



May 1, 2020

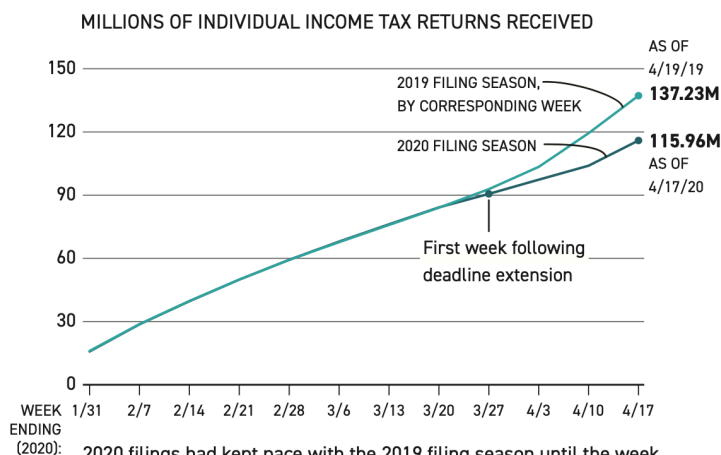
How Covid-19 disrupted tax filing season

Covid-19 has affected the IRS in several ways:

- The agency has extended the income tax filing deadline until July 15.
- It has dealt with increased traffic and additional filing activity related to the Economic Impact Payment program.
- It has so far sent more than 89.5 million payments (about \$160 billion) as a part of the EIP program, which has given Americans up to \$1,200 per adult and \$500 per child.

As of the week ending April 17, filings received by the agency are down 15.5 percent compared to the same time as last year. The number of returns the IRS has processed and the number of refunds it has sent out also lag behind progress at the same time in the 2019 season. At this point in the season, the average refund is \$2,818, or 3 percent higher than the average refund at this point in the 2019 filing season.

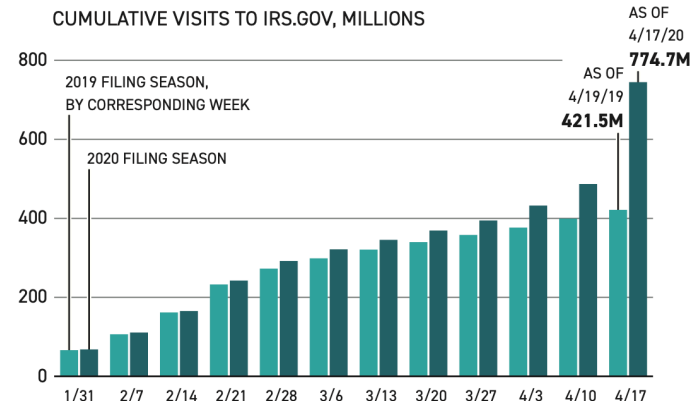
Returns are down from the same time as last year...



Sources: IRS, The Wall Street Journal

2020 filings had kept pace with the 2019 filing season until the week ending March 27; that week, the IRS extended the filing deadline from April 15 to July 15, 2020. Total filings are down by more than 20 million returns, or 15.5 percent, compared to the same time in 2019 as of the week ending April 17. Nonetheless, the IRS saw a surge of filings between April 13 and April 17 this year – 12 million, the largest single-week increase since early February. The IRS noted some returns received that week were filed in order for the filer to receive an EIP.

... But online visits to the IRS are up



Visits to the IRS website increased faster rate in the 2020 season compared to the 2019 season. Site visits increased 53 percent from the week ending April 10, 2020 to the week ending April 17. This may be due in part to an IRS-hosted tool that tracks EIP payments and eligibility.

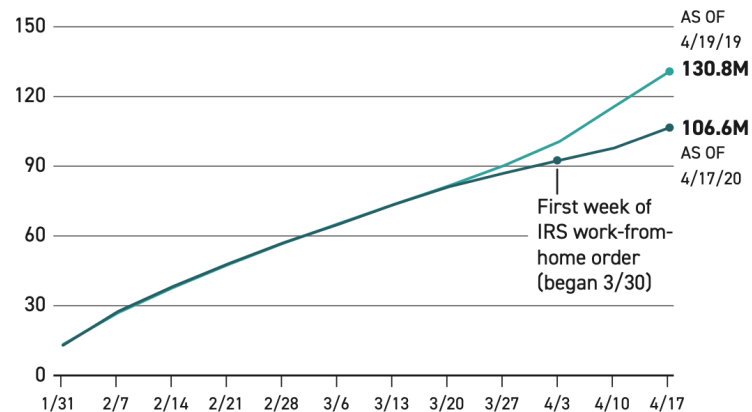


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Work from home, other responsibilities delayed processing

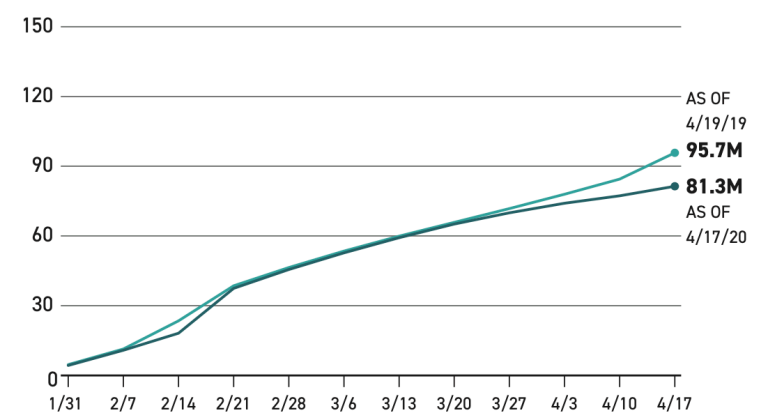
MILLIONS OF RETURNS PROCESSED



The IRS began recalling its workers back to offices the week of April 26, after setting a work-from-home order effective March 30; workers are unable to complete certain work from home, increasing the lag in returns processed. As of April 17, the IRS had processed about 92 percent of all returns received. At the same point in the 2019 filing season, the IRS had processed about 95 percent of all returns received. As of April 17, the IRS has also sent out more than 89.5 million EIP payments totaling about \$160 billion.

Lag in returns processed has also created a lag in refunds

MILLIONS OF RETURNS RECEIVING A REFUND



Thus far in 2020, about 76 percent of all processed returns have received a refund, slightly higher than the same point in 2019 (73 percent). However, the total number of refunds in 2020 lags the 2019 total.

Sources: IRS, The Wall Street Journal