Congressional Update

News for members of Congress and their staffs – January 2025

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IRS announces special payments going this month to 1 million taxpayers who did not claim 2021 Recovery Rebate Credit

The Internal Revenue Service began issuing automatic payments in December 2024 to eligible people who did not claim the **Recovery Rebate Credit** on their 2021 tax returns. The IRS announced the special step after reviewing internal data showing many eligible taxpayers who filed a return but did not claim the credit. The Recovery Rebate Credit is a refundable credit for individuals who did not receive one or more Economic Impact Payments (EIP), also known as stimulus payments.

No action is needed for eligible taxpayers to receive these payments, which were sent out automatically in December 2024 and should arrive in most cases by late January 2025. The payments will be automatically direct deposited or sent by paper check; eligible taxpayers will also receive a separate letter notifying them of the payment.

"The IRS continues to work hard to make improvements and help taxpayers," said IRS Commissioner Danny Werfel. "These payments are an example of our commitment to go the extra mile for taxpayers. Looking at our internal data, we realized that one million taxpayers overlooked claiming this complex credit when they were actually eligible. To

minimize headaches and get this money to eligible taxpayers, we're making these payments automatic, meaning these people will not be required to go through the extensive process of filing an amended return to receive it."

Get Ready to file in 2025: What's new and what to consider

Do more with an IRS Online Account

Individuals can create or access their IRS Online Account at IRS.gov/account. With an IRS online account, they can:

- View key details from their most recent tax return, such as adjusted gross income.
- Request an **Identity Protection PIN**.
- Get account transcripts to include wage and income records.
- Sign tax forms like powers of attorney or tax information authorizations.
- View and edit language preferences and alternative media.
- Receive and view over 200 IRS electronic notices.
- View, make and cancel payments.
- Set up or change payment plans and check their balance.

Get an identity protection personal identification number (IP PIN)

An **IP PIN** is a six-digit number that prevents someone else from filing a federal tax return using someone else's Social Security number or Individual Taxpayer Identification number. It's a vital tool to help taxpayers ensure the safety of personal and financial information.

New for the 2025 filing season, the IRS will accept Forms 1040, 1040-NR and 1040-SS even if a dependent has already been claimed on a previously filed return if the primary taxpayer on the second return includes a valid IP PIN. This change will reduce the time for the agency to receive the tax return and accelerate the issuance of tax refunds for those with duplicate dependent returns.

The best way to sign up for an IP PIN is through your IRS **Online Account**. If you are unable to create an Online Account, alternative methods are available, such as in-person authentication at a Taxpayer Assistance Center.

Deadline for 2024 last quarterly payment is Jan. 15, 2025

Taxpayers with non-wage income—such as unemployment benefits, self-employment income, annuity payments, or earnings from digital assets—may

need to make estimated or additional tax payments. The **Tax Withholding Estimator** on IRS.gov can help wage earners determine if they need to make an additional payment to avoid an unexpected tax bill when filing their return.

Get Faster refunds by choosing direct deposit.

The easiest, fastest and safest way for people to receive a tax refund is to file electronically and select **direct deposit** for their refund. Refunds can be directly deposited to bank accounts, banking apps and reloadable debit cards. Taxpayers that are unsure of their routing and account number can contact their financial institution for the information.

Individuals that don't have a bank account can learn how to open an account at an **FDIC insured bank** or through the **National Credit Union Locator Tool**. Veterans can use the **Veterans Benefits Banking Program** to find participating financial institutions that specialize in their needs.

Everyone is encouraged to file electronically even if their return has been rejected in the past. Yearly changes and updates to the IRS systems may mean the situation that previously caused the tax return to be rejected, may no longer be an issue.

IRS resources and tools to make tax filing easier in 2025.

People should make the **Get Ready** page on IRS.gov their first stop to find online tools and resources. The tools are easy-to-use and available 24 hours a day. Millions of people use them to help file and pay taxes, find information about their accounts, and get answers to tax questions.

IRS provides information and resources in as many **languages** as possible and an **alternative media center** for people with disabilities, including the Accessibility Helpline at 833-690-0598.

The IRS encourages congressional offices to follow the annual Get Ready campaign and share IRS messages with their constituents. The campaign includes:

- Webpage on IRS.gov with the latest **Get Ready** information.
- Latest **news releases** and **tax tips** that anyone can subscribe to and share.
- IRS **social media** messages.

Preparations underway for the 50th Anniversary of the Earned Income Tax Credit

Planning is underway to support the 50th anniversary of the Earned Income Tax Credit (EITC) - an important tax credit.

IRS plans to use the anniversary to promote the credit and the significant role it plays in strengthening America's working families.

