

# TIGTA's postmortem on the 2018 1040 filing season

Who could forget [tax day 2018](#)? The IRS' computers crashed unexpectedly, leaving procrastinating taxpayers up the creek without an e-paddle. The Tax Inspector General for Tax Administration recently released its analysis of exactly what happened.

## What TIGTA found

The crash was due to a firmware bug, which caused a storage array to fail. As a result, 59 tax systems, including the Modernized e-File system, were unavailable for about 11 hours. *The good news:* The IRS' Computer Security Incident Response Center didn't find any evidence of a breach or cyber threat activity related to the outage.

The IRS restored mainframe operations by the afternoon and processed almost four million tax returns before midnight. But it wasn't all good news for the IRS. According to TIGTA, the IRS' lessons learned process lacked an overall strategy to consolidate multiple action plans. TIGTA also found that:

- Some of the IRS' computer systems couldn't automatically switch over to redundant or standby systems (i.e., the systems didn't have automatic failovers)
- Its contract with an outside vendor lacked detailed service-level objectives for performance monitoring and incident management
- On the day of the outage, this vendor's failure to meet several service-level objectives required it to pay liquidated damages.

The IRS didn't quibble with TIGTA's findings. It sought those liquidated damages from the vendor and plans to document a consolidated action plan, ensure decisions to *not* install computer updates are approved and make modifications to that contract.

## OK, that's great, but what about the 2019 filing season?

Tax filing in 2019 may also be somewhat of an adventure, according to a second TIGTA report.

The Tax Cuts and Jobs Act required the IRS to revise about 450 forms, publications and instructions and to modify about 140 information technology systems to ensure that it can accommodate the newly revised tax forms.

TIGTA noted that as of July 5, 2018, the IRS' Information Technology unit hadn't received all final work request notifications and business requirements.

*Upshot:* Delays in receiving this information give the IRS less time to modify and test its systems, which could increase the risk of a delayed start of the 2019 filing season.

*Worse:* The IRS is also having trouble filling critical positions. And because it takes a long time to hire employees or onboard contractors, the positions might not be filled quickly enough, which could lead to late information

technology updates.

*Moral:* Waiting until April 15, 2019, to e-file your 1040 probably isn't the optimal strategy. Start early, complete all the new schedules that apply, double check your math and sign your return.

### **Another little hiccup from the IRS**

The IRS released Rev. Proc. 2018-57 on Nov. 15. If you clicked on the link right away, [like we did](#), the document you downloaded incorrectly listed the information return penalties as applying for 2019. The IRS very quietly corrected this mistake and reposted the document, but without a peep. While the penalty amounts are correct, they apply to information returns required to be filed in 2020.