

[Latham & Watkins Tax Practice](#)

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COVID-19: IRS Announces Further Taxpayer Relief With “People First Initiative”

News release details operational changes and additional administrative relief for taxpayers facing uncertainty due to COVID-19.

Key Points:

- The IRS is prioritizing taxpayer and IRS personnel safety and security with reasonable, flexible, and evolving operational changes and administrative relief measures.
- Administrative relief measures announced by the IRS will suspend installment payment obligations, lien/levy and other specified collection activities, and the initiation of most new audits through July 15, 2020. These measures supplement certain tax return filing and payment deadline extensions announced in Notice 2020-18, which are described in [Client Alert 2641](#).
- The IRS Examination Division (Exam) and Independent Office of Appeals (Appeals) will not hold in-person meetings, but will continue to work existing cases remotely. Taxpayers should continue to respond to information requests if feasible.
- The IRS will continue to protect statutes of limitation — including by issuing statutory Notices of Deficiency, if necessary.

IRS People First Initiative

On March 25, 2020, the IRS announced the “People First Initiative,” which recognizes the need for IRS administrative relief measures to help individuals and businesses facing uncertainty due to the COVID-19 pandemic.¹ Pursuant to the initiative, the IRS will temporarily modify certain enforcement and compliance activities beginning on April 1, 2020 and continuing initially through July 15, 2020 (the relief period). The news release describes certain immediate tax collection and enforcement relief, provides updates on the operations of IRS Exam and Appeals, and promises additional guidance in the near future.

- **No New Field, Office, and Correspondence Audits:** The IRS generally will not start new field, office, or correspondence examinations. If a taxpayer desires to begin an examination — for

instance, while people, records, and staff capacity are available — the taxpayer may so request, and the IRS will oblige if doing so is in the best interest of both parties.

- **Statutes of Limitations:** The IRS will continue to protect all applicable statutes of limitations (the period during which the IRS can lawfully examine and assess additional taxes). The IRS encourages taxpayers to cooperate in extending statutes by consent; otherwise, the IRS will take necessary steps to protect the interests of the government. Those steps may include starting a new examination or issuing a statutory Notice of Deficiency, which triggers the period for a taxpayer to seek relief in the US Tax Court and, absent a Tax Court petition, results in assessment. For statutory periods not set to expire during 2020, the IRS is unlikely to pursue such actions until at least July 15, 2020.
- **IRS to Continue Processing Refund Claims:** The IRS will continue to process refund claims as possible, without in-person contact.
- **Suspension of In-Person Meetings:** In-person meetings will be suspended during the relief period for both examinations and Appeals conferences. As possible, IRS personnel will continue to develop cases by working with taxpayers remotely, including via telephone or videoconference. Taxpayers are encouraged to respond to any requests for information they have already received — or may receive — during this period.
- **Suspended Activities:** The following activities will be suspended during this period:
 - Obligations on existing installment agreements
 - Liens and levies — both automatic/systemic and revenue officer-initiated (except for those involving high-income non-filers)
 - Forwarding of new delinquent accounts to private collection agencies
 - New passport certifications to the Department of State for taxpayers who are “seriously delinquent” (which would normally prevent taxpayers from receiving or renewing passports)

Taxpayer Tips

- **Deadlines not affected by relief measures:** Unless specifically covered by recent IRS guidance, taxpayers should endeavor to meet all existing deadlines for responses and submissions to the IRS. In the case of certain statutory and regulatory deadlines, failure to do so may result in forgoing important taxpayer rights. These circumstances include, for example, the filing of refund claims, Tax Court petitions, and notices of appeal, and similar obligations that trigger administrative rights, such as the filing of protests seeking review in Appeals. See [Client Alert 2641](#) for Latham’s analysis of recent tax return filing and payment deadline extensions announced in Notice 2020-18.
- **Keep IRS communication channels open:** IRS Examiners, Appeals Officers, and Counsel continue to work their cases, albeit remotely. Taxpayers and practitioners should remain in contact with IRS representatives. The IRS’s governing philosophy during this crisis appears to be one of reasonableness and taxpayer accommodation, so clear and prompt communication with IRS counterparts is recommended should a taxpayer face challenges responding to requests or meeting deadlines.
- **State-level policies:** As federal tax guidance emerges, the rules for state and local tax compliance are emerging as well, and these rules may vary from the measures implemented by

the IRS. Taxpayers are advised to check applicable state and local websites for up-to-date information on changes to filing and payment deadlines, as well as to tax administration generally during the period of the COVID-19 pandemic.

Ongoing IRS Response to COVID-19

To date, the IRS has exhibited reasonableness, flexibility, and responsiveness to taxpayer concerns relating to the COVID-19 pandemic. If practitioners have identified gaps or inconsistencies in the coverage of IRS COVID-19-related policies, the IRS has generally responded promptly with updated policies and guidance. Taxpayers should expect further guidance from the IRS on the policies outlined in this initial People First Initiative news release, on the tax provisions of the CARES Act, and on other issues that will inevitably arise as this crisis continues to develop.

Latham's Tax Controversy Team is closely following these fast-moving developments affecting tax administration and compliance during the COVID-19 pandemic, and Latham lawyers are available for client consultation on these and related issues.

To receive the latest COVID-19-related insights and analysis in your inbox, [subscribe to Latham's COVID-19 Resources mailing list](#).

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Endnotes

¹ News Release dated March 25, 2020 available at <https://www.irs.gov/newsroom/irs-unveils-new-people-first-initiative-covid-19-effort-temporarily-adjusts-suspends-key-compliance-program>.