

Delayed Tax Refunds

If you're one of the millions of Americans waiting patiently for your 2020 federal tax refund, I sympathize with you. This tax filing season has been one like never before and I am hearing from many of you wondering why you haven't received your payment yet. There are several reasons for the delays, but I can assure you that your return was prepared with the utmost care and expertise, and it is likely part of the sizable IRS backlog of returns.

As of June 5, the IRS reported there are more than 18 million 2020 returns in its pipeline to be processed, and a few million others yet to be finalized from 2019. This past year has been extraordinary, the least of which being the COVID public health crisis and widespread unemployment. In addition, a series of stimulus payments from the federal government to help people navigate COVID financial woes was also managed by the IRS, and to ensure all eligible citizens received stimulus money, the IRS told Americans that everyone should file a tax return. Between more returns, unemployment amendments, issuing stimulus money and processing regular returns, the IRS has had its work cut out for it. Like many businesses during the pandemic, the IRS also had obstacles to overcome like switching its workforce from onsite to virtual and operating with a reduced staff.

If you have not received your refund 21 days after filing, it is likely that it is under further review. This happens more frequently when a return includes a recovery rebate credit, suspicion of identity theft or fraud, a claim for an earned income credit or other criteria that will ping a return for a manual review.

If you receive any correspondence from the IRS regarding your return, please contact me with a copy of the letter you received, and I can guide you through that. Unfortunately, due to the delays in processing, some notices are being sent by the IRS despite timely follow-up by you, or myself on your behalf. At this point, I am as powerless as you to speed up the IRS process, so patience is our best option right now.

I will keep you updated with all important news from the IRS that may apply to your situation. Thank you for your trust in me as your tax return professional and I look forward to serving you in the future.

Gwen James, CMA, EA

