Congressional **Update**

News for members of Congress and their staff

September 2026

This Month's Top News

Expansion of Paid Family, Medical Leave

The Department of the Treasury and the IRS issued Notice 2026-28, providing guidance on the employer credit for paid family and medical leave (PFML) under the Working Families Tax Cuts (WFTC).

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IRS expands support for taxpayers abroad

Live chat assistance and Where's My Amended Return (WMAR) have expanded their capabilities to provide the services needed to help individual taxpayers living abroad or with international tax related issues.

(Full article on page 3)

Business Tax Account updates

The IRS has announced new and expanded features for Business Tax Account (BTA).

(Full article on page 4)

Employee Retention Credit Monthly Update

As of the week ending August 1, 2026, the IRS has approximately 17,300 remaining Employee Retention Credit, or ERC, claims in various stages. These stages include: under review (2,300), pending payment or disallowance (2,900), under audit (4,400), awaiting review of disallowance responses (6,100) and, finally, with the Independent Office of Appeals (1,600). Visit the **ERC webpage** for monthly updates.

The Employee Retention Credit is a refundable tax credit for certain eligible businesses and tax-exempt organizations that had employees and were affected during the COVID-19 pandemic. The requirements are different depending on the time period for which a business claimed the credit. The ERC is not available to individuals.

The IRS is concerned about a large number of improper ERC claims and is **closely reviewing tax returns that claim the credit**. The IRS urges taxpayers to review their claims and quickly resolve incorrect ones.

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Treasury, IRS Issue Guidance on the Permanent Expansion of Paid Family and Medical Leave under the Working Families Tax Cuts

The Department of the Treasury and the IRS issued **Notice 2026-28**, providing guidance on the employer credit for paid family and medical leave (PFML) under the Working Families Tax Cuts (WFTC). The WFTC makes permanent and expands eligibility and coverage for employers offering PFML benefits to employees.

"Hardworking Americans should not have to choose between caring for a loved one and earning a paycheck," said Treasury Secretary Scott Bessent. "The Working Families Tax Cuts permanently expands the federal Paid Family and Medical Leave Tax Credit, giving businesses, especially small businesses, greater incentives to provide paid leave so workers can care for a newborn or other family member or recover from a serious illness without sacrificing their financial security. Today's guidance provides employers with the clarity they need to claim the enhanced credit, supporting American workers, families, and businesses."

"The permanent expansion of the credit encourages businesses to provide paid family and medical leave," said IRS Chief Executive Officer Frank J. Bisignano. "The changes enacted by the Working Families Tax Cuts will make more employers eligible for the credit and give them more ways to offer this benefit to their workers."

Permanent Expansion of the Paid Family and Medical Leave Tax Credit

The Working Families Tax Cuts permanently expands the employer tax credit for paid family and medical leave, providing businesses, particularly small businesses, with greater incentives to offer up to 12 weeks of paid leave. Employees may use the leave to recover from a serious health condition or to care for certain family members with serious health conditions.

The WFTC also makes several key improvements to the credit, including:

- **Expanded Eligibility:** Employers can claim the credit for employees with six months of service and for part-time employees customarily working 20 hours or more per week.
- **Expanded Coverage:** Employers can claim the credit for insurance premiums to provide leave, or wages paid during leave.
- **State and Local Mandates:** Employers can count leave provided under state or local mandates toward the eligibility for this federal tax credit, but not toward the credit calculation.

Beginning in 2026, employers can claim the credit for premiums paid for PFML insurance policies, in addition to wages paid during PFML leave. To help employers apply the new premium-based method, Notice 2026-28 addresses how the premium-based method compares to the wage-based method, how to allocate the qualifying premiums, and how to elect between the premium method and the wage method. Forthcoming proposed regulations will provide broader guidance to address the statute comprehensively and provide certainty to taxpayers.

Beginning in 2026, more employers providing paid family and medical leave that meets certain requirements can take advantage of a general business tax credit ranging from 12.5% to 25% of wages paid to qualifying employees for up to 12 weeks of family and medical leave per taxable year.

Information on Forthcoming Guidance

Treasury and the IRS intend to issue proposed regulations consistent with this guidance. Comments are requested on all aspects of the notice and any other issues regarding implementation of the amendments to section 45S by the WFTC that should be addressed in the forthcoming proposed regulations. Complete instructions on submitting comments are included in the notice.

