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“The most challenging year tax payers and tax professionals have ever experienced. “

That is how the National Taxpayer Advocate, Erin Collins, characterized the 2021 tax filing year in the Annual Report released January 12. A few of the troubling details:

- As of the postponed filing deadline of May 17, 2021, the IRS was holding some 35 million tax returns for employee review. Half of those were paper returns awaiting processing, and half were returns that were suspended during processing because of inconsistencies that required review by IRS personnel. Refunds were necessarily delayed.

- Call volumes tripled in 2021, to 282 million telephone inquiries of the IRS. Unfortunately, the Service was only able to get to 32 million of those callers, about 11%. Nearly 90% of callers could not get through to talk to a person.

- There were 13 million math errors made by taxpayers on 2020 returns. Many taxpayers were simply baffled by the IRS notices of their mistakes, and could not determine how to make corrections.

- As of late December, 2021, the IRS had a backlog of 6 million unprocessed individual returns, 2.3 million unprocessed amended returns, 2 million unprocessed employer’s quarterly tax returns, and about 5 million pieces of taxpayer correspondence. Some taxpayers have been waiting nine months for their refunds.

The Report was not all bad news, of course. The IRS has been doing more with less, as its workforce has shrunk by 17% since fiscal 2010, while the number of individual return filings has grown by 19%. In addition to tax return processing, the IRS issued 478 million stimulus payments totaling \$812 billion, and sent Advance Child Tax Credit payments to 36 million families worth some \$93 billion.

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