Congressional Update

News for members of Congress and their staffs – October 2021

Third batch of Advance Child Tax Credit Payments sent in September

The third batch of advance Child Tax Credit (CTC) monthly payments, totaling about $15 billion, was sent out to 35 million families in September across the country. The majority of payments were issued by direct deposit. Under the American Rescue Plan, most eligible families received payments dated July 15 and August 13, along with the September payment.

Future payments are scheduled for October 15, November 15 and December 15. For these families, each payment is up to $300 per month for each child under age 6 and up to $250 per month for each child ages 6 through 17.

Here are further details on these payments:

- Families were able to see the direct deposit payments in their accounts starting on September 15. Like the prior payments, the vast majority of families will receive them by direct deposit.
- Those wishing to receive future payments by direct deposit can make this change using the Child Tax Credit Update Portal, available only on IRS.gov. To access the portal or to get a new step-by-step guide for using it, visit IRS.gov/childtaxcredit2021. A change made by **11:59 p.m. Eastern Time on October 4** will apply starting with the October payment.
- Payments went to eligible families who filed a 2019 or 2020 income tax return. Returns processed by August 30 are reflected in these payments. This includes people who don't typically file a return but during 2020 successfully registered for Economic Impact Payments using the IRS Non-Filers tool on IRS.gov or in 2021 successfully used the Non-filer Sign-up Tool for advance CTC. The Non-filer Sign-up Tool for advance CTC is also available only on IRS.gov.
- Payments are automatic. Aside from filing a tax return, which could include filing a simplified return from the Non-filer Sign-up Tool, families don't have to do anything if they are eligible to receive monthly payments.

Still time to sign up; additional details

It's not too late for families who haven't filed a 2020 income tax return—including those who are not normally required to file because their incomes are too low—to sign up for advance CTC payments. Most low-income families can get these monthly payments.

The IRS urges families who normally aren't required to file a tax return to explore the tools available on IRS.gov. These tools can help determine their eligibility or help them file a simplified tax return to sign up for these payments. They can also help families be automatically considered for the third round of Economic Impact Payments of up to $1,400 per person; and to claim the Recovery Rebate Credit covering any of the first two rounds of Economic Impact Payments they may have missed.

The IRS encourages partners and community groups to share information and use available online tools and toolkits to help nonfilers, low-income families and other underserved groups sign up to receive these benefits.

Families can stop payments anytime, even after payments begin. They can do that by using the unenroll feature in the Child Tax Credit Update Portal. Eligible families who make this choice will still receive the rest of their Child Tax Credit as a lump sum when they file their 2021 federal income tax return next year. To stop all payments starting in October and for the rest of 2021, they must unenroll by 11:59 p.m. ET on October 4, 2021.

For married couples, each spouse must unenroll separately. If they each choose to unenroll, they will receive no monthly payments. If only one spouse unenrolls, they will still receive monthly payments, but they will be half the normal amount.

The unenroll feature can also be helpful to any family that no longer qualifies for the CTC or believes they will not qualify when they file their 2021 return in 2022. This could happen if, for example, someone else, such as an ex-spouse or another family member, qualifies to claim their child or children as dependents in 2021.

At the same time, the IRS also reminded eligible families who are not getting these payments, especially those who receive little or no income, that the IRS Non-filer Sign-up Tool remains available to use until October 15.

Links to these tools, a step-by-step guide to using the Non-filer Sign-up Tool, answers to frequently asked questions, new YouTube videos and other helpful resources are available on the IRS's special advance CTC 2021 page.

October 15 deadline for extension filers nears

The October 15, 2021, filing deadline for taxpayers who requested an extension to file their 2020 tax return is quickly approaching. Taxpayers should remember they can file whenever they're ready before the deadline and don't have to wait until Friday, October 15, 2021.

These tools are available at IRS.gov to help people with their taxes:

- **IRS Free File and other electronic filing options.** Taxpayers can file their tax return electronically for free through IRS Free File. Other electronic filing options include using a free tax return preparation site, commercial software or an authorized e-file provider.
- **Direct deposit for refunds.** The fastest way for taxpayers to get their refund is to file electronically and use direct deposit. Refunds can be deposited in up to three accounts. Taxpayers can also use their refunds to purchase up to $5,000 in U.S. Series I Savings Bonds.
- **Online payment options.** If an extension filer owes taxes, they should pay as much as they can as soon as possible. The original deadline to pay taxes was May 15 for most individuals. Penalties and interest may apply to taxes owed after May 15. IRS Direct Pay allows individuals to securely pay from their checking or savings accounts. Visit IRS.gov for additional payment options. The IRS also has information for taxpayers who can't pay the taxes they owe.
- **Account information and tax records.** Individual taxpayers can visit IRS.gov to manage their account. This includes viewing their balance and payment history, paying taxes and accessing tax records through Get Transcript.

These people may have more time to file their tax return:

- Military members serving in a combat zone or a contingency operation in support of the armed forces generally get more time to file.
- People who have a valid extension and are in – or affected by – a federally declared disaster may be allowed more time to file.

A Closer Look – Get to know the IRS, its people and the issues that affect taxpayers

IRS Commissioner Check Rettig provides a closer look at how pandemic-related issues are still causing the IRS to experience record levels of activity that affect operations and how, despite that, the agency is making progress and serving taxpayers.

SB/SE Commissioners Darren Guillot (Collection) and De Lon Harris (Examination) look at how the IRS is working to ensure small business owners and self-employed individuals have the tools and information they need to remain resilient and support their employees during these challenging times.

