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Reducing the Backlog

The effect of the Covid-19 pandemic upon the supply chains and prices has been much commented upon. Less well known is that the pandemic caused the development of a major backlog at the IRS. As of the end of August this year, some 8.2 million individual tax returns remained unprocessed.

But according to a November update, major progress has been made. The number of unprocessed returns has been cut to 4.2 million. “These include tax year 2021 returns and late filed prior year returns. Of these, 1.9 million returns require error correction or other special handling, and 2.3 million are paper returns waiting to be reviewed and processed.”

There are also an estimated 900,000 unprocessed amended tax returns in November, filed on Form 1040-X. They are processed in the order received, and processing can take up to 20 weeks, the IRS reports. Taxpayers may get status reports on their amended returns by going to “Where’s My Amended Return?” at the IRS website [<https://www.irs.gov/filing/wheres-my-amended-return>].

All this progress is welcome, but a whole new tax season is about to begin. The major additional funding for the IRS enacted by Congress earlier this year may help to a such problems and reduce delays in the future.

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