



What to Expect When Filing Your 2021 Federal Tax Return

Millions of Marylanders file their federal taxes with the Internal Revenue Service every year, but the agency has been inadequately staffed and resourced for years, and the pandemic has only made things more challenging. The agency is experiencing historic backlogs that have created financial hardships for individuals, families, and businesses across our state. As the new Chair of the Senate panel that oversees and funds the IRS, I am determined to increase resources for the IRS to improve its services for Maryland's taxpayers.

Last May, I chaired a [hearing](#) in which my Senate colleagues and I reviewed the current state of the IRS and examined how we can make the annual filing process more efficient for taxpayers. To achieve this goal, I have advocated for an additional \$80 billion in funding for the IRS over the next decade as part of the Build Back Better Act. This funding will allow the IRS to modernize its antiquated tax processing systems and improve its customer service. The fiscal year 2022 Senate appropriations bill that funds the IRS makes a down payment toward this goal by providing \$13.6 billion for the agency, \$1.6 billion more than it received in fiscal year 2021. This tax filing season, I look forward to advancing both pieces of legislation to ensure a robust IRS and a convenient tax filing process for all Maryland taxpayers, while pressing the IRS to provide the level of service that taxpayers deserve from the government they fund.

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When does tax season start?

The IRS advises that it will begin accepting and processing returns for the 2021 tax year on Monday, Jan. 24.

The filing deadline is pushed this year to Monday, April 18, due to the Emancipation Day holiday in Washington D.C. Automatic extensions of time to file will be available.

You may wish to review the IRS's online resources at [Publication 5348, Get Ready to File](#) and [Publication 5349, Year-Round Tax Planning is for Everyone](#) to make sure you are prepared.

What's the fastest way to get my refund?

Taxpayers should file electronically this year to avoid delays in processing. The IRS is experiencing unprecedented delays with paper returns due to staffing challenges as a result of the COVID-19 pandemic. As of December 18, 2021, the IRS still had a total of 6.3 million unprocessed individual tax returns from 2020 and previous years.

It is especially important this year to make sure that your tax return is completed correctly. Any errors could result in having to file an amended return and delay your refund. (If this does happen to you, remember that you can now file amended returns electronically using available tax software products.)

The IRS also recommends that taxpayers set up direct deposit to their account and include this information on their return. [Direct deposit](#) gives taxpayers access to their refund faster than a paper check. Those without a bank account can learn how to open an account at an [FDIC-insured bank](#) or through the [National Credit Union Locator tool](#). Veterans should see the [Veterans Benefits Banking Program](#) for access to financial services at participating banks.

How can I check the status of my refund?

The IRS offers the ["Where's my refund?"](#) tool on its website to check the status of a refund.

For more detailed information, taxpayers should set up an Online Account. The IRS encourages taxpayers who have not set up an Online Account to do so soon. People who have already set up an [Online Account](#) should make sure they can still log in successfully. Taxpayers can use Online Account to securely access the latest available information about their federal tax account.

What should I do if the IRS is still processing an amended return?

If you're seeking the status of your amended return, you should first try using the ["Where's My Amended Return?"](#) tool on the IRS website.

Unfortunately, the IRS advises that there is no way to expedite amended returns at this time, and

it is not accepting congressional inquiries for taxpayers who are waiting for their amended return to be processed.

I don't believe that this is fair to taxpayers. I have joined with my congressional colleagues in the Maryland delegation in urging the IRS to process these returns as soon as possible. You can see our letter [here](#).

Should I wait to file my 2021 return if my previous return hasn't been processed?

You don't need to wait for your 2020 return to be fully processed to file your 2021 tax return. As soon as you have your 2021 records, you can file. The IRS advises that you will also need the amounts of any Economic Impact Payments and Advance Child Tax Credit payments that you received in 2021.

Should I offset 2021 taxes with the refund I am owed for 2020?

The IRS advises that you cannot offset any 2021 tax liability if you're expecting a refund for tax year 2020.

Why can't I reach an IRS representative by phone?

Due to staffing challenges as a result of the COVID-19 pandemic, taxpayers are experiencing extremely long wait times when calling the IRS. The IRS recommends trying one of the following options to get help faster:

IRS.gov: The IRS website is the best way to find answers to questions about tax law or check on your refund, tax payment, Economic Impact Payment, or Advanced Child Tax Credit.

- See [Let Us Help You](#) for answers to most questions and to find general information
- Get updates on Economic Impact Payments and other COVID-19-related issues at [IRS.gov/coronavirus](https://www.irs.gov/coronavirus)
- Check the status of your Economic Impact Payment at [Get My Payment](#)
- Get updates on Advanced Child Tax Credit at [2021 Child Tax Credit and Advance Child Tax Credit Payments Frequently Asked Questions](#)
- Manage your payments and other Advanced Child Tax Credit update tools are available at [Advance Child Tax Credit Payments in 2021](#)

Automated phone lines: At this time, you can check the IRS's on-line web services such as the "Get My Payment" Application and the Frequently Asked Questions (FAQs) on IRS.gov for information on your Economic Impact Payment (EIP) status. You can also find guidance on how to claim the Recovery Rebate Credit (RRC) on your Form 1040 return for 2020, if you did not receive your payment. You can call [800-919-9835](tel:800-919-9835) for other EIP issues.

You also can check the IRS's on-line web services such as the "Child Tax Credit Update Portal" Application and the Frequently Asked Questions (FAQs) on IRS.gov for information on your Advanced Child Tax Credit status. You can call 800-908-4184 for other Advanced Child Tax Credit issues.

For other issues, visit [Let Us Help You](#) to find a phone number for the office that can best answer your question.