EITC was signed into law on March 29, 1975. This modest tax credit provides financial assistance to low-income, working families with children. Through numerous legislative changes over the past 50 years, the credit helped lift many out of poverty as one of the federal government's largest anti-poverty programs providing cash support to low-income working families.

The IRS Stakeholder Partnerships, Educations & Communications Program (SPEC) is actively promoting EITC by working with other IRS stakeholders to bolster communications, marketing, and resources for customers.

Be on the lookout for the EITC 50th Anniversary Image on IRS communications. If your office is interested in hosting events or any other promotion of EITC, please reach out to your IRS District Liaison.

Additional information on IRS.gov:

- **Earned Income Tax Credit (EITC)**
- **Use the EITC Assistant**

New Tax Return Transcripts Available for the Business Community

The IRS has expanded the types of Transcript Delivery System (TDS) transcripts available to business taxpayers, historically an underserved population. Previously, taxpayers and their representatives had to call to request information not available through a TDS transcript. Customer service representatives would provide an internal print with the requested information, manually masking the personally identifiable information before providing the prints to the caller. Masking the transcripts was time consuming. Now taxpayers and their representatives can access these new transcripts through online self-help tools that include Business Tax Account and e-Services TDS.

Business Entity and Form 94X Series Tax Return transcripts are now available through TDS for tax professionals and reporting agents with access to TDS through e-Services. IRS employees can access these transcripts through the Employee User Portal, and authorized users of Business Tax Account can download these transcripts. Transcript expansion will continue in a phased approach through December 2026. Future releases will include the Form 990 series, Form 1041, Form 2290, Form 1042, Form 706, and transcripts in Spanish.

IRS reminder: Jan. 31 filing deadline for employers to file wage statements, independent contractor forms - With tax season rapidly approaching, the IRS reminds employers that Jan. 31 is the deadline for submitting wage statements and forms for independent contractors with the government.

Employers must file their copies of **Form W-2, Wage and Tax Statement**, and **Form W-3, Transmittal of Wage and Tax Statements,** with the Social Security Administration by Jan. 31.

The Jan. 31 deadline also applies to **Forms 1099-MISC, Miscellaneous Income**, and **Forms 1099-NEC, Nonemployee Compensation**, that are filed with the IRS to report non-employee compensation to independent contractors. Various other due dates related to Form 1099-MISC, Form 1099-K and Form 1099-NEC, including dates due to the IRS, can be found on the forms' **instructions**.

Pre-filing Season Awareness Events conducted by Taxpayer Advocate Service

The Taxpayer Advocate Service (TAS) will host Pre-filing Season Awareness Events through March 2025 within local communities to help taxpayers get ready for the upcoming filing season. During these events, TAS will share tips to avoid common return preparation errors to help avoid unnecessary processing and refund delays this tax season.

Taxpayers can visit the **TAS website** to learn more about the events in their area.

Strategic Operating Plan Update: IRS recovers billions in tax, financial criminal cases

In its quarterly update to the Strategic Operating Plan, the IRS detailed **significant developments in criminal investigations, enhancements to taxpayer services and developments in digital modernization** that have revolutionized agency operations while safeguarding billions of taxpayer dollars. With the help of these ongoing new initiatives, the IRS recovered $4.7 billion. More than $1.3 billion comes from wealthy, high-income individuals who have not filed taxes or paid overdue tax debt. Approximately $2.9 billion is related to IRS Criminal Investigation work into tax and financial crimes, including drug trafficking, cybercrime and terrorist financing, and $475 million in proceeds from criminal and civil cases attributable to whistleblower information.

IRS Criminal Investigation Releases FY24 Annual Report; Details Agency's Global Reach, Billion-Dollar Impact.

IRS Criminal Investigation (IRS-CI) Fiscal Year 2024 (FY24) Annual Report highlights several firsts for the agency as well as significant cases involving high dollar tax fraud, cybercrime, and enhanced domestic and foreign partnerships.

This year's **report** (PDF) highlights several firsts for the agency – **the first sentencings** tied to syndicated conservation easement schemes, **the first indictment** and **guilty plea** of a U.S. taxpayer solely for not paying taxes on gains from cryptocurrency sales, the first time Treasury agencies have led a **task force** and **public outreach series** to combat fentanyl trafficking, and a **historic financial settlement** by the world's largest cryptocurrency exchange for violating anti-money laundering and sanctions laws.

"FY24 was one for the history books. For years, IRS-CI has been known as the agency that took down Al Capone, but this year, our cases hold their own place in U.S. history," said IRS-CI Chief Guy Ficco. "As with Al Capone, financial trails eventually lead to criminals' downfall. Our agents are the best at following the money trail, and that's why they have an integral role in bringing down criminals ranging from national security threats to drug traffickers."