IRS Chief Information Officer Nancy Sieger describes how, during the COVID-19 crisis last year, the IRS technology organization built and launched the new Documentation Upload Tool in less than 20 days. The tool allows taxpayers to safely upload and submit their completed letter and documents in response to IRS's proposed changes to the tax they owe or the credits they claimed on their return.

Tax relief in disaster situations

The IRS is providing a variety of tax relief for those affected by Hurricane Ida. For the latest updates, check the Hurricane Ida page on IRS.gov. The IRS is also providing a variety of tax relief for those affected by the California wildfires. For the latest updates, check the Tax Help for California Wildfire Victims page.

For information on all disaster tax relief from the IRS by year, visit Tax Relief in Disaster Situations. For information on disaster tax relief in your state, visit IRS News from Around the Nation and select your state.

General information for anyone affected by a federally declared disaster is available at Disaster Assistance and Emergency Relief for Individuals and Businesses and FAQs for Disaster Victims. Individuals and businesses with disaster-related tax questions can call the IRS disaster hotline at 1-866-562-5227 or make an appointment at an IRS taxpayer assistance center by calling 844-545-5640.

Other government agency disaster information

DisasterAssistance.gov – This is a one-stop Web portal that consolidates information from 17 U.S. government agencies where taxpayers can apply for Small Business Administration loans through online applications, receive referral information on forms of assistance that do not have online applications, or check the progress and status of their applications online.

Federal Emergency Management Agency (FEMA) – Federal disaster aid programs provided by the Federal Emergency Management Agency (FEMA) are available to citizens affected by major disasters.

Small Business Administration (SBA) – The U. S. Small Business Administration (SBA) is responsible for providing affordable, timely and accessible financial help to homeowners, renters and businesses of all sizes located in a declared disaster area. Financial help is available in the form of low-interest, long-term loans for losses that are not fully covered by insurance or other recoveries.

Ready.gov – Learn how individuals and business can prepare for and respond to all kinds of disasters and emergencies.

GovBenefits.gov – GovBenefits.gov wants to let survivors and disaster relief workers know about the many disaster relief programs available. Perhaps you have suffered damage to a home or business, lost your job or experienced crop damage due to a natural disaster. GovBenefits.gov has a variety of national benefit programs geared toward disaster recovery

Updated Video: Exploring the Charities and Nonprofit Webpage

View the Exploring the Charities and Nonprofit Webpage video for a walk-through of the recently updated webpage on IRS.gov.

IRS announces upcoming enhancements to accessibility services for taxpayers

The IRS is working to make services and products more accessible. Beginning January 31, 2022, taxpayers can elect to receive their post-filing tax notices in Braille, large print, audio or electronic formats. This includes notices about additional taxes or penalties owed.

Taxpayers can complete **Form 9000, Alternative Media Preference**, and include it with their tax return, mail it to the IRS as a stand-alone form or contact customer service by calling 800-829-1040 to make an election.

If a taxpayer has questions about IRS accessibility services, they can contact the Accessibility Helpline at 833-690-0598. Help for multilingual taxpayers is also available on the helpline via the Over-the-Phone Interpreter service (OPI). The new helpline does not have access to taxpayers' IRS accounts. Those needing help with tax law, refunds or other account related issues, should visit the Let Us Help You page on IRS.gov.

IRS reminds business owners to correctly identify workers as employees or independent contractors

The IRS reminds business owners that it's critical to correctly determine whether the individuals providing services are employees or independent contractors.

New mailing address for some Western states as Fresno, California, paper tax return processing center closes

As of the end of September 2021, the Internal Revenue Service has permanently closed its paper return processing center in Fresno, California. Taxpayers located in Alaska, California, Hawaii, Ohio and Washington state, who previously filed their federal tax returns with Fresno, should now mail their returns to the Ogden, Utah, processing center.

IRS Tax Tips: Helpful taxpayer information on a variety of topics

- All taxpayers have the right to challenge the IRS's position and be heard
- Understanding the tax responsibilities that come with starting a business
- Small business owners should see if they qualify for the home office deduction

Additional information on IRS.gov

- IRS: New contracts awarded to private collection agencies; taxpayers may be contacted by one of three groups
- Expanded tax benefits help individuals and businesses give to charity during 2021; deductions up to $600 available for cash donations by non-itemizers
- Details on using e-signatures for certain forms
- FAQs available to aid families and small businesses under the American Rescue Plan
- 2020 Recovery Rebate Credit
- Advance Child Tax Credit
- Coronavirus tax relief and Economic Impact Payments
- Get up-to-date status on affected IRS operations and services during COVID-19
- Tax relief in disaster situations
- Publication 5549, IRS User Guide: Child Tax Credit Update Portal (.pdf)
- Tax treatment of unemployment compensation
- Third Economic Impact Payments
- NXIVM President Nancy Salzman sentenced to 42 months' imprisonment for racketeering conspiracy
- Former Cisco executive sentenced to 36 months in prison for fraud scheme and filing false tax returns
- Former CEO And COO Of JHL Biotech convicted of conspiracy to steal trade secrets and commit wire fraud exceeding $101 million
- Jacksonville man sentenced to 33 months in prison for defrauding a religious organization and filing false income tax returns

Help on IRS.gov

Filing – Payments – Refunds – Credits & Deductions – Forms & Instructions – Tax Questions

IRS in other languages - basic tax information is available in 21 languages including English.

IRS on social media

YouTube – Twitter – Instagram - FaceBook

IRS2Go is the official mobile app of the IRS, available in both English and Spanish.

The *IRS Congressional Update* is a monthly newsletter, prepared by IRS Legislative Affairs.
For information on resolving taxpayer account issues, visit Taxpayer Advocate Service.