TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION

The IRS Is Making Payments Easier, but Processing Can Be Improved

September 16, 2026

Report Number: 2026-108-054

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HIGHLIGHTS: The IRS Is Making Payments Easier, but Processing Can Be Improved

Final Audit Report issued on September 16, 2026 **Report Number 2026-108-054**

Why TIGTA Did This Audit

The President issued an Executive Order in March 2025 requiring a governmentwide transition to electronic payments. This builds on previous requirements from the Inflation Reduction Act where the IRS was tasked with making taxpayer payments seamless and comparable to private-sector standards. We assessed the IRS's efforts to enable taxpayers to make payments easily and seamlessly through all service channels.

Impact on Tax Administration

The IRS received approximately 290 million payments in Calendar Year (CY) 2024. From CY 2018 through 2024, electronic payments increased 31 percent, while checks and money orders decreased 26 percent and payments received at submission processing centers decreased 60 percent.

However, millions of taxpayer payments were not deposited timely during this period. These delays burden taxpayers because the IRS may send them a notice for unpaid taxes or show a balance due on their account despite the taxpayer having made a payment.

What TIGTA Found

The IRS has been updating and adding payment options to help make payments easier for individuals and business taxpayers. Actions are being taken to encourage more taxpayers to use electronic payment methods. The IRS is also working with the Bureau of the Fiscal Service to identify alternative payment options for taxpayers who do not have a bank account. Lastly, the IRS is looking into adding more payment options, including making payments over the phone, making electronic payments directly with IRS employees, or using a digital wallet.

The volume of tax returns received by the IRS increases around the filing deadline. Generally, the IRS processes payments within their requirements. However, we identified more than 8 million taxpayers who filed returns with tax payments from April 15 through April 18, 2025, which created a backlog in the correction of payments with errors. We determined that 28,929 taxpayers were sent notices in error showing that their payments were not received and that they needed to make a payment. IRS management stated that the delay was due to the large volume of payments made at the tax deadline and many errors (made by taxpayers) were identified once they were processed. The IRS has plans in place to prevent this type of backlog in the future by implementing real-time entity validation in Direct Pay, which should identify errors prior to submission.

A similar issue occurred in June 2024 when the IRS sent balance due notices to taxpayers even though payments were made with their Tax Year 2023 tax return. At the time of this report, the IRS has not reported any concerns with processing payments or released a statement about erroneously issued balance due notices relating to Tax Year 2025 tax returns.

Our analysis of both paper and electronic payments made in CYs 2018 through 2024 identified more than 39 million payments totaling over $580 billion that took more than 3 days to deposit after receipt. IRS policy states that, generally, the IRS should deposit taxpayer payments within 24 hours of receipt. IRS management stated that these delays occurred for several reasons, including a backlog of payments because of the pandemic and travel time of paper payments from a field office to a campus teller. Depositing payments late can potentially burden taxpayers by showing a balance due on the account even though a payment was made or by sending an erroneous balance due notice.

What TIGTA Recommended

We recommended that the Chief, Taxpayer Services, should perform a study to identify the root causes for delays in processing taxpayer payments, and ensure that the planned processing improvements, such as real-time entity validation for payment errors, are completed.

The IRS agreed with our recommendations and plans to implement corrective actions.

TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION

U.S. DEPARTMENT OF THE TREASURY

WASHINGTON, D.C. 20024

September 16, 2026

MEMORANDUM FOR: COMMISSIONER OF INTERNAL REVENUE

Diana M. Tengesdal

FROM: Diana M. Tengesdal
Deputy Inspector General for Audit

SUBJECT: Final Audit Report – The IRS Is Making Payments Easier, but Processing Can Be Improved (Audit No.: 2024108016)

This report presents the results of our review to assess efforts to enable taxpayers to make payments easily and seamlessly through all service channels. This review was part of our Fiscal Year 2025 Annual Audit Plan and addresses the major management and performance challenge of *Improving Taxpayer Service and Protecting Taxpayer Rights.*

Management's complete response to the draft report is included as Appendix III. If you have any questions, please contact me or Kasey Koontz, Acting Assistant Inspector General for Audit (Taxpayer Services and Operational Support).