For more information, see **Working Families Tax Cuts Provisions** and **Section 45S Employer Credit for Paid Family and Medical Leave FAQs** on IRS.gov.

IRS expands support for taxpayers abroad

The IRS live chat assistance and **Where's My Amended Return** (WMAR) have expanded their capabilities to provide the services needed to help individual taxpayers living abroad or with international-tax-related issues.

During the initial live chat phases, assistors could only help with transcripts or the status of amended returns. Now live chat assistors can provide a similar level of service that a taxpayer would receive if they called the non-toll-free line. They can address questions about refunds, balances, payments and more.

International taxpayers can access the live text chat at **Contact My Local Office** Internationally. Live chat is available Monday through Friday from 6 a.m. to 11 p.m. EST. For account-specific questions, taxpayers will need to verify their identity using ID.ME.

The WMAR application has also expanded their service to taxpayers with international addresses. Taxpayers living abroad can receive status updates through the same channels available to domestic taxpayers.

These expansion efforts continue to support secure digital options for all taxpayers. It also helps taxpayers living abroad meet their tax obligations at no cost.

Business Tax Account gives eligible taxpayers more secure, convenient ways to manage federal tax obligations online

The IRS has announced new and expanded features for Business Tax Account (BTA) users, giving eligible businesses and organizations more ways to view digital notices, make payments, and access and manage federal tax account information online.

Business Tax Account is an online self-service platform that allows authorized users of certain entity types to securely access and manage their federal tax records and information. The IRS continues to add features to help taxpayers manage their tax obligations online and reduce the need for paper-based processes.

"Business Tax Account is a key part of the agency's digital first initiative," said IRS Chief Executive Officer Frank J. Bisignano. "By expanding online self-service options, BTA makes it easier for eligible businesses and organizations to manage their federal tax obligations securely and conveniently online without making a phone call or traveling to a physical office."

This year, BTA has added valuable and time-saving features to help taxpayers manage their tax obligations online:

- Users now have access to an expanding library of digital IRS notices. Recently added notices include **CP081B, We May Have a Refund for You**, **CP211A, Application to file extension of time approved**, **CP134R, Federal tax deposits discrepancy — Due a Refund**, and many more.
- Designated officials can now download an EIN verification notice, **Notice CP575, Notice of New Employer Identification Number**, which can be used instead of Letter 147C, EIN Previously Assigned, at banks and financial institutions.
- View an existing payment plan's balance and other details and make a payment toward that plan.
- Eligible taxpayers can also submit payments for an Offer in Compromise to settle tax debts for less than the full amount owed.

Who can use Business Tax Account now?

BTA currently supports access for the following organizational types:

- A sole proprietor who has an Employer Identification Number issued by the IRS.
- An individual partner or individual shareholder with both:
  - A Social Security number or an individual taxpayer identification number.
  - A Schedule K-1 on file. For partners, this includes tax years 2012-2023. For shareholders, this includes tax years 2006-2023.
- S corporation.
- C corporation.
- Federal, state and local governments.
- Indian tribal governments.
- Tax-exempt organizations.

What can eligible taxpayers do within Business Tax Account?

Depending on their business type and role, eligible taxpayers can:

- View and make payments toward a balance due using a bank account. This includes payments on a return filed for the current year, late payments for past tax years, and federal tax deposits.
- Schedule a payment for any business day up to one year in advance and cancel a scheduled payment.
- View recently processed payments, including payments made through the **Electronic Federal Tax Payment System** online, wire transfers, checks or money orders, and see whether any payments were returned or refused.
- Store multiple bank accounts in an online "wallet" to manage tax payments.
- Request a tax compliance check.
- View the business name and address on file with the IRS.
- Give account access to eligible employees of the business.
- View and download transcripts for various payroll, income, and excise tax returns.
- View and download certain digital notices.

What new features will be added to Business Tax Account in the future?

Future capabilities will enable access to more business and organizational entities and help the Business Tax Account become a more robust online self-service platform.

Eligible users must meet Business Tax Account access requirements and register before viewing or managing federal tax records and information. For details about eligibility, visit **Business Tax Account**.

IRS Tips

Helpful taxpayer information on a variety of topics

How to request help with the IRS Independent Office of Appeals

Taxpayers have the right to appeal a decision in an independent forum. If a taxpayer disagrees with an IRS determination, they can ask the **Independent Office of Appeals** to review their case. Appeals operates separately from the IRS office that made the original determination and provides a fair and unbiased review of the applicable tax matter.

