KPMG

TaxNewsFlash

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IRS to remain fully operational during government shutdown

The IRS released its [Fiscal Year 2026 Lapsed Appropriations Contingency Plan] in anticipation of a possible lapse in funding if Congress fails to pass legislation to continue funding a substantial portion of the government before the current funding resolution expires at midnight on September 30, 2025.

Although the unfunded agencies would include the Department of Treasury and IRS, the IRS current plan for FY2026 notes that Pub. L. No. 117-169 (commonly called the "Inflation Reduction Act" (IRA)) provided supplemental appropriations available through September 30, 2031, for all IRS appropriations accounts. With this funding the IRS will not experience a lapse in appropriations on October 1, 2025, and normal IRS operations will continue.

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