

# Neal adds to pressure on IRS to extend tax filing deadline



BY AARON LORENZO | 03/08/2021 02:09 PM EST

House Ways and Means Committee Chair [Richard Neal](#) on Monday demanded that the IRS extend its traditional tax return deadline amid the ongoing coronavirus pandemic, adding pressure on the agency as a third tax preparers' organization also called for a delay.

“Facing enormous strain and anxiety, taxpayers need flexibility now,” Neal (D-Mass) said in a joint statement with oversight subcommittee Chair [Bill Pascrell](#) (D-N.J.). “We demand that the IRS announce an extension as soon as possible.”

Neal hadn't previously made the demand, though Pascrell did within a week of the IRS opening tax return filing season on Feb. 12. The current filing deadline is April 15.

The Covid-19 pandemic is continuing to have a broad impact on the IRS and taxpayers, and many could be affected by a tax break for unemployment benefits that Congress is on the verge of passing, the lawmakers said. They didn't suggest a date the IRS should move the deadline to, but last year the agency extended it until July 15.

To date, IRS Commissioner Chuck Rettig has resisted the growing pressure. He's said a delay would confuse taxpayers and further back up workflow at the IRS, which has been digging out from under a mountain of backlogged mail that has delayed some tax return processing and refunds from last year.

**Three's a crowd:** Meantime, the [National Conference of CPA Practitioners wants the IRS to extend the filing deadline to June 15](#), joining two other tax preparer organizations that were already pushing for a longer filing season.

Coronavirus conditions are hampering Individual and small business taxpayers' interactions with preparers, who are also helping clients navigate loan forgiveness and tax credits, avoid fraud, and deal with recent and pending changes in tax laws by Congress, the NCCPAP said in a letter Monday to Treasury Department and IRS leaders.

In addition to that group, the American Institute of CPAs previously asked the IRS to reset the deadline to June 15. The National Association of Tax Professionals has also requested a delay, though it didn't suggest an end date.

Neal and Pascrell's joint statement noted the coming tax exemption for up to \$10,200 in unemployment benefits for 2020. Senate Democrats passed the exemption over the weekend as part of the \$1.9 trillion [Covid-19 relief package](#), which the House is expected to pass later this week, followed by President Joe Biden's signature.

The tax break could mean some taxpayers will need to file amended returns if they've already filed their 2020 returns, since tax filing season started Feb. 12, later than the normal late-January start date.

Neal and Pascrell said taxpayers need more time to accurately file returns and get their questions answered by the IRS, whose phone service representatives are only answering about a quarter of the calls they're getting. Returns filed to the IRS were down 25 percent and the number of returns processed by the IRS was down by 31 percent at the end of February compared to last year, they said in expressing concern about the time crunch taxpayers face before April 15.

**Bleak forecast:** The NCCPAP letter warned that the difficulties facing tax preparers and clients won't have improved enough by April 15 — the normal due date for tax returns and tax payments for most individuals and many businesses — given that the most optimistic estimates show that only about 15 percent of the population has been fully vaccinated so far.

“That percentage will not grow nearly great enough by April 15th to reach ‘herd immunity,’” the group said.

It also criticized statistics on tax returns filed to date presented by the IRS, which show a sizable increase in the number of returns filed the opening week of this tax season over last year's first week. But that doesn't compare apples with apples, the group said said.

“There was a nearly three-week delay at the start of filing season 2021 and three weeks in a short filing season is a lifetime,” its letter said.

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