

A report to congressional committees.

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What GAO Found

In the 2025 filing season, the Internal Revenue Service’s (IRS) tax return processing and customer service performance were similar to prior years. IRS did not meet its 13-day goal to process paper returns but took fewer days to do so in 2025 (16) than in 2024 (20). IRS also answered about 9 million phone calls in both years. IRS’s backlog of taxpayer correspondence remained above pre-pandemic levels at the end of filing season and fiscal year 2025 as IRS continued to struggle balancing demands of phone service and correspondence. But IRS does not have a plan to reduce the backlog. Without a plan, IRS risks not effectively reducing its backlog and may provide less timely service to taxpayers.

In 2025, IRS experienced large-scale changes to its workforce. IRS adjusted operations to comply with new directives, including return to in-person work. IRS data show that 17,047 employees—around 17 percent of IRS’s workforce as of January 2025—left IRS via deferred resignation and early retirement programs in 2025. This included 5,162 filing season staff in units that process returns and provide customer service. However, the 2025 filing season was mostly insulated from these changes. IRS required filing season staff who accepted deferred resignation or early retirement to stay until after the filing season. IRS officials told GAO that IRS is developing a new strategic workforce plan to align with the current administration’s priorities, and its prior plans are on hold. If IRS’s new plan does not address its workforce challenges, IRS will be unable to systematically identify future workforce needs and strategies for related goals.

IRS 2025 Separations via Deferred Resignation and Early Retirement Programs



Source: GAO analysis of Internal Revenue Service (IRS) data; GAO (icons). | GAO-26-108116

Note: For more details on IRS’s 2025 separations data, see figure 9 in GAO-26-108116.

IRS had vacancies and turnover in leadership roles throughout 2025, including having seven different commissioners through August. IRS officials were uncertain about the status of some workforce changes like agency reorganization plans, and some modernization efforts for filing season functions have been in flux, such as activities to digitize paper documents. However, IRS lacks a team that is responsible for day-to-day management of agency reforms and ensuring quality information is shared across IRS. Without such an implementation team, IRS may struggle to ensure that reform efforts are successful and sustainable, which could in turn hinder IRS’s ability to provide quality services to taxpayers.

In addition, in December 2025 amid implementing the One Big Beautiful Bill Act (OBBBA), an IRS internal report stated that critical technology systems would not be ready for the 2026 filing season start. It also stated that return processing and customer service functions would enter the season undertrained or understaffed, which could result in errors and poor service for taxpayers.

Why GAO Did This Study

During the annual tax filing season, IRS processes millions of tax returns and issues hundreds of billions of dollars in taxpayer refunds. IRS also provides customer service to tens of millions of taxpayers. IRS carried out the 2025 filing season and its plans for 2026 during a time of swift, immense change for the federal workforce. IRS’s workforce changes and recent tax law changes could exacerbate the agency’s long-standing challenges to process tax returns on time and meet customer service demands.

GAO was asked to review IRS’s 2025 filing season performance. This report assesses IRS’s (1) staffing levels and processing and customer service performance during the 2025 filing season, and (2) through the end of fiscal year 2025, and (3) workforce planning and modernization efforts for future filing season operations. GAO reviewed IRS and Department of the Treasury documentation, executive orders, and OBBBA tax provisions. GAO analyzed IRS staffing and performance data related to tax return processing and customer service during and after the 2025 filing season. GAO visited one IRS processing facility and interviewed IRS officials and stakeholders from three tax industry groups.

What GAO Recommends

GAO is making three recommendations to IRS to implement a plan to address its correspondence backlog, update its strategic workforce plan, and establish an implementation team to manage agency reform efforts. IRS neither agreed nor disagreed with these recommendations and said it would provide additional details in its response to the final report.