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Background

In March 2025, the President issued Executive Order (EO) 14247, *Modernizing Payments To and From America's Bank Account*, requiring a governmentwide transition to electronic payments for all federal disbursements and receipts, within the limits of existing law.[1] The EO directs the Secretary of the Treasury to:

- Eliminate physical lockbox services.
- Accelerate the shift to electronic collection of federal receipts such as fees, fines, loans, and taxes.
- Develop and revise exception procedures for cases where electronic payments are not feasible (*e.g.*, individuals without banking access or emergency payments where digital transfers cause undue hardship).

This EO builds on earlier modernization efforts. Under the Internal Revenue Service (IRS) Inflation Reduction Act Strategic Operating Plan, the IRS was tasked with making taxpayer payments more seamless, comparable to private-sector standards. This work was suspended in early 2025. Planned improvements included:

- Expanding online account features for individuals, businesses, tax professionals, and payroll processors to make, manage, and view payments.
- Enhancing options for online payments without registration.
- Allowing electronic payments by phone or through IRS field employees.
- Accepting payments from a foreign bank account.

Though the work was suspended, several of its projects and milestones were transferred and repurposed as the groundwork for EO 14247, effectively merging prior IRS modernization efforts into the broader federal payment digitization mandate. We have a separate review to assess the IRS's progress complying with this EO.

Figure 1 shows the IRS's various payment options for taxpayers to make payments either electronically, in person, or by mail, and any associated fees.

[1] See Appendix IV for a glossary of terms.

Figure 1: IRS Payment Options

Electronic	Description
IRS Direct Pay	Individual and business taxpayers can use IRS Direct Pay to pay online directly from a checking or savings account for free and registration is not required. Additionally, individuals and businesses have the option to create and sign into an IRS Online Account at IRS.gov that provides a free option for making payments using IRS Direct Pay.
Electronic Federal Tax Payment System (EFTPS)	EFTPS is a free service offered by the Department of the Treasury and individual and business taxpayers must enroll to use this option. The IRS no longer allows individuals to create new enrollments into EFTPS. All individuals will be required to transition from using EFTPS to Individual Online Accounts in Calendar Year 2026.
Electronic Funds Withdrawal	The Electronic Funds Withdrawal is a free service that is an integrated electronic-file/electronic-pay option offered for individuals and businesses only when filing federal taxes using tax preparation software or through a tax professional.
Payment Processor	Individual taxpayers and businesses can choose to pay with a credit card, prepaid card, debit card, or digital wallet through IRS contracted payment processors by phone or through the payment processors websites for a fee.
In Person	**Description**
Taxpayer Assistance Center	Taxpayers must schedule an appointment at a Taxpayer Assistance Center to make a cash payment.
Retail Partner	Taxpayers can make cash payments at participating retailers, such as convenience and grocery stores. There are fees of $1.50 for each payment.
By Mail	**Description**
Money Order or Check	Taxpayers can mail a money order or check to the address on the form they filed or notice they received from the IRS.

Source: Internal Revenue Manual and IRS.gov.

Additionally, the IRS2Go mobile app allows taxpayers to make most electronic payments listed above, including paying directly from a bank account for free, or using a credit card, debit card, or digital wallet for a fee. The app also allows taxpayers to access their online account.

Analysis of IRS payment options for Calendar Years (CY) 2018 through 2024 shows that more taxpayers are electing to make payments electronically rather than through cash, check or money order, as shown in Figure 2.

