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The Kwong Aftermath: New Case Challenges IRS Timeliness Rules for COVID-Era Refund Claims; Taxpayer Fights for Refund

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A new case filed in the United States Court of Federal Claims directly addresses the statute of limitations for refund claims related to the COVID era.

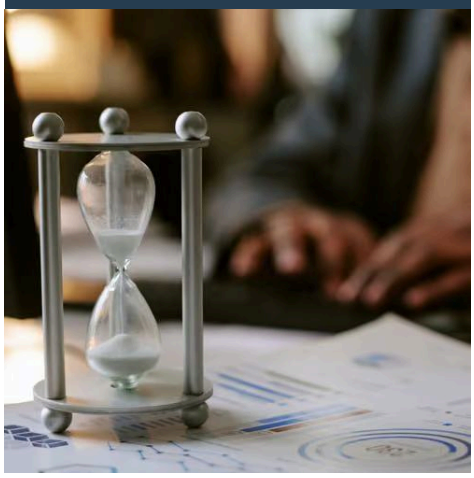
Anderson v. United States was filed in the Court of Federal Claims on September 16, 2026.[1] Andrea Anderson filed her 2020 tax return in June of 2024, claiming a refund of $7,533. The IRS declined to issue the refund, stating that the statute of limitations for claiming a refund on the return had passed.

As argued in *Kwong v. United States*, the 2019 version of I.R.C. § 7508A mandates disregarding the COVID-19 disaster period when calculating deadlines for certain actions, including refund claims. I.R.C. § 7508A provides that disaster periods are disregarded for affected taxpayers. While the current statute caps this disregarded period at one year, the version in effect during the COVID-19 emergency specified no time limit.

The COVID-19 disaster period began on January 20, 2020. The Presidential disaster declaration stated the period was "continuing" from January 20, which the Court of Federal Claims in Kwong interpreted as a deliberate extension beyond that start date. Under the operative version of I.R.C. § 7508A, the entire disaster period must be disregarded. Consequently, the plaintiff in Anderson requested that the court disregard January 20, 2020, through July 10, 2023, declare her refund claim timely, and enter judgment in her favor.

This case highlights a broader issue: The IRS has denied refund claims where, under the prior version of I.R.C. § 7508A, the disaster period should have been excluded from the statute of limitations calculation. The Kwong court noted that Congress amended the statute in 2021 to add a specific limit to disregarded periods—reinforcing that, prior to the amendment, the full COVID period was

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excluded by operation of law. On appeal, the government is contesting both the interpretation of the 2021 statutory amendment and the "and continuing" language of the disaster declaration.

Because *Anderson* directly addresses whether this period must be disregarded, its outcome will be closely watched. The broader judicial landscape surrounding Kwong and related litigation has the potential to impact millions of taxpayers, offering relief for denied refunds, penalties, and interest tied to the COVID era.

Frost Law's team has been active on cases related to Kwong and has been featured in publications ranging from the *Wall Street Journal* to *USA Today*. The firm continues to monitor these cases and evaluate their impact on our clients.

Frost's team can help people and businesses on issues like this and many other topics. People can contact our team at **(410) 497-5947** or **schedule a confidential consultation.**

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