.gov) homepage to find this notice and submit comments). Alternatively, taxpayers may mail comments to:

Internal Revenue Service
Attn: CC:PA: LPD:PR (IRS Review of Regulatory Relief) Room 5203
P.O. Box 7604
Ben Franklin Station
Washington, D.C. 20044

The IRS expects to have limited personnel available to process public comments that are submitted on paper through the mail. Any comments submitted on paper will be considered to the extent practicable.

Public Inspection of Comments: In general, all comments received will be available for public inspection on www.regulations.gov. Once submitted to the Federal eRulemaking Portal, comments cannot be edited or withdrawn.

FOR FURTHER INFORMATION CONTACT: Kevin Gillin, IRS Office of Chief Counsel, Procedure and Administration, (202) 317-5403.

SUPPLEMENTARY INFORMATION:

On May 19, 2020, the President signed Executive Order 13924, Executive Order on Regulatory Relief to Support Economic Recovery. Section 6 of the Order directs agencies to “consider the principles of fairness in administrative enforcement and adjudication” and consider rescinding, modifying, or waiving any regulations and other requirements that may inhibit the ongoing economic recovery from the Coronavirus Disease 2019 (COVID-19) pandemic “consistent with applicable law and as they deem appropriate in the context of particular statutory and regulatory programs and the policy considerations identified in section 1 of this order.”

Since the onset of COVID-19, and consistent with E.O. 13924, the Internal Revenue Service has taken numerous steps to adjust its compliance and enforcement practices to provide relief to individual and business taxpayers affected by the pandemic. The IRS has issued guidance in the Internal Revenue Bulletin designed to provide relief from statutory and regulatory requirements. In a series of Notices issued pursuant to I.R.C. § 7508A, the IRS postponed deadlines for filing tax returns and making tax payments and extended the deadlines

for other time sensitive acts. *See, e.g.*, Notice 2020-18, Notice 2020-20, and Notice 2020-23.

The IRS also provided regulatory relief such as in Notice 2020-25, which sought to maintain liquidity and stability in markets by expanding the circumstances and time periods in which a tax-exempt bond that is purchased by its state or local governmental issuer is treated as continuing in effect without resulting in a reissuance or retirement of the purchased tax-exempt bond.

In May, the IRS also announced its People First Initiative to pause compliance and enforcement activity with respect to millions of American taxpayers by suspending the issuance of liens and levies, suspending payment dates under installment agreements, and postponing the initiation of new compliance actions.¹ Most recently, the IRS announced additional relief options available to assist taxpayers experiencing financial difficulties which include abating penalties where appropriate, extending payment plans, expanding access to installment agreements, and providing relief for taxpayers having difficulty meeting the terms of previously accepted offers to settle tax debts.² The IRS facilitated taxpayer communication with the IRS by allowing the use of images of signatures and digital signatures by taxpayers on statements and forms collected by the IRS outside of standard filing processes and the transmittal of communications by electronic facsimile and other secure electronic means.³ The IRS set out procedures allowing taxpayers to electronically fax forms (new IRS Form 7200) seeking claims for advance payments of the family and sick leave credits provided for by sections 7001 through 7004 of the Families First Coronavirus Response Act, Pub. L. No. 116-127, 134 Stat. 178 (Families First Act)⁴ and claims for refund due to carryback of net operating losses and alternative minimum tax under sections 2303 and 2305 of the Coronavirus Aid, Relief, and

¹ <https://www.irs.gov/newsroom/irs-unveils-new-people-first-initiative-covid-19-effort-temporarily-adjusts-suspends-key-compliance-program>

² <https://www.irs.gov/about-irs/irs-offers-new-relief-options-to-help-taxpayers-affected-by-covid-19>

³ <https://www.irs.gov/pub/foia/ig/spder/nhq-01-0620-0002.pdf>

⁴ <https://www.irs.gov/instructions/i7200>

Economic Security Act, Pub. L. No. 116-136, 134 Stat. 281 (CARES Act) so that the IRS could expedite processing of these refund claims.⁵ To expedite taxpayer requests for pre-enforcement rulings, the IRS issued Revenue Procedure 2020-29 allowing taxpayers to submit requests for advice such as letter rulings by electronic means and encouraged taxpayers to seek expedited consideration of ruling requests if they faced a compelling need related to COVID-19.

Further supporting the relief from compliance and enforcement actions referenced above, the IRS continues to implement processes and procedures, consistent with the direction in section 6 of E.O. 13924, to promote fairness in administrative enforcement and adjudication. As part of its implementation of the Taxpayer First Act, Pub. L. No. 116-25, 133 Stat. 981 (TFA), the IRS adopted procedures designed to ensure the independence of the IRS Independent Office of Appeals (Appeals). Appeals is an independent function within the IRS that performs quasi-adjudicative functions by seeking to resolve a wide variety of disputes regarding enforcement of the Internal Revenue Code in a fair and impartial manner. *See* 26 U.S.C. 7803(e) (enacted by section 1001 of the TFA). These procedures, mandated by 26 U.S.C. 7803(e)(7)(A), provide most taxpayers with a copy of their administrative examination file prior to any hearing with Appeals. The IRS has also taken steps to ensure the independence of Appeals' determinations by, whenever possible, providing legal advice to Appeals from attorneys in the Office of Chief Counsel working independently from those who may have assisted in developing the case. *See* 26 U.S.C. 7803(e)(5)(A)(ii). To encourage transparency in the administrative process even before a case reaches Appeals, the IRS created a "Respond Directly" program that directs employees to provide access to open case files without requiring taxpayers to file a formal request under the Freedom of Information Act.

The IRS operates under an extensive regime of statutory provisions that ensure prompt and fair administrative enforcement. As required by section 1204 of the Internal Revenue Service Restructuring and Reform Act of 1998, Pub. L. No. 105-206, 112 Stat. 685 (RRA '98),

⁵ <https://www.irs.gov/newsroom/temporary-procedures-to-fax-certain-forms-1139-and-1045-due-to-covid-19>

IRS employee performance metrics and compensation structures incentivize excellence, accuracy, integrity, efficiency, and fairness in the application of the law by prohibiting the use of records of tax enforcement results to evaluate employees. RRA '98 also created new collection due process rights that provide notice to taxpayers and an opportunity for independent review by the Office of Appeals, as well as judicial review, of IRS enforcement decisions to file a Notice of Federal Tax Lien or undertake a levy action.

The IRS has also adopted principles that promote fair administrative enforcement. In a “Taxpayer Bill of Rights,”⁶ the IRS has outlined all of the rights provided in the Internal Revenue Code when dealing with the IRS, including the right to be informed, the right to challenge IRS determinations in an independent forum, and the right to a fair and just tax system. The Taxpayer Bill of Rights is prominently displayed as part of IRS Publication 1, Your Rights as a Taxpayer, which is regularly included with IRS correspondence with taxpayers.

The above is just a sample of the numerous actions taken by the IRS thus far to assist taxpayers affected by COVID-19. The IRS will continue to review all temporary actions taken in response to COVID-19, including those outlined above, to determine whether those actions should become permanent to promote economic recovery. The IRS also welcomes comments from taxpayers on additional measures that might assist those affected by the COVID-19 pandemic and further aid in the ongoing economic recovery from the pandemic.

Date: November 5, 2020

Sunita Lough,
Deputy Commissioner,
Services and Enforcement.

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⁶ <https://www.irs.gov/taxpayer-bill-of-rights>