INTERNAL REVENUE SERVICE OPERATIONS (Report on May 27, 2020)

Correspondence/Returns Processing (as of May 16)

Backlogs: The IRS has an estimated <u>10 million pieces of mail to open and process</u>, including 4.7 million tax returns. The additional mail is a combination of taxpayer correspondence, information returns, payment vouchers/payments, etc.

Returns Processing: The IRS has approximately 4.4 million individual returns that are being processed and 1.4 million business returns in progress (one-third more than 2019).

Taxpayer Case Processing: The inventory of taxpayer correspondence, amended returns, and other paper receipts is projected to grow to approximately 3.9 million cases by July 15 (the extended tax return filing season). The IRS has 1.3 million taxpayer cases in inventory with an additional 1.1 million cases waiting to be scanned and expected receipts of 1.6 million cases through mid-July.

IRS Workforce

80,919 total IRS employees on board (including full-time, part-time, etc.) as of May 9;

23,979 employees on weather and safety leave;

47,176 employees teleworking; and

1,722 employees working onsite for at least 30 hours.

(The remainder of employees--8,042--were in another status, e.g., annual leave, sick leave, etc.)

IRS Activities/Functions

On June 1, the IRS will resume operations in Kentucky, Texas and Utah and recall employees with non-portable work related to mail and return processing; customer service and telephone assistance; case work, correspondence exams, taxpayer refund claims, and support services. The focus of employees reporting to the four Submission Processing Centers is on opening mail and depositing checks, as well as income verification requests.

Readiness of IRS Facilities

The IRS is taking a number of steps to ensure employee safety in our facilities, for example: enforcing social distancing; procuring 1.76 million disposable masks and 188,000 reusable masks; providing hand sanitizer at all facilities and limited quantities of disinfecting wipes (IRS is attempting to procure more); enhanced cleaning; and assessing the ability to modify HVAC operations to provide additional outside air and increase air exchange.

Tax Filing Season (through May 22)

Filed: 134 million returns filed (-6.2% from 2019)

Processed: 120 million returns processed (-14% from 2019);

E-Filed: 119 million e-filed returns (-7.1% from 2019)

Direct Deposit: 75 million direct deposit refunds (-15% from 2019)

Average Refund Amt.: nearly \$2,900 (similar to 2019)