

What are my Obligations While the IRS is Closed Due to the Federal Shutdown?

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There are rumors circulating in the media that taxpayer filing and payment obligations are currently on hold pending the Federal shutdown. **WRONG!**

The IRS announced last week, despite its limited resources during the shutdown, taxpayer obligations continue. These obligations must be met in a timely manner. There will be no extensions arising from the shutdown.

Individuals and businesses are required to file returns, pay taxes, make estimate tax payments, and make tax deposits in a timely manner as required by applicable law. The shutdown does not impact these obligations or the time frame in which to fulfill them. It does, however, create a few hiccups for tax advisors and their clients, including:

- The Service remains unable to issue refunds during the shutdown. Taxpayers in need of a refund are out in the cold.
- Despite statements that the office of the National Tax Advocate will remain open, Forbes staff member, Janet Novack, reports that the IRS has changed its mind and is now furloughing the National Tax Advocate, Nina Olson, and the 44 members of her staff. So, it appears, other than computer-automated assistance, help from IRS staff will be unavailable during the remainder of the shutdown.
- Automatic notices will continue to be generated by the IRS, but there will be no staff at the Service to assist taxpayers. If a taxpayer already paid an assessment or remedied a tax defect, it appears nothing can be done to stop continuing automated notices during the remainder of the shutdown.
- The IRS reports no new levies or liens will be filed against taxpayers during the shutdown, except for levies or liens which were originated before the shutdown. If a taxpayer had a bank account levied upon by the IRS before the shutdown, there appears to be nothing the taxpayer can do to obtain a release during the shutdown. If 21 days pass without a release, the funds will normally be turned over to the Service (without the opportunity to obtain a refund during the shutdown).

The IRS advises that taxpayers should do the following during the shutdown:

- Continue to timely file returns and pay taxes;

- Electronically file returns whenever possible;
- If a taxpayer needs a tax transcript during the shutdown, they should go to www.irs.gov and use the automated system. It will typically take 5-10 calendar days to receive the tax transcript;
- Be aware, the IRS has stated that it is still taking enforcement action in limited situations during the shutdown (e.g., where the collection statute of limitations is about expire); and
- IRS criminal investigations continue. Employees in the Criminal Investigative Division of the IRS were not furloughed.

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