Figure 2: The Number of Electronic Payments Increased 31 Percent from CYs 2018 Through 2024

Calendar Year	Electronic Payments[2]	Lockbox Payments[3]	Submission Processing Centers[4]	Total
2018	187M	51M	13M	**252M**
2019	195M	49M	12M	**256M**
2020	191M	44M	6M	**242M**
2021	209M	42M	8M	**259M**
2022	220M	42M	7M	**269M**
2023	227M	38M	5M	**270M**
2024	245M	38M	5M	**288M**
Total	**1.5B**	**304M**	**56M**	**2B**
Percent Increase/(Decrease)	**31%**	**(26%)**	**(60%)**	**14%**

Source: IRS Revenue Receipt Reports (B = billions, M = millions). Numbers may not add up due to rounding.

Results of Review

Improvements Are Being Made to Offer More Payment Options

The Taxpayer Services Division has been updating and adding payment options that should help make payments easier for both individual and business taxpayers. Also, actions are being taken to encourage more taxpayers to use electronic payment methods. Some examples of IRS payment improvements and other ongoing actions are shown in Figure 3.

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[2] Electronic includes payments submitted electronically through IRS-approved payment methods, such as Direct Pay, EFTPS, credit/debit card payments, and other electronic funds transfers, for example payments made through retail locations.

[3] Lockbox includes payments received at Treasury-designated lockbox sites including checks, money orders, and cash payments.

[4] Submission Processing Centers include payments processed directly at IRS campuses, primarily checks and money orders. Cash payments received at Taxpayer Assistance Centers are converted to cashier's checks or money orders and forwarded to a Submission Processing Center for deposit.

Figure 3: IRS Payment Option Improvements

Payment Option	Improvement/Change	Date Completed
Business Tax Account	The Business Tax Account allows businesses to create an account online to make federal tax deposits and balance due payments and review their payment history. The Business Tax Account is available for C-Corporations, S-Corporations, and Partnerships. Previously, only individuals could create online accounts.	August 2024
Direct Pay	The Direct Pay option added additional electronic tax forms that businesses can use to make payments without account registration. Examples of these forms include Form 720, *Quarterly Federal Excise Tax Return*, Form 940, *Employer's Annual Federal Unemployment (FUTA) Tax Return*, Form 941, *Employer's Quarterly Federal Tax Return*, and Form 943, *Employer's Annual Federal Tax Return for Agricultural Employees*.	October 2024
Tax Pro Account	The Tax Pro Account allows tax professionals to make payments for their individual clients, view payment history, including scheduled and cancelled payments of both their individual and business clients. In the future, the IRS hopes to add the ability for tax professionals to be able to make batch payments instead of making separate payments for each client.	December 2024
Notice Enhancements	The IRS is enhancing taxpayer notices to encourage electronic payments. For example, Quick Response codes are being added to notices that link taxpayers to IRS online payment options.	Ongoing

Source: Pay web page on IRS.gov and IRS provided information.

The IRS is also working with the Bureau of the Fiscal Service to identify alternative payment options for taxpayers who do not have a bank account. These options may include outsourced solutions where appropriate. Additionally, the IRS is looking into adding more payment options, including making payments over the phone, making electronic payments directly with IRS employees, or using a digital wallet. This will help to ensure that all taxpayers have continued access to make tax payments during the transition to electronic methods. Lastly, the IRS is expanding its outreach to the tax software industry, requesting that they encourage taxpayers to use electronic payments.

Lockbox services will continue for now

To ease the transition to electronic methods, the IRS will continue using two lockbox locations to accept checks and money orders until December 2027. IRS management emphasized that in CY 2026, the IRS will not refuse to accept a paper check as payment. The Bureau of the Fiscal Service administers the IRS lockbox locations. The lockboxes help the IRS collect taxes by allowing certain financial institutions to process individual and business tax payments. From January 2025 through December 2025, the IRS lockbox locations processed almost 36.9 million payments, worth more than $435.7 billion.

As mentioned previously, EO 14247 states that the Secretary of the Treasury shall take appropriate actions to eliminate the need for the physical lockbox services and expedite requirements to receive the payment of federal receipts, including fees, fines, loans, and taxes through electronic means.

