

IRS Policy Regarding the Filing of Delinquent Returns

I.R.M. 1.2.1.5.19 (Approved 11-24-1980)

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1. **Delinquent returns—enforcement of filing requirements:** Taxpayers failing to file tax returns due will be requested to prepare and file all such returns except in instances where there is an indication that the taxpayer's failure to file the required return or returns was willful or if there is any other indication of fraud. All delinquent returns submitted by a taxpayer, whether upon his/her own initiative or at the request of a Service representative, will be accepted. However, if indications of willfulness or fraud exist, the special procedures for handling such returns must be followed.
2. Where it is determined that required returns have not been filed, the extent to which compliance for prior years will be enforced will be determined by reference to factors ensuring evenhanded administration of staffing and other Service resources.
3. Factors to be taken into account include, but are not limited to: prior history of noncompliance, existence of income from illegal sources, effect upon voluntary compliance and anticipated revenue in relation to the time and effort required to determine tax due. Consideration will also be given any special circumstances existing in the case of a particular taxpayer, class of taxpayer, or industry, or which may be peculiar to the class of tax involved.
4. Normally, application of the above criteria will result in enforcement of delinquency procedures for not more than six (6) years. Enforcement beyond such period will not be undertaken without prior managerial approval. Also, if delinquency procedures are not to be enforced for the full six year period of delinquency, prior managerial approval must be secured.