In FY24, IRS-CI initiated more than 2,667 criminal investigations, obtained 1,571 convictions, and reclaimed its 90% conviction rate. The agency's investigative work identified over $9.1 billion in fraud from tax and financial crimes, obtained court orders totaling $1.7 billion in restitution to the IRS and seized criminal assets totaling approximately $1.2 billion.

Other significant items in this year's annual report include:

- IRS-CI extended the agency's international footprint by launching a new attaché post in Nassau, Bahamas, and a Cyber attaché post in Singapore.
- The International Training Team delivered more than 30 trainings to over 930 participants from more than 70 countries. These trainings play a critical role in global partnerships and investigations.
- Combatting cybercrime continued to be a focus for the agency. In FY24 alone, IRS-CI initiated 111 new cybercrime investigations, and defendants in these cases continue to receive prison sentences averaging more than five years.

The **report also includes case examples** (PDF) for each U.S. field office, details about the specialized services provided by IRS-CI, and additional statistics about the agency for FY24.

IRS-CI is the law enforcement arm of the IRS, responsible for conducting financial crime investigations, including tax fraud, narcotics trafficking, money laundering, public corruption, healthcare fraud, identity theft and more. IRS-CI special agents are the only federal law enforcement agents with investigative jurisdiction over violations of the Internal Revenue Code. The agency has 20 field offices located across the U.S. and 14 attaché posts abroad.

. **Below are the links to IRS Criminal Investigation recent cases**

- **Co-founder of medical charity in St. Joseph sentenced for $8 million fraud scheme**
- **Convicted dark web drug dealer sentenced to 360 months' imprisonment**
- **Bitfinex hacker sentenced in money laundering conspiracy involving billions in stolen cryptocurrency**
- **Denver couple sentenced for scheme that defrauded Department of Defense contractor**
- **San Carlos fraudster who cheated investors out of more than $1 million sentenced to over three years in federal prison**
- **Bitcoin Fog operator sentenced for money laundering conspiracy**
- **Middle District of Florida | Ocala Tax Preparer Sentenced To Federal Prison For Defrauding Clients And IRS | United States Department of Justice**
- **Brooklyn business owner convicted of multimillion dollar real estate fraud scheme**
- **Senior FARC Commander sentenced to 21 Years in prison for international cocaine distribution conspiracy**
- **Fifteen defendants charged in operation targeting conversion of bulk U.S. cash proceeds from drug sales into cryptocurrency for Mexican cartels**

- **Somerset County man sentenced to 87 months in prison for defrauding new jersey traumatic brain injury fund of millions of dollars and committing tax evasion**
- **Florida resident sentenced to 78 months in prison for tax evasion**
- **Former Pittsburgh resident sentenced to 34 years in prison for large-scale fentanyl trafficking and money laundering convictions**

For the latest on IRS-CI cases, follow on Twitter **@IRS_CI** or via the **IRS-CI LinkedIn** page.

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

Tax pros: Apply to be an IRS authorized e-file provider in a few simple steps

With more than 90% of individual federal returns filed electronically, becoming an IRS-authorized e-file provider is important for tax preparers who want to grow their business with a service most taxpayers now expect. All it takes is a few simple steps.

Highlights from National Tax Security Awareness Week

The IRS and its Security Summit partners recently held the ninth annual National Tax Security Awareness Week, an annual event that emphasizes the importance of protecting sensitive financial information from identity theft and tax scams, especially as the holidays and the 2025 tax season approach.

Keep personal information safe under digital lock and key

During the ninth annual National Tax Security Awareness Week, the IRS and its Security Summit partners want to assist taxpayers in recognizing tax scams and fraud to keep their information safe and out of the hands of identity thieves and scammers.

Don’t let scammers ruin holiday gift card giving

Taxpayers should watch out for gift card scams especially during the holiday season. The IRS never asks for or accepts gift cards as payment for a tax bill.

Additional information on IRS.gov

- **Business Tax Account now available for Corporate Designated Officials; Income Verification Express Service open to designated officials and sole proprietors | Internal Revenue Service**
- **Processing status for tax forms**

- IRS provides penalty relief to Maui wildfire victims | Internal Revenue Service
- Tax relief in disaster situations
- IRS reminds eligible 2021 non-filers to claim Recovery Rebate Credit before time runs out
- Make a career change for the better; find out where you fit in at the IRS
- Where's My Refund?
- Resources and guidance for Puerto Rico families that may qualify for the Child Tax Credit
- Get an Identity Protection PIN (IP PIN)
- Get your tax record

Help on IRS.gov

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

IRS in other languages

Basic tax information is available in 21 languages, including English

IRS on social media

YouTube – X – Instagram – Facebook - LinkedIn

Follow TAS on social media

YouTube – X – Facebook – LinkedIn – Blog

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 the Taxpayer Advocate Service.