

Congress of the United States
House of Representatives

COMMITTEE ON OVERSIGHT AND REFORM
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October 26, 2020

The Honorable Charles P. Rettig
Commissioner
Internal Revenue Service
1111 Constitution Avenue, N.W.
Washington, D.C. 20224-0001

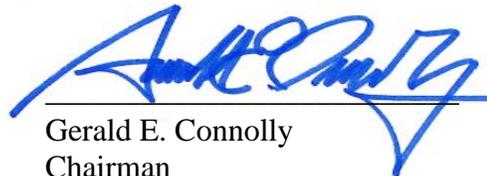
Dear Commissioner Rettig:

Enclosed are post-hearing questions that have been directed to you and submitted to the official record for the hearing that was held on Wednesday, October 7, 2020, titled "IRS in the Pandemic."

To ensure a complete hearing record, please return your written response to the Committee on or before November 9, 2020, including each question in full as well as the name of the Member. Your response should be addressed to the Committee office at 2157 Rayburn House Office Building, Washington, D.C. 20515. Please also send an electronic version of your response by email to Amy Stratton, Deputy Clerk, at Amy.Stratton@mail.house.gov.

Thank you for your prompt attention to this request. If you need additional information or have other questions, please contact Elisa LaNier, Chief Clerk, at (202) 225-5051.

Sincerely,



Gerald E. Connolly
Chairman
Subcommittee on Government Operations

cc: The Honorable Jody B. Hice, Ranking Member

**Questions for Mr. Rettig
Commissioner, Internal Revenue Service
Questions from Chairman Gerald E. Connolly**

October 7, 2020, Hearing: “IRS in the Pandemic”

1. The Internal Revenue Service (IRS) coordinated and used data from the IRS, the Department of Veterans Affairs, the Social Security Administration, and the Railroad Retirement Board to disperse Economic Impact Payments (EIP) to those who are eligible. Why were data not obtained from the Department of Health and Human Services or the Department of Agriculture to include recipients of Medicaid and SNAP benefits whose information might not otherwise be captured in other datasets?
2. To enable improved outreach to remaining eligible households, will the IRS release data by ZIP code that shows areas where many eligible people have not received an EIP?
3. The IRS sent nearly 9 million letters in September to people who may be eligible for the \$1,200 EIP but who do not normally file a tax return. How many of these individuals have yet to register their claim for an EIP?
4. It has been reported that tax year 2020 filing systems testing will be conducted later than usual, sometime in December. Is this report true, and, if so, will the IRS be able to start e-filing in the month of January?
5. Following a recent court order and preliminary injunction requiring the IRS and Treasury Department to stop withholding stimulus checks solely on the basis of incarceration status, is the IRS reconsidering prior denials of stimulus check applications based on an individual’s incarceration status?
6. What is the penalty for an individual who does not report their unemployment insurance (UI) as earned income on their next tax return?
7. The IRS extended the deadline for non-filers to claim an EIP through the online Non-Filers tool. Many incarcerated individuals are not allowed access to a computer. What will the IRS be doing to assist these individuals in claiming their EIP?
8. What organizations and businesses is the IRS partnering with to ensure effective stakeholder outreach to individuals who are eligible for an EIP who might not be aware of the extended application deadline?
9. The Office of the Taxpayer Advocate reported that the filter paper-based tax refunds are run through has a 50 percent false positive rate in detecting identity

theft or other types of fraud. These false positives result in both additional work hours and delayed tax return processing. Why does the IRS not have a system that is much more effective than 50/50?

10. Before the coronavirus pandemic, did the IRS have a plan to ensure the continuity of taxpayer services if all IRS locations were affected by a national emergency?
11. What testing has the IRS performed to ensure the Non-Filers tool is designed with the end-user in mind? Of those who start filling out the form, how many complete it? Does the IRS know which parts of the form seem the hardest for users to complete?
12. How often does the IRS test its website and forms for usability and customer satisfaction? When the IRS receives information or feedback on difficulties with online websites or forms, what steps does the IRS take to improve those hurdles?
13. Past disaster-related statutory provisions have allowed individuals who are eligible for the Earned Income Tax Credit (EITC) to access their previous year's earnings to demonstrate their EITC eligibility. Would a similar or identical provision be helpful to individuals who might qualify for EITC during the pandemic?
14. Could you provide the audit rate for individuals in 2010 with the audit rate in 2019 for the following: (1) individuals reporting less than \$25,000 and claiming the earned income tax credit and (2) individuals reporting \$1 million or more. Which rate has declined by more and why?
15. With respect to Families First Coronavirus Response Act (FFCRA) emergency paid sick and family leave, your testimony says "The amount of this credit claimed on returns processed thus far is more than \$296 million," but provides no additional information to help the committee understand how to evaluate this figure.
 - a. Please provide the total amount claimed for both the refundable and nonrefundable portions of the credit.
 - b. Please provide the total for each quarter by credit type (refundable and nonrefundable) in which these claims were paid out.