Some Taxpayer Payments Were Delayed Due to a Processing Issue

The volume of tax returns received by the IRS increases around the filing deadline. Generally, the IRS processes payments within their requirements. However, we identified more than 8 million taxpayers who filed returns with tax payments from April 15 through April 18, 2025, which created a backlog in the correction of payments with errors. We determined that 28,929 taxpayers were sent notices in error showing that their payments were not received and that they needed to make a payment.

Taxpayer Services management stated that the large volume of payments made at the tax deadline caused a delay in processing the payments. Once the payments were processed, many of them contained errors (*e.g.*, the taxpayer's name or Taxpayer Identification Number (TIN) did not match the name or TIN in the IRS's taxpayer account). These payments were sent to the Electronic Federal Payment Posting System Error Correction function where they must be manually reviewed and corrected by Accounting Technicians. As of December 2025, Taxpayer Services management stated they had completed the backlog and had returned to normal processing time frame.

To help alert taxpayers about this issue, in June 2025, the IRS added a statement on its website advising them to ignore the balance due notice or any interest and penalties if they had already sent in their tax payment. Taxpayer Services management stated they have plans in place to prevent this type of backlog in the future by implementing real-time entity validation in the Direct Pay option by August 2026. Real-time entity validation will compare IRS data, such as the name or TIN, to the information the taxpayer is entering. If the data does not match, Direct Pay will reject the payment so the taxpayer can correct the error. This is a similar control that the IRS uses when processing an electronically filed tax return. The IRS is also hoping to be able to increase staffing to help speed up the payment error review process.

A similar issue occurred in June 2024 when the IRS sent balance due notices to taxpayers even though payments were made with their Tax Year 2023 tax return. According to the IRS, the notices may have been initiated before the payment was processed on the account, or the payment may have been processed but contained errors and required additional handling to address the error before updating the tax account. We did not determine if there were any similar issues related to processing payments received in CY 2026. At the time of this report, the IRS has not reported any concerns with processing payments or released a statement about erroneously issued balance due notices relating to Tax Year 2025 tax returns.

Millions of payments took more than three days to process from CYs 2018 through 2024

Our analysis of taxpayer payments made in CYs 2018 through 2024 identified more than 39 million payments (less than 2 percent of all payments during this period) totaling over $580 billion that took more than 3 days to deposit after receipt. IRS policy states that, generally, the IRS should deposit taxpayer payments within 24 hours of receipt. We conservatively allowed 3 days in our calculation to account for end of day payments, holidays, or weekends. Figure 4 breaks down the number of payments by electronic means and paper that took more than three days for the IRS to deposit and total dollars paid each calendar year.[5]

[5] Paper payments consist primarily of checks, cashier's checks, and money orders.

Figure 4: Millions of Electronic and Paper Payments Took More Than Three Days to Deposit After Receipt

Calendar Year	Electronic Payments Deposited More Than Three Days After Receipt	Value of Electronic Payments Deposited More Than Three Days After Receipt	Paper Payments Deposited More Than Three Days After Receipt	Value of Paper Payments Deposited More Than Three Days After Receipt
2018	80K	$367M	272K	$3B
2019	273K	$1B	646K	$11B
2020	2M	$15B	4M	$33B
2021	3M	$27B	3M	$56B
2022	3M	$27B	4M	$152B
2023	5M	$29B	4M	$102B
2024	6M	$27B	5M	$98B
Total	**19M**	**$126B**	**20M**	**$454B**

Source: Analysis of IRS Masterfile data. (B = billions, M = millions, K = thousands). Numbers may not add up due to rounding.

While the overall number of paper payments is only 18 percent of all payments during this period, they make up over half of all late deposited payments. For about three million of these late payments, it took the IRS more than 30 days from receipt to deposit the payments. Figure 5 shows the range of time it took for the late payments to be deposited.

