

The Newsletter



# FAUCHER LAW

TAX & BANKRUPTCY

*IRS's Taxpayer Advocate Report on the 2021 Filing Season:*

## 2021 Worst Year Ever for IRS Responsiveness

### INSIDE STORIES

- John's Annual "Best Of" List!
- Spicy Chicken Dip Recipe
- Sebastian Goes to Washington to lobby

Anyone trying to reach the IRS in 2021 already knows it was almost impossible to reach an agent or get things processed. *The Taxpayer Advocate* (a

watch-dog, quasi-independent unit within the IRS that helps taxpayers when normal channels aren't working) just released its annual look at IRS "responsiveness." The combination of historic low IRS staffing, historic high tax returns, continuation of remote work for most IRS staff, and the addition of numerous new tasks associated with Covid legislation (processing stimulus payments, unemployment insurance benefit changes and new tax credits) created the perfect storm for **the IRS' receipt of a failing grade**. The main findings:

**Visits to IRS.gov Up 225% in 2021**, primarily because the IRS was tasked by Congress with implementing many elements of the *American Rescue Plan* to address the economic impact of Covid. Taxpayers had many questions about stimulus checks, child tax credits and other aspects of the bill. As a result, there were almost 1.4 **billion** visits to the IRS website – up from 420 million.

**35 Million Tax Returns Needed Manual Processing, Up 203%**. Most IRS employees were working remotely due to Covid. For privacy reasons, IRS employees cannot access IRS databases or paper returns remotely – they must be in a secure IRS office or computer to do so. Thus, millions of paper returns were ignored until months after their receipt. Moreover, legislative changes to the Earned Income Tax Credit and Child Credit, and taxpayers receiving 2020 stimulus checks in 2021 claiming the missing funds as a rebate in 2021, created millions more returns requiring manual verification - in a year when most IRS employees were unable to access returns or IRS databases.

**Number of Phone Calls to IRS Up 978% But Answers Down 70%**. At the height of the 2021 filing season, the IRS received approximately 1,500 calls per second. The IRS's Form 1040 Lines (the ones with the highest volume) received 85 million calls. The IRS answered just under 3 million of those – a truly miserable 4% response rate. There were similarly awful response rates in the hundreds of millions of calls to the IRS's Enterprise and Accounts Management Lines. My own wait time, using special phone lines for tax practitioners, averaged over an hour *if* I managed to get off hold. My call was often dropped or my hold ended because it was the end of the day.

**70 Face-to-Face IRS Assistance Centers Shut; 43% Fewer Face-to-Face Appointments**. The IRS provides face-to-face help at its Taxpayer Assistance Center (the ones closest to me are in Camarillo and Woodland Hills). A decade ago, there were 400 TACs nationwide; right before Covid there were 360. Covid staffing challenges closed 70 of the remaining TACs (20%) and eliminated walk-in's. Impact? There were 43% fewer taxpayers served by TACs in 2021 than there had been prior to the pandemic.

**The Solution** to this lack of responsiveness is to increase funding to the IRS. During the past decade, the IRS budget and number of employees has decreased 20% while the number of tax returns has increased by that much and the IRS was given additional mandates. Many of us don't like the IRS – it's easy to hate. Many of us dislike paying taxes, and don't agree with how our taxes are spent. **But we the taxpayers pay for IRS underfunding when tax laws aren't administered equitably and efficiently.**

