

KNOW YOUR RIGHTS AS A TAXPAYER

Did you File Your Return Many Weeks Ago & Still Haven't Received Your Refund?

Why would the IRS hold up my tax refund?

There are many reasons why your refund is being held up. We explain the most common of those reasons below. Unfortunately, many of these reasons require an IRS employee to look at your tax return; for the 2022 filing season, we expect many delays in tax return processing. This is due in part to pandemic working conditions, to fewer taxpayer service employees, and to outdated technology.

Error Resolution System (ERS)

Every tax return goes through a series of screenings that may flag an error or issue with the tax return that needs to be reviewed by an IRS employee. If a tax return is flagged, it is sent to the IRS Error Resolution System (ERS). For the 2022 filing season, here are some of the reasons a tax return may be sent to ERS:

- The amount of Economic Impact Payment (EIP) claimed on the tax return does not match IRS records; or
- The amount of Advance Child Tax Credit (AdvCTC) claimed on the tax return does not match IRS records; or
- The tax return used 2019 income under the “look back” rule to calculate the amount of Earned Income Tax Credit or other credits; or
- The IRS has a question about whether the taxpayer is eligible for the Earned Income Tax Credit (EITC), Child Tax Credit, Child and Dependent Care Credit, etc., for one or more children claimed on the return; or
- The IRS suspects the return is filed by an identity thief.

If the EIP and AdvCTC shown on your tax return do not match IRS records, the IRS will correct the tax return, change the refund amount (or the balance due) and issue a “Math Error” notice to you. This Math Error notice gives you 60 days to ask the IRS to undo (“abate”) the change. You have the right to ask the IRS to abate the change. You then can give the IRS information or documents that fix any error or prove your tax return was correct. To find out more information about Math Errors and what you should do if you disagree with the IRS, see *Did IRS Change Your Expected Tax Refund?* at <https://www.litcsupportcenter.org/resources-for-taxpayers/>

Note: If your tax return is in the Error Resolution System, it could be in a “holding queue.” In 2021, returns were held in the ERS queue for an average of 75 days. IRS says it works ERS returns on a first in, first out basis.

If the IRS has questions about your eligibility for the EITC, Child Tax Credit, or other credits based on one or more of the children claimed on your tax return, the IRS will send the tax return to the IRS Examination group where an IRS employee will look at the tax return and decide if it needs to be audited. The tax return (and refund) is “on hold” until the IRS decides whether to do a pre-refund audit. Your tax return could be sitting in a queue for a while, waiting to be looked at by an IRS employee.

If the IRS thinks your tax return was filed by an identity thief and is not really your tax return, the tax return (and refund) will be put on hold and the IRS will send you a letter telling you to prove your identity through its online system, or to send in documentation proving your identity. In 2021, the IRS took on average 240 days to work a case involving identity theft.

Pre-Refund Wage Verification

If you claimed the EITC, CTC, or the American Opportunity Tax Credit on your tax return, by law the IRS cannot issue a refund until after February 15 of each year. After that date, the IRS compares the wages reported on your tax return with the wages reported to the Social Security Administration by your employer.

If those wages don't match, your tax return (and refund) will be put on hold until the IRS hears back from your employer about the correct amount. The IRS may also hold your tax return (and refund) because of made-up wages or withholding, or fake Forms W-2. These tax returns will be reviewed by an IRS employee; in this case, your tax return could be sitting in a queue for a while. Ultimately, if the wages or withholding appear false, the IRS will change ("disallow") those wages or withheld tax and change the amount of tax due or refund.

Your tax return (and refund) may also be put on hold if the Social Security Administration has not yet received your Form W-2 from your employer. In these cases, the IRS keeps checking for updated wage information, so your tax return (and refund) may be automatically released once the IRS gets that information.

This Is All Overwhelming; Where Can I Get Help?

Under the **Taxpayer Bill of Rights**, you have the right to pay no more than the correct amount of tax. That right includes receiving the tax benefits you are eligible for and receiving the correct amount of refund.

If you have low or no income, you may be able to get free help from a lawyer or other tax professional from a **Low Income Taxpayer Clinic (LITC)**. LITCs help low income taxpayers in tax disputes with the IRS and with some state tax agencies. If they take your case, your lawyer will deal with the IRS for you. You can find an LITC for your state or city at <https://www.taxpayeradvocate.irs.gov/about-us/low-income-taxpayer-clinics-litc/>.

You can also seek help from the **Taxpayer Advocate Service**, a part of the IRS that helps taxpayers solve their problems with the IRS. You can find a Local Taxpayer Advocate Office for your state or city at <https://www.taxpayeradvocate.irs.gov/contact-us/>. The Taxpayer Advocate Service is free; if they take your case, they will give you a case advocate who will work directly with you.

If you speak English as a Second Language (ESL), the IRS has bilingual Spanish-speaking employees; you can ask to speak with one of them. The IRS also has an interpreter service in many languages; when you call the IRS you can ask to have a call set up with that service so they can translate for you and the IRS. Also, you can ask the IRS to send you notices in one of 20 different languages by filing Schedule LEP with your income tax return. You can get Schedule LEP at <https://www.irs.gov/pub/irs-pdf/f1040lep.pdf>.

Remember: You have the right to challenge the IRS and be heard.

To be your own best advocate:

- Save all notices the IRS sends you.
- Keep copies of everything you send to the IRS.
- Take notes when you speak to the IRS, including the employee's name and badge number.
- Be patient and keep trying. The IRS phone lines are very busy, but don't give up!
- Seek help. You are not alone. Call your LITC or local taxpayer advocate.