



TaxNewsFlash

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IRS updates contingency plan for IRS operations during government shutdown

The IRS has updated its “Lapsed Appropriations Contingency Plan” concerning IRS operations during the partial government shutdown.

The IRS, as an unfunded agency, initially produced a contingency plan in anticipation of the partial government shutdown in November 2018. According to that plan, certain functions of the IRS were to remain operating during the shutdown, including those personnel responsible for preparing for the upcoming filing season. Also, certain activities associated with implementation of tax reform were not immediately affected by the shutdown because that funding was provided by legislation last year. The contingency plan (November 2018) provided:

An additional consideration this year is the Tax Cuts and Jobs Act (TCJA), Pub. L. No. 115-97 (Dec. 22, 2017). TCJA is the largest overhaul of the Tax Code since 1986 and involves all aspects of tax administration for individuals and businesses, TCJA provisions provide funding for two (2) fiscal years FY2018 - FY2019 for IRS activities covered by the provisions.

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In enacting the TCJA, Congress provided the Treasury Department with funds that will remain available until September 30, 2019. See Consolidated Appropriations Act, 2018, Pub. L. No. 115-141, Div. E, Title I, § 113 (Mar. 23, 2018). Thus, some implementation activities would not be affected by a lapse in appropriations in Fiscal Year 2019.

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The IRS yesterday issued a release explaining certain implications of the partial government shutdown and, in part, stated that tax returns will be accepted and that tax refunds will be paid during the period of the shutdown. Read [TaxNewsFlash](#)

The IRS has updated its contingency plan—[Lapsed Appropriations Contingency Plan](#) [PDF 762 KB]—and the updated plan (dated January 15, 2019) provides in part that certain IRS functions will remain closed including:

- All audit functions, examination of returns, and processing of non-electronic tax returns that do not include remittances
- Non-automated collections
- Legal counsel

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