**JDF**



# John's Best of 2021 List

Book	<i>Killers of the Flower Moon</i> , by David Grann. In the 1920s, Osage tribe members were among the richest people in the country because of oil discoveries on their land in Oklahoma. A corrupt network of local whites created schemes to fleece them, including marriage followed by murder. J. Edgar Hoover turned the attention of the newly-created FBI onto the case, developing modern crime analysis techniques on the fly, and uncovering a far larger conspiracy than anyone imagined.
Trip	Driving across the United States from Alabama to New Jersey to California. We saw family on the East Coast, civil rights sites in the South, lots of rural America, and antique stores everywhere. It is a great country, with wonderful people in far-flung places. I dropped off my mother's ashes in the many places she lived (which also dictated much of our route), as she requested before she died. It just took me 10 years to be able to do it! And did I mention antique stores? Because we had the minivan, Karen could buy to her heart's content, including a 12-foot long dining table with seven leaves that she first saw two years earlier in Pennsylvania. Luckily, the same store owner was still trying to sell it. Score!
Hotel	The Ahwahnee in Yosemite National Park. We celebrated a good friend's 60th birthday at this exquisite example of <i>rustic parkitecture</i> in one of the US's greatest national parks. If you haven't been to Yosemite recently, give yourself a treat and go.
Neighborly Public Service	Several of my Oak Park neighbors, led by Sam Gunn, have been meeting this year to develop fire mitigation strategies. Firefighters from Ventura Station #36 spoke on how to better protect ourselves from wildfires. We are now setting up a <i>Fire Safety Council</i> to develop resources for catastrophic fire events when local fire personnel are in short supply, and to help our firefighters with maps of homes with swimming pools and satellite phones in case radios aren't working.
Family Experience	Sending my daughters out into the world again after more than a year of Covid-related downtime. One of them now studies for a master's in architecture at Cal Berkeley, the other majors in in biology (mostly the evolution of fish) at Rice U in Houston.
Restaurant	<i>Dreamland BBQ</i> in Montgomery, AL. Delicious BBQ in a beautiful and fascinating southern city. I highly recommend visiting all the civil rights sites there, especially the Legacy Museum.
Beer	We tasted a lot of great local beers on our cross-country trip. But special shout-outs go to <i>Public House Brewing's</i> Southern Horizon IPA in Rolla Missouri, and absolutely any of <i>New River Brewery's</i> beers in West Jefferson, North Carolina. Good luck trying to find them in southern California! Road trip, anyone?
Tax Troll Story	My client owed more than \$1 million in nondishchargeable payroll taxes to the IRS. The IRS had 10 years to collect this from him. The 10-year period expired in June 2021, but IRS had only contacted him once during those 10 years. Enforcement requires more than one contact; IRS never required him to pay a cent on this bill. Great for my client, bad for our nation.
TV Show	Omar Sy is a Senegalese "gentleman thief" in <i>Lupin</i> , a highly intelligent thriller set in Paris. His motive is to ruin Pellegrini, a rich man who framed Lupin's father for theft decades ago. The criminal is sympathetic, and his crimes ingenious. Cars crash into the Louvre; criminals chase each other in hotel service areas and abandoned chateaux; corrupt cops try to go straight. We get a Dickensian, diverse view into French society. Think "Oceans 11" with commentary on social strata and race.
Tea	<b>Ji Jun Mei: "Golden Horse Eyebrow."</b> This is a black tea (actually looks reddish) from the Wu Yi Mountains in Fujian Province, China. "Sweet and rich, complex yet balanced aroma, notes of toffee and orange" - I'm not sure I can agree with (or even understand) the reviewers, but it's a great-tasting tea. And, honest, I'm not drawn to it just because it's obscure; it really does taste better and more interesting than other high-end black teas.