Here's what taxpayers need to know to appeal their case:

Requesting an Appeal

Taxpayers who meet the criteria to **request an appeal** must do so in writing.

- They must complete the written request and **mail it to the IRS office that sent the letter with their appeal rights**. The IRS office that receives the request will attempt to resolve the disputed tax issues. If that office can't resolve the issues, they will forward the case to Appeals.
- It is important that taxpayers do not send their requests directly to Appeals; this will only delay the process and may prevent Appeals from considering the case.
- Generally, once a case is received in Appeals, an Appeals officer will contact the taxpayer via letter and will propose a conference date for the appeal to be heard.
- If a taxpayer hasn't heard about their appeal and it's been more than 120 days, taxpayer can contact the IRS office they worked with last for a **status update**.

What to expect during the Appeals conference

- Appeals conferences may be completed by phone, in person, by mail or by **video**. Taxpayers may choose which type of conference they prefer.
- Taxpayers can use secure digital tools to send and receive documents quicker. Learn more on the **What to expect from Appeals** FAQs.
- If the taxpayer submits new information that was not reviewed by the original IRS office, Appeals may send the case back to that office for review. Appeals will not raise new issues or reopen issues agreed to by the taxpayer or the IRS, except in cases of potential fraud.
- During the conference, the Appeals officer reviews the facts, law, and information provided by both the taxpayer and the IRS. The reasons for the decision and the taxpayer's available options will be explained. Usually, an appeal ends in one of these ways:
  - **IRS position upheld:** If the facts and law support the IRS's position.
  - **In taxpayer's favor:** If the facts and law support the taxpayer's position or courts have ruled in favor of taxpayers in similar cases.
  - **Compromise:** If the facts or law are unclear, or courts have made different rulings in similar cases, the Appeals officer may suggest a compromise. In this case, the taxpayer may pay part of the tax that is due.

More information:

- Publication 5, Your Appeal Rights and How To Prepare a Protest If You Disagree PDF
- Appeals mediation programs
- Taxpayer Bill of Rights
- Tax Tip: Taxpayer rights include being able to appeal an IRS decision in an independent forum

IN THE NEWS

- Treasury, IRS issue guidance on rollovers between retirement plans and individual retirement accounts
- Security Summit warns tax pros to watch out for phishing emails and other attacks
- Treasury, IRS issue proposed regulations on employer contributions to Trump Accounts under the Working Families Tax Cuts
- Treasury, IRS begin implementing Executive Order 14403 by announcing intent to issue proposed regulations on Saver's Match, which will benefit millions of low and moderate-income taxpayers
- IRS updates FAQs on qualified overtime deduction
- IRS CEO meets with tax professionals at NY tax forum
- IRS reminder: Information return e-file system transitioning to a new platform
- Interest rates remain the same for the fourth quarter of 2026
- Treasury, IRS issue proposed regulations on eligible investments for Trump Accounts under the Working Families Tax Cuts | Internal Revenue Service
- IRS launches digitally authenticated Tax Compliance Report | Internal Revenue Service
- IRS updates FAQs about the limitation on the deduction for business interest expense | Internal Revenue Service
- IRS establishes Office of Conservation Easements and transitions settlement process | Internal Revenue Service

Get Help on IRS.gov

Online Accounts

- Online account for individuals
- Business Tax Account
- Tax Pro Account

Filing And Payments

- E-file: Do your taxes for free
- Payments
- Where's My Refund?
- Where's my application for tax-exempt status?

Online Tools

- Order forms and publications by U.S. mail
- Tax Exempt Organization Search
- Tax Withholding Estimator
- IRS Local Office Locator
- Employer identification number
- Tools

Assistance

- Congressional Affairs Program
- Taxpayer Advocate Service (TAS)

Resources

- Working Families Tax Cuts
- Forms & instructions
- Report fraud
- Identity Theft Central
- Revocation or denial of passport
- Self-employed individuals tax center
- Disaster relief by state

Working Families Tax Cuts Links

- Individuals and workers
- Families and dependents
- Healthcare
- Businesses
- Clean energy
- Investment and community development
- Tax-exempt entities and charitable giving
- Other taxes
- Resources and guidance

Connect with IRS

Connect with TAS

NTA BLOG

The **IRS Congressional Update** is a monthly newsletter prepared by IRS Legislative Affairs. For information on resolving taxpayer account issues, visit the **Taxpayer Advocate Service**.