



December 7, 2020

The Honorable David J. Kautter
Assistant Secretary (Tax Policy)
Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

The Honorable Charles P. Rettig
Commissioner
Internal Revenue Service
1111 Constitution Avenue, NW
Washington, DC 20224

RE: Relief from Coronavirus Related Penalties

Dear Assistant Secretary Kautter and Commissioner Rettig:

The Coronavirus Disease 2019 pandemic (commonly known as “Coronavirus”) has created unique challenges for the Internal Revenue Service (IRS), taxpayers and tax professionals alike. The organizations signed onto this letter are in a distinctive position to understand those challenges. The reality is that for many Americans, the global pandemic has created obstacles preventing many taxpayers and their advisors from timely filing returns or making timely payments despite their best efforts. Additionally, the IRS sent mistargeted notices resulting from their inability to process some timely filed returns and timely paid taxes. Indeed, the current state of the IRS, including a reduced workforce, mail backlog, and premature compliance actions call attention to the situation.

A concerted effort to address these problems is needed as we are all, unfortunately, facing illness, death, economic hardships or other Coronavirus related tests. We, therefore, ask the IRS and the Department of the Treasury to:

- Provide targeted penalty relief through the creation of an expedited and streamlined reasonable cause penalty abatement process to taxpayers affected by the Coronavirus pandemic that eliminates the need for written requests;
- Develop specific Coronavirus examples, for impacts on both taxpayers and tax professionals, where the taxpayer can self-certify that they qualify for reasonable cause abatement¹ and share these examples with all telephone assistors through interim guidance; and

¹ Similar to Rev. Proc. 2016-47 regarding the failure to rollover IRA withdrawals within 60-days.

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- Develop a dedicated telephone number, or dedicated prompt, for taxpayers or their advisors to call to request Coronavirus-related penalty relief.

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We are committed to working together on positive tax administration practices that not only help taxpayers and tax professionals but also the IRS during these challenging times.

Sincerely,

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American Institute of CPAs (AICPA)

National Association of Enrolled Agents (NAEA)

National Association of Tax Professionals (NATP)

National Conference of CPA Practitioners (NCCPAP)

National Society of Tax Professionals (NSTP)

Padgett Business Services