

# Phone Service at the Internal Revenue Service During the 2022 Filing Season

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Some policymakers have grown frustrated with shortcomings in the Internal Revenue Service's (IRS's) customer service during the COVID-19 pandemic. According to the independent [National Taxpayer Advocate](#), IRS Customer Service Representatives (CSRs) answered 18% of taxpayers' calls routed to them during the 2022 filing season. This level of service (LOS) is effectively unchanged from the 19% of calls the IRS answered during the 2021 season. However, both are significantly below the 59% answered in 2019. Additionally, this season (2022), the average caller who did get through to an IRS agent waited 29 minutes, an increase of 9 minutes from last year and 19 minutes from 2019.

The Taxpayer Advocate has suggested the IRS should aim to achieve an 85% LOS, while the IRS itself aimed to achieve a 32% LOS in 2021 and a 30% LOS in 2020. These lower figures were meant to accommodate the agency's competing needs during the pandemic. LOS figures do not account for calls that encounter busy signals, disconnect before entering the queue for an agent, or receive an automated response.

## Impact on Taxpayers

Waiting on hold costs taxpayers time. Failing to get their questions answered could leave taxpayers frustrated and confused, and in turn jeopardize tax compliance. If a taxpayer who was unable to get their question answered makes an error, the IRS could theoretically remedy it by requesting correspondence or requiring the taxpayer to amend their return. However, many such amended returns must be submitted on paper and processed manually, which takes significantly longer than processing electronic returns. As a result, the IRS had a backlog of 5.3 million pieces of correspondence and amended returns at the end of May 2022. It took the agency an average of over eight months to process taxpayer responses to proposed adjustments in FY2022 through May 21, 2022, more than three times as long as in FY2019.

## Calls Surged Amid the Pandemic

During 2021, the IRS answered 16 million calls—a 56% increase from 2019 (about 10 million), as illustrated in **Figure 1**. These 16 million calls represented less than 10% of all calls received in 2021, because call volumes soared by over 300% between 2019 and 2021. This season (2022), the IRS received

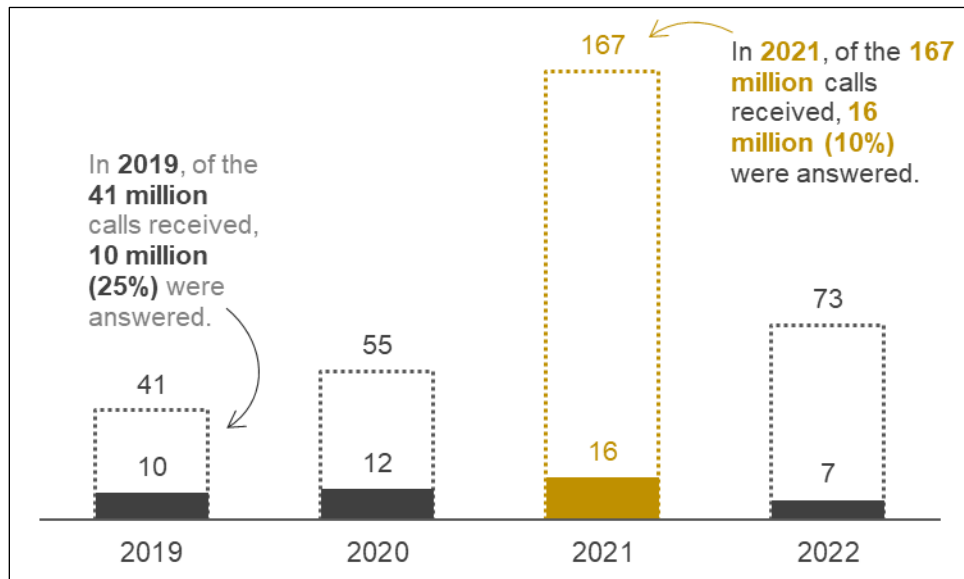
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73 million calls and answered about the same share as in 2021. The number of calls may have spiked because taxpayers had questions about the numerous temporary provisions enacted in response to the COVID-19 pandemic.

**Figure I. Millions of Calls to the IRS by Filing Season: Received vs. Answered**



**Source:** Taxpayer Advocate Service, *Objectives Report to Congress: Fiscal Year 2023*, Figure 4. Designed by Margot L. Crandall-Hollick.

**Notes:** “Received” includes some calls not included in level-of-service (LOS) calculations, including calls that receive a busy signal, end before the taxpayer is routed to the queue for a customer service representative, or receive an automated response.

## What the IRS Is Doing

The IRS has taken several steps meant to improve its phone service. The agency expanded [automated phone responses](#) to reduce demand for calls that require a customer service representative. Additionally, to minimize taxpayer confusion and thus reduce the number of taxpayers calling with questions, the IRS paused sending certain notices related to unprocessed returns. The IRS also tried [prioritizing](#) phone service over processing amended returns for the 2021 filing season. However, this decision was [reversed](#) for 2022 given the size of the paper backlog.

Some other actions will not reduce the backlog, but could make it less burdensome on callers. For example, 70% of callers can also now choose to receive a [callback](#) rather than waiting on the line. The IRS is also [waiving](#) \$1.2 billion in late filing fees for 2019 and 2020 returns, which would have been due when the IRS was particularly difficult to contact with questions.

The IRS has hired more CSRs even when it was funded by a continuing resolution—hiring the IRS [rarely does](#)—and has hired more since the Consolidated Appropriations Act of 2022 (P.L. 117-103) increased funding for taxpayer services by 8.8% over the 2021 level. The number of CSRs (measured in full-time equivalents) [rose](#) from roughly 9,000 in FY2019 to almost 13,000 in FY2021. The Accounts Management Division, which [answers most](#) taxpayer calls, [successfully hired](#) approximately 5,000 more employees this year.

New CSRs typically undergo the time-consuming federal hiring process and 14 weeks of training, which kept many new hires from helping improve phone service during the 2021 and 2022 filing seasons. The

Consolidated Appropriations Act of 2022 gave the IRS speedier direct hire authority that it [intends](#) to use to hire 10,000 staff, including [4,000](#) contact representatives, a type of CSR.

P.L. 117-169, commonly referred to as the Inflation Reduction Act of 2022 (IRA 2022), appropriated \$1.9 billion through FY2031 for taxpayer services at the IRS, which is meant to supplement normal annual appropriations. This funding represents a 9% increase over what the agency was projected to receive from Congress for such services from FY2022 to FY2031. It is not yet clear how much of this additional spending the IRS will dedicate to expanding phone service. Secretary of the Treasury Janet Yellen [directed](#) the IRS to explain how it intends to spend the funds provided by IRA 2022 by February 2023.

In the coming years, the IRS is expected to continue implementing the [Taxpayer Experience Strategy](#) that it created in compliance with P.L. 116-25, [the Taxpayer First Act of 2019](#). Through this strategy, the IRS intends to further expand the use of callback technology, “time-on-hold” notifications, chat bots, digital services, and automated responses. The strategy would also give CSRs more authority to either resolve issues themselves or connect callers with other professionals who can do so. Additionally, the IRS is consolidating several case management systems into one Enterprise Case Management system, which it hopes will enable CSRs to give callers more useful answers. A new [Taxpayer Experience Office](#) within the IRS is helping coordinate these efforts.

## Author Information

Brendan McDermott  
Analyst in Public Finance

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