



IRS releases its 2021 Progress Update detailing challenging year

IR-2022-07, Jan. 7, 2022

WASHINGTON – The Internal Revenue Service today released its 2021 annual report describing the agency’s work delivering taxpayer service and compliance efforts during the pandemic while highlighting efforts taken by IRS employees to help people during the year.

[“Internal Revenue Service Progress Update / Fiscal Year 2021 – Putting Taxpayers First \(.pdf\)”](#) outlines how the agency continued to work through difficulties related to the pandemic while delivering two rounds of Economic Impact Payments and millions of advance Child Tax Credit payments, all in record time. Meanwhile, IRS employees continued to make adjustments to deliver the filing season despite office closures, social distancing mandates and an extended tax filing deadline.

“This has been an unprecedented period facing the IRS and the nation,” said IRS Commissioner Chuck Rettig. “IRS employees worked hard during the pandemic, repeatedly delivering for taxpayers under tight timeframes and difficult circumstances. As the 2022 filing season approaches, more work remains for us to help taxpayers as well as tax professionals. We will continue to make progress on critical areas thanks to the hard work of so many people. I’m incredibly proud of what our employees have been able to accomplish during this period, and we also appreciate the efforts taking place by our partners inside and outside the tax system to help people struggling during COVID-19.”

Since the pandemic began, the IRS has successfully delivered more than \$1.5 trillion to people across the nation through Economic Impact Payments, tax refunds and advance Child Tax Credit payments.

A large portion of that amount was distributed during Fiscal Year 2021, which is the focal point of this year’s Progress Update. The 56-page report highlights accomplishments around the agency’s six strategic goals and identifies ongoing modernization efforts. This year’s edition also discusses work related to implementing the various new pieces of legislation related to the pandemic, including the American Rescue Plan.

In his opening comments in the Progress Update, Rettig explained that each year the IRS collects more than \$3 trillion in taxes and generates approximately 96% of the funding that supports the federal government’s operations.

“The 2021 Progress Update is not just a report, it’s the story of a dedicated group of public servants who continued to deliver for the nation, as they do every year, even in challenging times and while overcoming concerns for themselves, their families and their communities during the pandemic,” he said.

The document gives numerous examples of how IRS employees helped taxpayers, including:

- Expanded information and assistance available to taxpayers in additional languages and underserved communities to help deliver Economic Impact Payments, advance Child Tax Credit payments and other services.
- Developed new online portals for individuals to check on their pandemic-related relief payments and make updates to their personal information.
- Offered a new online option for tax professionals to obtain signatures from individual and business clients and submit authorization forms electronically. Tax pros also now have an online account option, with new features being added.
- Served their communities outside official duties through charitable work and service projects.

The report also shows ways IRS employees worked to maintain the tax system through a strong, visible and robust tax enforcement presence.



“We’ve continued to develop innovative approaches to understanding, detecting and resolving potential noncompliance to maintain taxpayer confidence in the tax system. We have expanded use of data, analytics and artificial intelligence across all lanes from selection to examination,” Rettig said.

“A few of our recent notable accomplishments include the creation of an Office of Fraud Enforcement in 2020 as well as an Office of Promoter Investigations in 2021,” he said. “These and other steps will help us do a better job of rooting out tax fraud, especially shutting down abusive tax avoidance transactions, including syndicated conservation easements and micro-captive insurance arrangements, as well as abusive transactions involving virtual currencies.”

The new Progress Update also highlights IRS work partnering on landmark criminal investigative cases that brought down child pornography, drug and terrorist organizations. In 2021, IRS Criminal Investigation’s conviction rate remained the highest among federal law enforcement at nearly 93% overall, and 96% for tax cases in particular.

“I’m especially proud of our Criminal Investigation Division’s efforts overall and in conjunction with the dark web illicit marketplace known as Silk Road,” Rettig said.

In January 2021, the IRS delivered the [Taxpayer First Act Report to Congress \(.pdf\)](#), a comprehensive set of recommendations to re-imagine the taxpayer experience, enhance employee training and restructure the organization to increase collaboration and innovation. The report introduced three integrated sets of recommendations required by the law and recognized as major improvement strategies.

“We appointed the first-ever [Chief Taxpayer Experience Officer](#),” Rettig explained. “And, while outlining the design for the new Taxpayer Experience Office, we initiated several activities toward implementing the Taxpayer Experience Strategy.”

The IRS will remain focused on making progress and serving the nation as the 2022 filing season begins later this month.

“We remain confident the IRS will continue to deliver for our country, just as we have during other times of national urgency,” Rettig said.