Taxpayer Assistance Centers (TACs): You can get in-person help at TACs, by appointment only. Appointments are available for people who need to:

- Authenticate their identity documents when applying for an Individual Taxpayer Identification Number (ITIN)
- Authenticate themselves for e-Services registration purposes (applies to tax professionals)
- Authenticate their identity when unable to do so online to get help with:
 - Economic Impact Payment
 - Advance Child Tax Credit
 - Identity Protection Identification Number (IP PIN), or
 - Because they received a notice from the IRS requesting that they schedule an appointment
- Get a Departing Alien Clearance (Sailing Permit) for foreign travel (for resident and non-resident aliens leaving the U.S.)
- Get help with an Economic Impact Payment
- Make a cash payment

For an up-to-date list of TAC open locations, see [Contact Your Local IRS Office](#). Call [844-545-5640](tel:844-545-5640) to make an appointment.

How do I choose a tax preparer?

The IRS has several options for finding a tax preparer. One resource is [Choosing a Tax Professional](#), which offers information on selecting a tax professional. The [Directory of Federal Tax Return Preparers with Credentials and Select Qualifications](#) can help taxpayers find preparers in their area who currently hold professional credentials recognized by the IRS or who have an Annual Filing Season Program Record of Completion.

Interactive tax assistant: This tool has answers for a variety of tax questions. It can also help a taxpayer determine if a type of income is taxable. Many people experienced changes to income and other [life events](#) in 2021 and this tool can help them find related tax [credits and deductions](#). Taxpayers may qualify for the child tax credit and child and dependent care credit. Those who are not eligible for the child tax credit might be able to claim the credit for other dependents. Individuals paying higher education costs for themselves, a spouse, or a dependent may be eligible to save some money with [education tax credits or deductions](#). Additionally, low-to-moderate-income taxpayers may qualify for the [earned income tax credit](#).

The IRS's Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) programs offer free basic tax return preparation to qualified individuals. Appointments at these sites may be limited. You can search for sites near you on the IRS's website at <https://www.irs.gov/individuals/free-tax-return-preparation-for-qualifying-taxpayers>.

Will I receive a refund for the American Rescue Plan's 2020 Unemployment Compensation Exclusion?

The IRS continues to review tax year 2020 returns and process corrections for taxpayers who paid taxes on unemployment compensation later deemed not taxable under the American Rescue Plan. The corrections exclude the compensation from income if the taxpayer is eligible and adjust the rest of the return accordingly.

The IRS is now concentrating on more complex returns and that work will continue into 2022. Some taxpayers will receive refunds, while others will have the overpayment applied to taxes due or other debts.

In general, if a taxpayer is eligible to exclude some amount of unemployment compensation – and the exclusion makes them eligible for a credit or deduction not claimed on their original return – the taxpayer should file an amended return to claim the new credit or deduction. There are exceptions, however. Taxpayers looking for more information can see the [2020 Unemployment Compensation Exclusion FAQs](#) including [Topic D](#) on when amending a 2020 tax return may be necessary.

How do I pay a tax bill?

The IRS offers several ways for taxpayers to [pay their taxes](#), including online, by phone, or through the IRS2Go app. [Direct Pay](#) is free and a safe way to pay taxes or estimated tax directly from a checking or savings account. Direct Pay has five simple steps to pay in a single online session and is also available with the IRS2Go mobile app.

IRS tools and resources for the filing season

Tax information, resources, and account management tools are available 24 hours a day. On IRS.gov taxpayers will find:

[Online Account Access](#): Registered users can access their individual account information, including their balance, payments, tax records, and more. Select the sign-in button to login to an existing account or set up a new one.

[Get Transcript](#): With an online account, taxpayers can view their tax account and tax return transcripts online. With or without an online account, taxpayers can order copies of their tax records for delivery by mail.

[Coronavirus Tax Relief](#): This page provides information about, and resources for, the 2021 Child Tax Credit, Recovery Rebate Credits, and other coronavirus tax relief.

[Interactive Tax Assistant](#): Based on user input, this tool provides answers to tax law questions specific to the user's circumstances. No login is required and use is anonymous; the user's input is discarded when they're done.

[What is Taxable and Nontaxable Income?](#) Where taxpayers can find out what income is taxable and nontaxable.

[Credits and Deductions](#): Information on how credits and deductions work, what credits and deductions are available, and who can claim them.

[Forms and Instructions](#): A library of IRS forms, instructions, and publications on virtually any tax topic, many available in multiple languages and accessible formats.

[Frequently Asked Questions and Answers](#): Here, taxpayers can get plain language answers to the most frequently asked questions and access FAQs on a variety of topics.

[Free File](#): Here, eligible individuals can select and use commercial software to prepare and file their federal income taxes online for free.

[Volunteer Income Tax Assistance Locator](#): This tool helps taxpayers find organizations that provide free tax help for the elderly, the disabled, people who speak limited English, and taxpayers with low incomes.

[Directory of Federal Tax Return Preparers](#): This tool allows individuals and businesses to search for tax preparers in their area who hold professional credentials recognized by the IRS.

[Where's My Refund?](#): Using this tool, taxpayers can check the status of their refund within 24 hours after the IRS receives their e-filed return or 4 weeks after mailing a paper return.

[Payments](#): Here, taxpayers can pay by direct debit from their bank account or choose an approved payment processor to pay by credit or debit card for a fee. They can also apply for a payment plan and learn about the IRS Offer in Compromise program.

As part of its ongoing effort to improve online access, the IRS provides information and resources in as many [languages](#) as possible through as many devices as possible, including the [IRS2Go Mobile App](#).