Figure 5: Range of Time to Deposit Tax Payments

Calendar Year	3-10 Days	11-20 Days	21-30 Days	More than 30 Days
2018	339K	9K	2K	2K
2019	766K	96K	30K	27K
2020	2M	287K	194K	3M
2021	5M	830K	154K	263K
2022	6M	981K	172K	46K
2023	8M	389K	87K	18K
2024	10M	526K	49K	41K
Total	**33M**	**3M**	**658K**	**3M**

Source: Analysis of IRS Masterfile data. (M = millions, K = thousands). Numbers may not add up due to rounding.

Taxpayer Services management stated these delays occurred for several reasons, including payment or tax return errors requiring manual handling, as well as a backlog of payments that needed to be processed during the pandemic (CYs 2020 through 2022). Additionally, they stated that some paper payments were not deposited within 24 hours when they are associated with compliance activities, due to the time it takes to transfer the payment from a field office to a campus teller. While these may explain some of the reasons for delays in depositing taxpayer payments, we believe a more complete study would reveal more of them. Depositing payments late can potentially burden taxpayers by showing a balance due on the account even though a payment was made or by sending an erroneous balance due notice.

As the volume of electronic payments continues to increase, it is important that the IRS timely implement planned improvements, such as the entity validation process. We may initiate a future audit to ensure that the tool, once implemented, is working as intended.

The Chief, Taxpayer Services, should:

Recommendation 1: Perform a study to identify the root causes for delays in processing taxpayer payments.

> **Management's Response:** IRS management agreed with this recommendation and will conduct a study of taxpayer payment processing delays to identify the principal root causes of delays in processing taxpayer payments.

Recommendation 2: Ensure that the planned processing improvements, such as real-time entity validation, for payment errors are completed to prevent backlogs and delays.

> **Management's Response:** IRS management agreed with this recommendation and will confirm that the Direct Pay Business Real-Time Entity Validation is deployed successfully.

Appendix I

Detailed Objective, Scope, and Methodology

The overall objective of this review was to assess efforts to enable taxpayers to make payments easily and seamlessly through all service channels. To accomplish our objective, we:

- Assessed the IRS's efforts on improving the process for making payments easier.
- Performed a trend analysis on all payments made to the IRS in CYs 2018 through 2024, including the number, dollar value, and type of payment as well as who made them.
- Analyzed whether the payments were deposited and posted timely.

Performance of This Review

This review was performed with information obtained from the Taxpayer Services Division located in Atlanta, Georgia during the period April 2025 through April 2026. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Data Validation Methodology

During this review, we obtained data extracts from the Individual and Business Master File Databases for Tax Years 2018 through 2024. Before relying on the data, we ensured that each file contained the specific data elements we requested. In addition, we selected judgmental samples of each extract and verified that the data in the extracts were the same as the data captured in the Integrated Data Retrieval System.[1] We also performed analysis on the extracts to ensure that the validity and reasonableness of our data, such as TINs, transaction codes, tax period, and transaction amounts. We determined that the data were sufficiently reliable for the purposes of this report.

Internal Controls Methodology

Internal controls relate to management's plans, methods, and procedures used to meet their mission, goals, and objectives. Internal controls include the processes and procedures for planning, organizing, directing, and controlling program operations. They include the systems for measuring, reporting, and monitoring program performance. We determined that the following internal controls were relevant to our audit objective: the processes for collecting and depositing various payment methods and controls over data received and maintained. We evaluated these controls by reviewing taxpayer data including tax payment methodologies and amounts, taxpayer data, and interviewing IRS employees.

[1] A judgmental sample is a nonprobability sample, the results of which cannot be used to project to the population.

Appendix II

Outcome Measure

This appendix presents detailed information on the measurable impact that our recommended corrective actions will have on tax administration. This benefit will be incorporated into our Semiannual Report to Congress.

Type and Value of Outcome Measure:

- Taxpayers Impacted – Potential: 28,929 taxpayers who received a balance due notice in error after making a tax payment with their tax return filed during the period April 14, 2025, through April 18, 2025, due to delayed processing (see Recommendation 2).

