

United States Senate  
WASHINGTON, DC 20510

April 13, 2022

The Honorable Charles P. Rettig  
Internal Revenue Service  
1111 Constitution Avenue, N.W.  
Washington, D.C. 20224

Dear Commissioner Rettig:

Thank you for the IRS's recent progress in recognizing and responding to the highly distressing customer service experiences that taxpayers are reporting throughout the nation. I understand that the IRS is facing an unprecedented paper filing backlog due to chronic underfunding and the COVID-19 pandemic. However, as the annual individual tax filing date of April 15 approaches, the IRS has failed to answer my constituents' calls, sent my constituents erroneous penalty notices based on outdated filings, and left small businessowners seeking pandemic aid in limbo. The IRS can and must do better for the people of Maine.

Before providing you with casework examples from my office as to how the IRS is negatively impacting my constituents, I would be remiss if I also did not acknowledge the outstanding staff in Maine at the Tax Payer Advocate Service ("TAS"). Despite their continued need for additional staff, a limit on what cases they can take, and their own backlog in cases, the Maine TAS staff continually keep open communications with my staff and work tirelessly to address taxpayer needs as professionally and expeditiously as possible.

With this letter, I share with you some of my constituents' interactions with the IRS. I urge you to use recently increased taxpayer services funding – funding that I have championed for years – to rapidly and substantially improve IRS service for Maine people.

As you know, it is nearly impossible to pose questions to the IRS by phone. While my staff can attempt to provide advocacy through other means – whether through TAS or even the Pine Tree Legal Tax Assistance program – I have heard from a number of justifiably frustrated Maine taxpayers who cannot receive simple answers from the Service over the phone. The IRS must do better in fulfilling this basic function.

In addition to not being able to reach the IRS by phone, my constituents have received notices from the IRS that are erroneous due to their reliance on outdated paper filings. One Maine small business owner reached out to me and shared dire consequences that they are facing due to IRS inaction. Last tax season, they followed instructions and took an end-of-year credit for one \$600 Economic Impact Payment that they had not received. They filed by paper. Apparently, when the filing was converted to electronic format, the handwritten deduction did not transfer. They received a demand letter for \$451. They have responded multiple times, providing paper copies of their returns. The IRS has not rectified the issue – instead, the Service notified my constituent

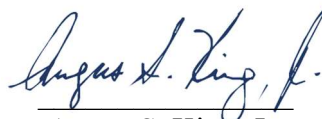
by letter of its intent to seize my constituent's property for unpaid taxes. As my constituent's example shows, the IRS's paper return backlog is unacceptably putting Maine people in jeopardy.

The backlog also has deprived small businesses of pandemic economic relief that they have needed for many months. While I applaud IRS efforts to scrutinize Employee Retention Tax Credit returns for any anomalies given the potential for fraudulent payments, I am concerned by reports from Maine constituents that there seems to be no orderly process for issuance of these credits. One Maine restaurant claimed that they did their first filing on May 14, 2021 and an amended filing in October. They have heard nothing back from IRS. However, the constituent has a partner who owns a restaurant in Florida and who filed 4 months after they did. The Florida restaurant owner has already received their credit. While I understand that filing an amended return in normal times may take up to 20 weeks to process, it is unacceptable for the IRS to leave my constituent without even a status update since May.

These examples highlight the type of stories that small businesses as well as individuals are facing in Maine. Many people rely on timely tax refunds and credits to meet their needs for housing, repairs, and basic necessities in what are very stressful times. Adding to that stress with the inability to obtain timely and accurate tax information is unacceptable.

Through the recent omnibus appropriations bill, my colleagues and I in Congress voted to give the IRS more resources to make customer service better for our constituents. Now, I urge you to use the additional Taxpayer Services funding that we appropriated to ensure that Maine people never again face the confusion and jeopardy that they now encounter when dealing with the IRS. Thank you for your consideration and action.

Sincerely,

A handwritten signature in cursive script that reads "Angus S. King, Jr." The signature is written in dark ink and is positioned above a horizontal line.

Angus S. King, Jr.  
United States Senator