Congressional Update

News for members of Congress and their staffs – October 2022

Helpful information to share with people who still need to file a 2021 tax return

This year, it's especially important for individuals to electronically file a complete and accurate 2021 tax return any time before the October deadline, even if they requested a filing extension. They should not mail a paper return if they don't have to.

The IRS is continuing to process a high volume of returns and expects taxpayers to file millions more 2021 tax returns around the Oct. 17 extension deadline. Filing electronically is fast, secure, convenient and the best way to avoid errors. Using e-file helps the IRS process returns, apply tax payments and issue refunds faster.

The one-page flyers below are available in the eight languages noted. Please share with your constituents.

- Publication 5651, Still need to File a 2021 Tax Return? (English Version)
- Publication 5651 (sp), Still need to File a 2021 Tax Return? (Spanish Version)
- Publication 5651 (vie), Still need to File a 2021 Tax Return? (Vietnamese Version)
- Publication 5651 (zh-s), Still Need to File a 2021 Tax Return? (Chinese-Simplified Version)
- Publication 5651 (ru), Still need to File a 2021 Tax Return? (Russian Version)
- Publication 5651 (zh-t), Still Need to File a 2021 Tax Return? (Chinese-Traditional Version)
- Publication 5651 (ht), Still need to File a 2021 Tax Return? (Haitian Creole Version)
- Publication 5651 (ko), Still Need to File a 2021 Tax Return? (Korean Version)

IRS Free File available through Oct. 17, but taxpayers shouldn't wait to file 2021 returns

Taxpayers who've not yet filed their 2021 tax return should electronically file a complete and accurate return when they're ready, rather than waiting until the last minute. For taxpayers who want to prepare their own tax return, IRS Free File remains available through the Oct. 17, 2022, extension deadline.

IRS Free File is available to any person or family with adjusted gross income of $73,000 or less in 2021. The fastest way filers can get a refund is by electronically filing an accurate return and selecting direct deposit. There are eight Free File products available in English and two in Spanish.

The Free File program gives eligible people an opportunity to file their taxes and claim the 2021 recovery rebate credit, the child tax credit, the earned income tax credit and

other valuable credits they may qualify to receive. Taxpayers can also use Free File to claim their remaining child tax credit or any advance payments they were eligible for and didn't get in 2021.

Additionally, IRS Free File users can use IRS Direct Pay or other electronic options to submit their tax payment if they owe taxes.

Free File in four easy steps:

1. Gather all necessary documents and income statements that support deductions and credits. Taxpayers should complete and e-file their tax return **only** when they have all their income and deduction statements.
2. Go to the Free File page of IRS.gov to see all filing options.
3. Use the "Online Look Up" tool to find the right Free File product or use the "Browse All Offers" tool to review all options. Each IRS Free File partner sets its own eligibility standards, which are generally based on income, age and state residency.
4. Select an IRS Free File provider and follow the link to their webpage to begin a tax return.

As an alternative, Free File Fillable Forms are electronic federal tax forms available to everyone, regardless of income. However, only people who are knowledgeable and comfortable preparing their own tax return should use them.

Special options for the military

The Department of Defense offers MilTax as a free tax filing resource for members of the military community, including qualifying veterans and family members. There are no income limits. MilTax includes tax preparation and electronic filing software, personalized support from tax consultants and current information about filing taxes. It's designed to address the realities of military life, including deployments, combat and training pay, housing and rentals, and multi-state filings. Eligible taxpayers can use MilTax to electronically file a federal tax return and up to three state returns free.

Active duty military members stationed in combat zones have more time to file their tax returns. However, those with spouses and families may choose to file as soon as they can to claim various tax benefits for which they may be eligible. If only one spouse is present to file a joint return, they must have proper authorization to file a joint tax return on behalf of their spouse. The IRS website has more tax information for members of the military.

Other electronic filing options

Commercial software uses a question and answer format that makes doing taxes easier. Taxpayers sign e-filed returns electronically using the Self-Select PIN or prior-year adjusted gross income. Generally, tax software automatically enters the information for returning customers. Taxpayers using a software product for the first time may have to enter the information manually. An IRS-approved electronic channel securely transmits the return and checks it for mistakes. If the IRS finds easy-to-fix mistakes, like a math error or an incorrect Social Security number, it sends the return immediately back to the

taxpayer to correct before resubmitting it. This saves time and prevents a simple mistake from holding up the tax refund.

Tax professionals accepted by the electronic filing program are qualified to prepare, transmit and process e-filed returns. The Authorized IRS e-file Provider database is a nationwide listing of all businesses which have been accepted to participate in the IRS e-file program.

Join the cause and become an IRS volunteer

The Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) programs are currently recruiting certified volunteers to help taxpayers file their tax returns free for the upcoming tax season.

Volunteers receive specialized training and can choose from a variety of volunteer roles to serve, including greeter, tax preparer and interpreter. VITA and TCE sites provide the option for volunteers to help taxpayers face to face or virtually. Virtual roles allow volunteers to safely help taxpayers complete their returns over the phone or online.

The VITA and TCE programs help return millions of dollars to communities, while enhancing the customer service skills of those who volunteer. The IRS and its network of partners encourage people to join the cause and make a difference in communities across the country to help millions of taxpayers file their federal tax returns free. Please encourage your constituents to visit IRS.gov/volunteers to learn more and sign up. Once signed up, volunteers will receive the information needed to attend a virtual orientation.