Methodology Used to Measure the Reported Benefit:

We identified a population of 8,352,929 taxpayers who filed their tax returns with payments included during the period April 15, 2025, through April 18, 2025. We performed an analysis on the 8,352,929 taxpayers to determine if they had received a balance due notice and if the account balance had subsequently been paid in full and closed. Finally, we checked to see if any penalties or abatements had been fully abated showing that their taxes were paid in full on time. We identified 28,929 taxpayers who were sent a notice in error showing their payments had not been received and they needed to make a payment.

Management's Response: IRS management disagreed with the outcome measure characterizing the 28,929 taxpayers as definitively impacted by IRS payment-processing delays. While the methodology identifies taxpayers who received balance due notices after submitting payments and subsequently satisfied their tax liabilities, it does not isolate the specific cause of the delay for each taxpayer. The population may include payments requiring taxpayer correction or validation, differences in payment and posting timing, and other account-specific circumstances. The methodology does not support attributing the outcome measure exclusively to IRS processing delays, nor does it support the assertion that the balance due notices were issued in error.

Office of Audit Comment: The IRS does not agree with the way we characterized the outcome measure. However, it does not dispute that the 28,929 taxpayers received a balance due notice after making a tax payment with their tax return. Additionally, as we stated in this report, the IRS posted on its website in June 2025 that taxpayers may have received notices indicating a balance due even though payments were made timely. Also in June 2024, the IRS indicated that the notice may have been initiated before the payment processed on the account, or the payment may have been processed but contained errors and required additional handling to address the error before updating the tax account. The IRS agreed with our recommendation and plans to conduct a study of taxpayer payment processing delays to identify principal root causes of delays in processing taxpayer payments.

Appendix III

Management's Response to the Draft Report

TAXPAYER SERVICES

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
ATLANTA, GA 30308

September 2, 2026

MEMORANDUM FOR DIANA M. TENGESDAL
Deputy Inspector General for Audit

FROM: Kenneth C. Corbin
Chief, Taxpayer Services Division

Digitally signed by Kenneth C. Corbin
Date: 2026.09.02 10:00:13 -04'00'

SUBJECT: Draft Audit Report – The IRS Is Making Payments Easier, but Processing Can Be Improved (Audit No.: 2024108016)

Thank you for the opportunity to review and provide comments on the subject draft report. Each year, the IRS processes more than 300 million taxpayer payments through multiple submission channels, including electronic and paper-based methods, equating to over $5 trillion. Our ability to support this volume requires balancing timely payment processing with payment accuracy, security, and taxpayer access while maintaining effective controls across diverse payment methods.

We have been committed to modernizing and expanding electronic payment options, while ensuring that alternatives remain available for taxpayers who cannot reasonably use electronic methods. This commitment was further reinforced by the issuance of Executive Order 14247, *Modernizing Payments To and From America's Bank Account* (March 25, 2025). As a result, we continue to modernize taxpayer payment services to provide secure, convenient, and efficient payment options across multiple service channels. Our efforts include expanding electronic payment capabilities for individuals, businesses, and tax professionals; enhancing online account functionality; improving payment research and tracer processes; and strengthening inventory management and payment resolution practices.

We agree that it is crucial to fully understand all issues that may impact payment processing. We are committed to monitoring payment processing performance and implementing enhancements to reduce manual intervention, improve payment accuracy, and ensure accelerated resolution of payment discrepancies. We agree that as the volume of electronic payments continues to increase, we need to seek opportunities to strengthen the timeliness and accuracy of payment processing.

2

We do not agree that systemic processing delays in 2025 that occurred on the Electronic Federal Tax Payment System or the Electronic Federal Payment Processing System caused balance due notices to be sent to taxpayers in error. Numerous factors beyond IRS control can affect processing timeliness, including incomplete or incorrect information provided by taxpayers, payments applied to the wrong tax year, and unique account conditions. These complexities must be considered when evaluating the causes of payment delays and notice issuance. Accordingly, we do not agree with the proposed Outcome Measure that indicates 28,929 taxpayers received a balance due notice in error.

