ERC Deadline Update | July 2026

The IRS Denied Your ERC Claim. Your Two-Year Clock Is Already Running.

Waiting on the IRS does not pause your deadline. A new IRS form can buy you time, if you use it before the window closes.

What if the most dangerous date in your ERC file is not the denial itself, but the deadline it quietly created? When the IRS disallows an Employee Retention Credit claim, federal law starts a two-year clock to file a refund suit. Miss it, and even a winning claim is gone for good. This summer, that clock is running out for thousands of businesses whose denial letters arrived in 2024.

Many of those businesses think they are protected because they responded to the IRS, requested another look, or have a case sitting with the IRS Independent Office of Appeals. They are not. None of that pauses the deadline.

Wondering when your two-year date falls? Reach out to **Matt Eddleman, EA** at Strategic Tax Planning to find out.

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Waiting on the IRS Does Not Stop the Clock

The National Taxpayer Advocate just put numbers on the wait. As of late May 2026, roughly 20,600 ERC claims were still working through the IRS pipeline, including about 6,000 denial responses awaiting IRS review and 1,600 cases at the Independent Office of Appeals. The Advocate's mid-year report to Congress flags the problem directly: taxpayers are losing their right to sue while they wait in line, and it urges the IRS to warn taxpayers before their two-year date arrives.

Do not count on that warning. The deadline runs from the date on your disallowance letter, and it keeps running no matter what stage of review your claim is in.

A New Way to Buy Time: Notice CP320B and Form 907

In April, the IRS rolled out a streamlined fix for exactly this trap.

- **The invitation.** The IRS is mailing Notice CP320B to taxpayers whose two-year deadline falls within the next six months.

- **The agreement.** The notice invites you to sign Form 907, which extends your deadline by up to two years, no lawsuit required. Your claim stays protected while reconsideration or Appeals plays out.
- **The catch.** If your deadline is close and no CP320B has arrived, do not wait for the mail. Ask about your extension options now. The earlier the paperwork moves, the safer your claim.

The Courts Are Deciding These Cases Right Now

The past two weeks show why the deadline matters so much. On July 1, a Mississippi federal court kept a provider's $5.3 million ERC refund suit alive, ruling that a business does not have to plead every government order in detail just to get in the courthouse door. In late June, two other courts upheld the retroactive January 31, 2024 cutoff Congress placed on Q3 2021 claims, shutting the door on constitutional challenges for claims filed after that date.

Put together, the message cuts one way. These fights are winnable, but only for claims that reach court, or lock in an extension, on time.

A denial starts a deadline. The deadline, not the denial, decides what happens to your claim.

Is Your Deadline Closer Than You Think?

If your ERC claim was denied in 2024, your two-year date may fall this year. Pull the disallowance letter, check the date, and find out where you stand while every option is still on the table.

Reach out to **Matt Eddleman, EA** at Strategic Tax Planning to get your deadline calculated and your options mapped.

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The clock is running. Let's find your date.