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Complete Processing of All Employee Retention Credit Claims and Ensure Taxpayer Rights Are Protected

The IRS must complete processing of all ERC claims while ensuring taxpayer rights are protected, particularly in light of statutory filing deadlines and the moratorium on new claim processing.

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TAS Recommends

To protect taxpayer rights and ensure efficient and fair administration of the ERC program, TAS recommends that the IRS:

Recommendation 6-1

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IRS – Commit to Completing Processing of All Remaining ERC Claims: Complete processing all remaining ERC claims by the end of CY 2025.
Appeals – Track ERC Claims Affected by the Two-Year Statute of Limitations: Track ERC claims in Appeals inventory that are affected by the two-year IRC § 6532 statute and notify taxpayers of the pending statute expiration six months prior to the two-year deadline.

Quarter 1 Updates	▼
Quarter 2 Updates	▼

Recommendation 6-2

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IRS – Prioritize Claims From Taxpayers Facing Financial Hardship: Prioritize processing ERC claims from taxpayers experiencing financial hardship, followed by claims processed in the order received.
Appeals – Provide Instructions and Explanation for Submitting Form 907 for ERC Disallowances: Include instructions for submitting Form 907, Agreement to Extend Time to Bring Suit, in taxpayer notifications sent six months prior to the expiration of the two-year deadline.

Quarter 1 Updates	▼
Quarter 2 Updates	▼

Recommendation 6-3

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Allocate Sufficient Resources to Review Disallowance Notice Cases: Devote sufficient resources to quickly and efficiently review and process taxpayer responses to ERC disallowance notices.

Quarter 1 Updates	▼
Quarter 3 Updates	▼

Recommendation 6-4

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Track ERC Claims Affected by the Two-Year Statute of Limitations: Track ERC claims affected by the two-year statute of limitations under IRC § 6532 and notify and educate taxpayers on the consequences of the deadline expiring and the options available for extending the deadline.

Quarter 1 Updates	▼
Quarter 2 Updates	▼

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