Proskauer

Update: Federal Rulings Ease COVID?Era Interest, Penalty and Filing Burdens

Tax Talks on **May 1, 2026**

Update: The National Taxpayer Advocate has published a blog post urging taxpayers to evaluate whether they have claims for refund based on the recent *Abdo* and *Kwong* decisions. Importantly, the Taxpayer Advocate suggests that the argument for penalty and interest relief based on the COVID pandemic disaster declarations is substantial enough to warrant providing for additional time for claims thereunder to be filed.

While the decision in Kwong is still being litigated, the IRS should raise awareness about taxpayers' rights to a refund and provide an additional six months for them to file a claim, Collins said. "That would give taxpayers more time to learn about the issue, reduce the risk of unintentionally losing their rights, and promote fair and consistent treatment," she wrote.

Read our original blog post here.

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