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National Taxpayer Advocate Erin Collins discusses IRS technology, budget and backlog

*Collins led one-hour Q&A session at NATP's 2023 TaxCon virtual education event*

APPLETON, Wis. (Dec. 20, 2022) – The [National Taxpayer Advocate](#) Erin Collins joined the National Association of Tax Professionals (NATP) during its annual virtual [TaxCon](#) education event to lead a Q&A session where she shared updates and insights on the IRS's new \$80 billion budget, advancing technology and the backlog of still more than 13 million returns.

Collins began her session by discussing the state of the IRS and its current proposed plans to use the \$80 billion budget to help improve service and technology. Collins said she is very optimistic that impactful changes will be made after working with IRS officials. Funds have been allocated to hire customer service representatives, but the main issue is finding people to fill those positions.

“As you’re aware, the IRS has been functioning on a first-in-first-out [basis],” Collins said. “So, until they close out those prior returns in whatever group they’re in...they’ll process the old ones before they get to any potential new ones. So, the IRS really must get through the backlog as soon as possible so that we can move quicker in the next filing season. We still have millions and millions of returns sitting in suspense waiting for final processing.”

The IRS's backlog of returns was a theme that kept coming up. Collins said she estimated there were still 13 or 14 million returns that need to be processed and 5 million pieces of correspondence relating to the filing season still waiting to be processed.

“From what I’m hearing when I go out and meet with taxpayers and tax professionals, there are some bad actors out there that are pushing the limits [of tax credits], and as a result, the IRS is really scrutinizing the credits... which has really slowed down the process,” Collins said.

An online portal for taxpayers and tax professionals to view and download their forms, notices, etc., may also be in the works, Collins shared, leading to a hopeful decrease in phone calls to the IRS, which takes time away from processing returns.

“Until [the IRS] can get through them, a lot of the challenges are associated with late and erroneous notices, which increases the call volumes,” Collins said. “It’s a real challenge that the IRS is trying to manage. On the other hand, there’s a lot of pressure to make sure they start the collection process and make sure that they get the funds in the door that Congress has required them to do.”

Collins shared that the IRS is tentatively planning on rolling out notices over three to four weeks this tax season rather than all at once so taxpayers are not inundated with notices. These notices are still going to taxpayers as those returns are filed, but subsequent notices are



suspended. This led to a more involved discussion of online accounts and Collins' wishes for a future system.

"If I had my way with respect to online accounts, I would like it to be basically everything you would get in a financial institution, plus some," Collins said. "So not only would you be able to see a tax return, you could see your transcripts, your W-2s and more. You should also be able to download that W-2 directly into whatever software you use. These things the IRS says are doable and on the short list to be done with respect to the additional funding, which I'm very happy about."

Collins added that tax preparers should establish online accounts and encourage their clients to establish online accounts because she anticipates that within the next two years, this technology might be available.

"TaxCon attendees found Erin's presentation enlightening and were happy to finally receive insight on some of the questions we've all been asking about the inner workings of the IRS and its plans," said Larry Gray, NATP's government relations liaison and co-host of Collins' TaxCon session.

TaxCon, NATP's year-end online education event designed to help tax professionals prepare for the upcoming tax season, took place this year on Dec. 13-15, 2022. Registration for the event is included with NATP Premium level membership and with registration for NATP's in-person tax education event [Taxposium](#).

To view the whole discussion in Collins' session, please contact [Nancy Kasten](#) or [Samantha Strong](#). Please note, this video is not to be redistributed for promotional purposes.

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**About NATP:** The National Association of Tax Professionals (NATP) is the largest association dedicated to equipping tax professionals with the resources, connections and education they need to provide the highest level of service to their clients. 23,000 members rely on NATP to deliver professional connections, content expertise and advocacy that provides them with the support they need to best serve their clients. The NATP headquarters is located in Appleton, WI. To learn more, visit [www.natptax.com](http://www.natptax.com).

**Are you looking for a tax expert?** Tom O'Saben, EA, is the director of tax content and government relations at the National Association of Tax Professionals (NATP). Tom is available for phone or video interviews to discuss federal tax topics including tax law change and its implications, taxpayer issues, tax preparer regulation and more. To schedule an interview with O'Saben, contact [nkasten@natptax.com](mailto:nkasten@natptax.com).