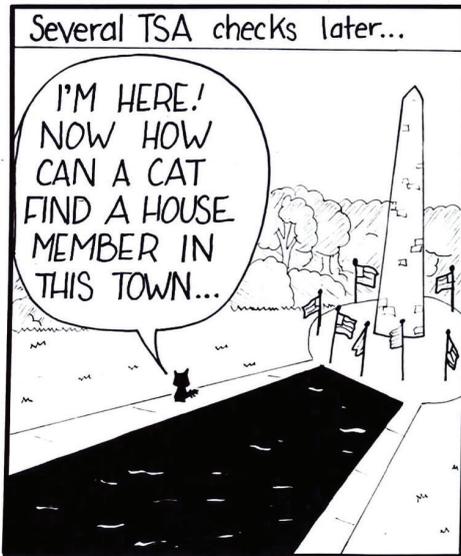
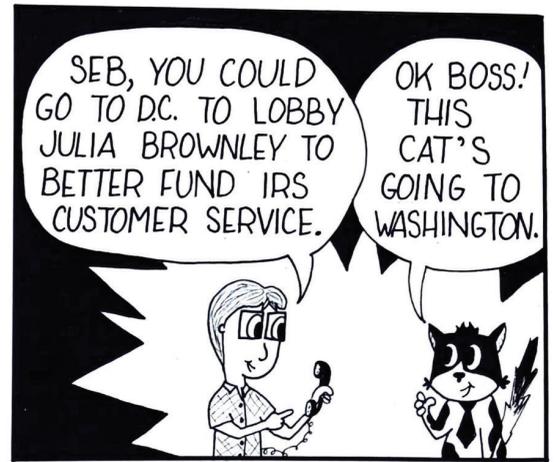
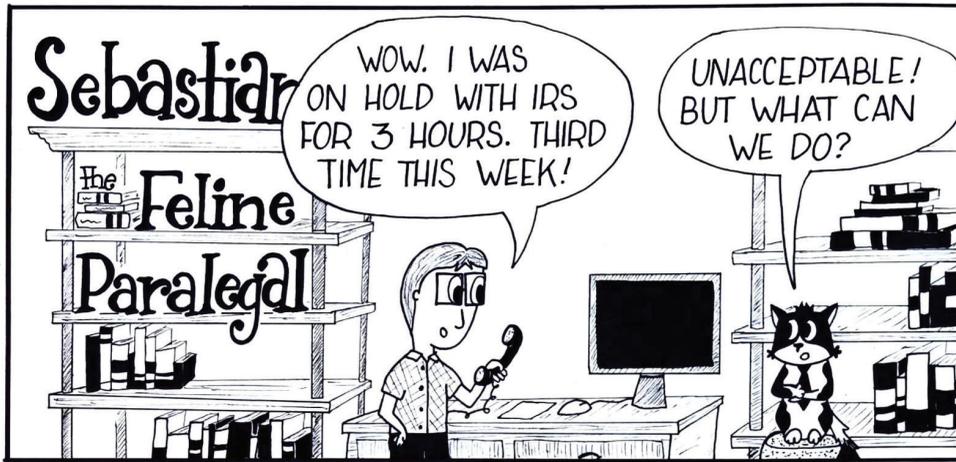


Can't resist this face? Follow Sebastian on Instagram at Sebastian.the.Feline.Paralegal. He sometimes includes John...

## Worth a Thought...

"Associate with men of good quality if you esteem your own reputation; for it is better to be alone than in bad company."

-George Washington



Dec '21 Sophie Schwartz

# Spicy Chicken Dip

This super-easy appetizer makes a delicious spread for sports gatherings.

### Instructions:

- Set aside ½ cup of cheddar cheese for the top. Thoroughly mix all other ingredients, including the remaining one-and-a-half cups of cheddar cheese, together. Put mixture into an oven casserole or baking dish. Top with the ½ cup of cheese that was set aside.
- Bake at 350 degrees for 25-30 minutes, until the cheese on top is melted and the dip begins to bubble. Best served warm, with crackers or chips.

- 2-3 cups shredded chicken (canned chicken or shredded from a roast chicken - we use a Costco hen)
- 2 cups shredded cheddar cheese - we use sharp cheddar
- 1 cup softened cream cheese
- 1 cup sour cream
- ½ to 1 cup Frank's Buffalo Hot Sauce, or a similar hot sauce (use ½ cup for wimps)

## WELCOME TO FAUCHER LAW

**John D. Faucher** worked for 10 years as an IRS trial attorney and has been in private practice since 2008. He and his team speak the legal language. They know the **tax and bankruptcy systems** and can help you get the best result. Have other legal issues? Call us. We'll find the lawyer who's right for you, your friends, or family.

**(818) 889-8080**  
**FaucherLaw.com**

*"Raindrops On Roses, and Whiskers on Kittens..."*

## 🎵 These Are A Few Of My Favorite Things



I hope you received a lot of **"brown paper packages tied up with string"** (thanks to the *Sound of Music* for inspiration) last month! I certainly did. This issue of **The Newsletter** contains my annual **Best of 2021** list, also known as **My Favorite Things**. The Newsletter's main article focuses on a very **Not-Favorite Thing: Absurd IRS Delays**. Indeed, I even sent Sebastian the Feline Paralegal to Washington to lobby for increased IRS funding. **Sebastian reports on the lobbying results and cat-themed paintings in the National Gallery**. Karen shares a great **spicy chicken dip** that's perfect when hosting sports parties. And, finally, **Happy New Year**, everyone!