Our responses to your specific recommendations are enclosed. If you have any questions, please contact me, or a member of your staff may contact Joseph Dianto, Director, Customer Account Services, at (470) 639-3494.

Attachment

Attachment

Draft Audit Report – The IRS Is Making Payments Easier, but Processing Can Be Improved (Audit No.: 2024108016)

Recommendations

The Chief, Taxpayer Services, should:

RECOMMENDATION 1:
Perform a study to identify the root causes for delays in processing taxpayer payments.

CORRECTIVE ACTION
We agree. We will conduct a study of taxpayer payment processing delays to identify the principal root causes of delays in processing taxpayer payments.

IMPLEMENTATION DATE
November 15, 2026

RESPONSIBLE OFFICIAL
Director, Submission Processing, Customer Account Services, Taxpayer Services Division

CORRECTIVE ACTION MONITORING PLAN
We will monitor this corrective action as part of our internal management control system.

RECOMMENDATION 2:
Ensure that the planned processing improvements, such as real-time entity validation, for payment errors are completed to prevent backlogs and delays.

CORRECTIVE ACTION
We agree. We will confirm that the Direct Pay Business Real-Time Entity Validation is deployed successfully.

IMPLEMENTATION DATE
November 15, 2026

RESPONSIBLE OFFICIAL
Director, Submission Processing, Customer Account Services, Taxpayer Services Division

CORRECTIVE ACTION MONITORING PLAN
We will monitor this corrective action as part of our internal management control system.

2

Outcome Measure: Taxpayers Impacted

We disagree with the outcome measure characterizing the 28,929 taxpayers as definitively impacted by IRS payment-processing delays. While the methodology identifies taxpayers who received balance due notices after submitting payments and subsequently satisfied their tax liabilities, it does not isolate the specific cause of the delay for each taxpayer. The population may include payments requiring taxpayer correction or validation, differences in payment and posting timing, and other account-specific circumstances. The methodology does not support attributing the outcome measure exclusively to IRS processing delays, nor does it support the assertion that the balance due notices were issued in error.

Appendix IV

Glossary of Terms

Term	Definition
Bureau of the Fiscal Service	Established on October 7, 2012, with the consolidation of two Department of the Treasury bureaus: the Bureau of the Public Debt and the Financial Management Service. The Bureau of the Fiscal Service collects revenue and delinquent debt and disburses funds to millions of Americans, ensuring that their timely receipt of benefit payments.
Digital Wallet	Digital wallets contain digital versions of credit and debit cards that are stored in wallet applications on mobile devices.
Executive Order	An executive order is a directive issued by the President of the United States that has the force of law. Executive orders are typically based on existing statutory or constitutional authority. They do not require Congressional approval to take effect, and Congress generally cannot overturn them directly. However, they remain subject to judicial review and may be invalidated if found unconstitutional or beyond the scope of statutory authority.
Master File	A magnetic tape record containing all information regarding a taxpayer's filing of returns and related documents, both business and individual.
Quick Response Code	A machine-readable code usually consisting of a matrix of black and white squares (they can also come in other colors and contain background images).
Tax Year	A 12-month accounting period for keeping records on income and expenses used as the basis for calculating the annual taxes due. For most individual taxpayers, the tax year is synonymous with the calendar year.

Appendix V

Abbreviations

CY	Calendar Year
EFTPS	Electronic Federal Tax Payment System
EO	Executive Order
IRS	Internal Revenue Service
TIGTA	Treasury Inspector General for Tax Administration
TIN	Taxpayer Identification Number

To report fraud, waste, or abuse,
contact our hotline on the web at
https://www.tigta.gov/reportcrime-misconduct.

To make suggestions to improve IRS policies, processes, or systems
affecting taxpayers, contact us at
TIGTACommunications@tigta.treas.gov.

Information you provide is confidential, and you may remain anonymous.