Find disaster tax relief information

Taxpayers can find disaster tax relief information including the most recent tax relief provisions for those affected by disaster situations on the Tax Relief in Disaster Situations page on IRS.gov. See FAQs for Disaster Victims for information about the definition of an affected taxpayer.

With hurricane season upon us, the IRS urges everyone to develop an emergency preparedness plan, or if they already have one, update it for 2022 to prepare for natural disasters.

Everyone, from individuals to organizations and businesses, can start now by:

- Securing and duplicating essential tax and financial documents.
- Creating lists of property.
- Knowing where to find information once a disaster occurs.

In the aftermath of a disaster, having the information listed above can help victims apply for the relief available from the IRS and other agencies. Disaster assistance and emergency relief may help taxpayers and businesses recover financially from the impact of a disaster, especially when the federal government declares their location to be a major disaster area.

A Closer Look: Streamlining Form 1023 - A Success Story

The IRS published the latest executive column, "A Closer Look," which features Commissioner, Tax Exempt and Government Entities (TE/GE) division, Sunita Lough. In it she discusses the past, present and future of the Form 1023-EZ, which the IRS launched in 2014 to help small charitable organizations seeking federal tax-exempt status.

"Form 1023-EZ has reduced the burden on the smallest organizations applying for tax-exempt status and increased the efficiency of the Exempt Organization division's operations," said Lough. "In TE/GE, we are committed to succeeding in our mission to provide our customers with top quality service by helping them understand and comply with tax laws and to protect the public interest by applying the tax law with integrity and fairness to all." Read more here. Read the Spanish version here.

Aspiring entrepreneurs: Learn the basics of setting up a business

New entrepreneurs can start out on the right foot by making sure they understand the tax responsibilities of running a business. The process can seem daunting, but IRS.gov has resources to help new business owners.

The basics include:

- Applying for an employer identification number
- Choosing a business structure
- Choosing a tax year

IRS Spotlights Facts About Criminal Investigation

10 Things you didn't know about IRS Criminal Investigation (CI)

1. CI is the 6th largest federal law enforcement agency with approximately 2,100 special agents and 900 professional staff.
2. CI is the only federal law enforcement agency with jurisdiction over tax-related crimes like tax evasion.
3. CI was originally created in 1919 as the Intelligence Unit.
4. CI provided essential information to locate the person who kidnapped Charles Lindbergh's baby.
5. CI investigated Al Capone for tax evasion. After Capone's conviction, tax collection more than doubled in the Chicago area.
6. CI investigated mobster John Gotti in the 1990s, which led to his conviction on tax evasion charges.
7. CI has worked cases involving the most dangerous drug kingpins. A CI special agent famously infiltrated Pablo Escobar's cartel as a money launderer.

8. CI special agents traced money that Saddam Hussein hid across Iraq and helped trace Osama bin Laden's financial network to combat his terrorist activities.
9. CI special agents began a tax case, which later evolved into one of the biggest corruption investigations into the international soccer organization, FIFA.
10. CI identified over $10 billion in tax fraud and other financial crimes in fiscal year 2021 alone.

Below are the links to IRS Criminal Investigation recent cases

- Myrtle Beach family members sentenced to federal prison for tax-related coronavirus fraud scheme
- Arizona and California men sentenced for 20 million dollar investment fraud
- San Bernardino County man sentenced to 14 years in federal prison for multimillion-dollar investment fraud and cheating on his taxes
- Former San Francisco Public Works director sentenced to seven years in federal prison
- San Diego attorney sentenced for $500,000 tax fraud with former Chabad of Poway Rabbi Goldstein

For the latest on IRS-CI cases, follow on Twitter @IRS_CI or via the IRS-CI LinkedIn page.

IRS Tax Tips: Helpful taxpayer information on a variety of topics

- How extension filers – and everyone else – can get tax help fast
- Know what's deductible after buying that first home, sweet home
- Help wanted? Businesses that are hiring should know about the work opportunity tax credit
- Don't be an easy mark: What every tax pro should know about identity theft
- People should donate carefully after a disaster to avoid scams
- After disaster strikes, getting copies of important records can help people rebuild their lives

Additional information on IRS.gov

- Plug-in Electric Drive Vehicle Credit at a Glance
- Help for taxpayers and tax pros: Tax season alerts and planning ahead for 2023
- YouTube video: Reminders for Extension Filers
- Accessing the IRS - Understanding the Identity Verification Process (irsvideos.gov)
- Recovery Rebate Credit
- Get An Identity Protection PIN (IP PIN)
- Where's My Refund?
- IRS Tax Topic – Refund
- The Child Tax Credit helps families with qualifying children get a tax break and you may be able to claim the credit even if you don't normally file a tax return
- Taxpayers who haven't yet filed their tax return still have time to file to get their full Child Tax Credit. Visit ChildTaxCredit.gov for details

- Get up-to-date status on affected IRS operations and services during COVID-19
- Tax relief in disaster situations

Help on IRS.gov

Filing – Payments – Refunds – Credits and Deductions – Forms and Instructions – Tax Questions

IRS in other languages

Basic tax information is available in 21 languages, including English.

IRS on social media

YouTube – Twitter – Instagram – Facebook - LinkedIn

IRS2Go is the official mobile app of the IRS, available in both English and Spanish.

The *IRS Congressional Update* is a monthly newsletter prepared by IRS Legislative Affairs. For information on resolving taxpayer account issues, visit the Taxpayer Advocate Service.