



IRS Nationwide **TaxForum** | 2021

Charities & Tax-Exempt Organizations Update Thursday, July 22nd, 2021

Start Time: 2:00pm Eastern / 1:00pm Central
12:00 Noon Mountain / 11:00am Pacific

Note: You should be hearing music while waiting for webinar to start.

Having Technical Issues?

View the “Technical Issues” troubleshooting guide in the Materials drop-down menu on the left side of this page

Seminar Objectives

- Understand the electronic filing requirements for
 - Forms 990 and 990-PF
 - Forms 990-T and 4720 for Tax Year 2020
 - Form 990-EZ and transitional relief
- How to use the Form 8976 Electronic Notice Registration System to notify the IRS of 501(c)(4) status
- File the updated electronic Form 1024-A on Pay.gov
- How educational courses on StayExempt.IRS.gov can help charities obtain and maintain tax-exempt status



Exempt Organization Annual Filing Requirements

- Most IRC section 501(a) organizations must file:
 - Form 990, Form 990-EZ, Form 990-PF or Form 990-N (e-Postcard)
 - Even if an application for exemption is pending or the organization is not required to apply
- Form 990-T: Filed by organizations with gross unrelated trade or business income of \$1,000 or more



Taxpayer First Act

Electronic Filing Mandate

- Returns filed under section 6033 must be filed electronically - new IRC subsection 6033(n)
- Form 990-T returns must be filed electronically - new IRC subsection 6011(h)
- New mandatory electronic filing implemented in steps.
 - Immediate for Forms 990 and 990-PF
 - Conversion of Form 990-T and Form 4720 to electronic format
 - 1 year of transitional relief for Form 990-EZ filers



Electronic Filing – Practical Issues

- Find software provider information on the Exempt Organizations Modernized e-File (MeF) Providers webpage on IRS.gov
- Check for recent developments on the form landing page on Tax Forms & Pubs webpage
- Contact your software provider to troubleshoot electronic filing issues
- Use the eHelp desk



Electronic Filing – Form 990 & 990-PF

- For tax years beginning on or after July 2, 2019 must be filed electronically
- Rejection of returns filed on paper
- Information on software providers on the “Exempt Organizations Modernized e-File (MeF) Providers” webpage on [IRS.gov](https://www.irs.gov/efile)



Electronic Filing – Form 990-T

- Mandatory electronic filing begins for tax year 2020 – due dates on or after April 15, 2021
- Limited exception for 2020 Form 990-T returns postmarked on or before March 15, 2021



Redesign of Form 990-T

- Form changes for the Tax Cuts & Jobs Act and new IRC section 512(a)(6)
- Form 990-T: roll-up of UBTI and tax computation
- Schedule A (Form 990-T): Income, gains and allowable deductions for separate unrelated trades or businesses
- Business Activity Codes
 - 2-digit NAICS codes, and
 - Non-NAICS business activity codes



Electronic Filing – Form 4720

- Electronic filing requirements for private foundations
- IRS Notice 2021-01
 - Implementation delayed until tax years ending on or after December 31, 2020
 - Disqualified persons and managers can no longer use the private foundation's Form 4720 to satisfy their Form 4720 filing requirement
- Roll-out for the 2021 filing season
 - Form 4720 for tax year 2020 with a due date on or after July 15, 2021, must be filed electronically
 - Limited exception for Form 4720 due on or after July 15 postmarked on or before June 15, 2021

Electronic Filing – Form 990-EZ

- Included in the electronic filing mandate:
 - One year of transitional relief
 - Transitional relief period ends, and electronic filing requirement applies for tax years ending on or after July 31, 2021



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Form 8976

- Notice of Intent to Operate Under Section 501(c)(4)
- IRC Section 506 added by the PATH Act, December 18, 2015
- Revenue Procedure 2016-41
- Must be filed - and \$50 user fee paid - electronically through the IRS Online Registration System.
- Due within 60 days of formation
- Form 8976 not an application for exemption



Electronic Form 1024-A

- Application for Recognition of Exemption Under Section 501(c)(4) of the Internal Revenue Code
- Form 1024-A is no longer a paper form
- Must be filed electronically
- Use Pay.gov to complete and pay user fee



Resources on StayExempt.IRS.gov

- Starting Out
 - Applying for Section 501(c)(3) Status - video
 - Overview of Form 1023 e-Filing - video
 - Overview of Form 1024-A e-Filing - video
 - Life Cycle of an Exempt Organization - webpage
- Existing Organizations
- In-Depth Topics
- Resource Library

Exempt Organizations Update

- Subscribe at www.IRS.gov/EOupdate
- IRS newsletter for charities and other tax-exempt organizations
- New or updated forms, guidance and publications
- New or updated webpages on the IRS Charities and Nonprofits website
- Upcoming IRS webinars and outreach events