

## **The Internal Revenue Service Math and Taxpayer Help Act (the IRS MATH Act)**

Senator Elizabeth Warren and Senator Bill Cassidy  
Congressman Randy Feenstra and Congressman Brad Schneider

Correspondence from the Internal Revenue Service (IRS) can be intimidating, confusing, and financially consequential for taxpayers. Millions of Americans receive “math error” notices reducing their tax refunds but find the notices “vague and confusing” because they do not explain what error the IRS has corrected or that taxpayers have only 60 days to challenge the IRS’s position.

The Internal Revenue Code allows the IRS to make “math error” corrections – expedited adjustments to tax returns that it deems to contain simple math or clerical errors. Unlike other adjustments, which are made after a notice period and challengeable in U.S. Tax Court, math and clerical adjustments are made automatically and require proactive taxpayer responses to reverse them within 60 days.

The notices are notoriously vague, often listing several potential errors that may have been made rather than specifying the exact issue. The notices also do not properly notify taxpayers of ways to contest the IRS adjustment, and are sent via first class mail. Without properly informing taxpayers, such adjustments made by math and clerical notices can and do result in compounding errors on future returns. Ultimately, this system is unworkable and intolerable for low-income taxpayers who are unable to hire expensive CPAs and attorneys to hunt down the problem and the information required to respond.

The *Make Math Errors Add Up for Taxpayers Act* addresses this problem for taxpayers by:

1. Directing the IRS to improve notices of math or clerical errors, requiring that notices:
  - Describe the mathematical or clerical error in comprehensive, plain language. This includes requiring the type of error, the legal code to which the error relates, and the specific line on the return on which the error was allegedly made.
  - An itemized computation of direct or incidental adjustments made to the tax return for the adjustment year. This includes various reportable topline income numbers, tax credits, carryforwards, and other relevant items.
  - Include the IRS automated hotline for requesting tax account transcripts.
  - Display the 60-day abatement date in bold size 14 font on top of the front page of the notice.
  - Forbid the practice of reporting multiple alternative errors instead of adequately describing the error underlying the adjustment.
2. Requiring that the IRS notify the taxpayer of abatement determinations.
3. Requiring the Treasury Secretary to provide additional procedures for requesting an abatement of a math or clerical error adjustment, including by telephone or in person.
4. Creating a pilot program coordinated by the IRS and National Taxpayer Advocate to determine the benefit of sending math or error notices by certified or registered mail.

