

# MaherDuessel

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# 2022 Nonprofit Tax Update

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BETSY KRISHER, CPA

CHAIRMAN/CEO, MAHER DUESSEL

# 2022 NPO Update Tax Agenda

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IRS TE/GE Fiscal Year 2021 Accomplishments

IRS TE/GE Fiscal Year 2022 Program Letter

Current State of the IRS and IRS Tips

2021 Form 990/990-PF and 2021 Form 990-T

Other Current EO Matters of Note

# IRS TE/GE Fiscal Year 2021 Accomplishments

## Leadership Team

Contact	Telephone
Sunita Lough, Commissioner	<a href="tel:202-317-8400">202-317-8400</a>
Edward Killen, Deputy Commissioner	<a href="tel:202-317-8500">202-317-8500</a>
Eric Slack, Director, Employee Plans	<a href="tel:202-317-8700">202-317-8700</a>
Robert Malone, Director, Exempt Organizations and Government Entities	<a href="tel:202-317-8989">202-317-8989</a>

# Who's Who at IRS TE/GE now

Source:  
<https://www.irs.gov/government-entities/tax-exempt-government-entities-division-at-a-glance>

# IRS TE/GE FY2021 Accomplishments

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- ❑ Publication 5329 (Rev. 12-2021)
  - Issued by TE/GE Commissioner: Sunita B. Lough
- ❑ TE/GE covers:
  - Exempt Organizations
  - Employee Plans
  - Government Entities
  - Indian Tribal Governments

# Highlighted Accomplishments

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- ❑ Ensured the safety of employees as worked remotely or required safety protocols in office
- ❑ Collaboration with other divisions regarding civil and criminal fraud & Abusive Tax Avoidance
- ❑ Worked with Lean Six Sigma (LSS) program and completed the launch of the TE/GE examination process

# Highlighted Accomplishments

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- ❑ Enhanced data collection and analysis capabilities
- ❑ Virtual outreach presentations
- ❑ Introduced electronic filing of most of the returns filed by Exempt Organizations and Employee Plans
- ❑ Hired 120 new hires during FY 2021, larger hiring campaign for fy 2022

# Compliance Platform

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Compliance  
Strategies

Data Driven  
Approaches

Referrals, Claims  
and Other  
Casework

Compliance  
Contacts

Determinations

Voluntary  
Compliance and  
Other Technical  
Programs



# Exempt Organizations Examinations

Source: Publication 5329 (Rev. 12-2021)

	CLOSED
Compliance Strategies	530
Data-Driven	1,035
Referrals, Claims & Other Casework	1,684
<b>Totals</b>	<b>3,249</b>

- ❑ Failure to meet Organizational Tests and Operational Tests
- ❑ Inurement
- ❑ Not Operating for Exempt Purpose

## Most Significant EO Revocations Issues Found in FY 21 Exams

Source: Publication 5329 (Rev. 12-2021)

# EO Compliance Strategies

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- ❑ Hospital organizations with unrelated business income
- ❑ IRC Sec. 507(c)(7) entities investment and nonmember income
- ❑ Under-reported income and/or over-reported charitable contributions by IRC Sec. 4947(a)(1) non-exempt trusts
- ❑ Previous For-Profit
- ❑ Private benefit and inurement

# Other Examination Activities

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- ❑ Data driven compliance exams selected through compliance query sets of information reported on 990 series returns
- ❑ EOs identified using RAAS to research private inurement/private benefit, officer business partnerships, under-reported credit card income, related employees, for-profit partnerships

# Referrals, Claims, and Other Casework

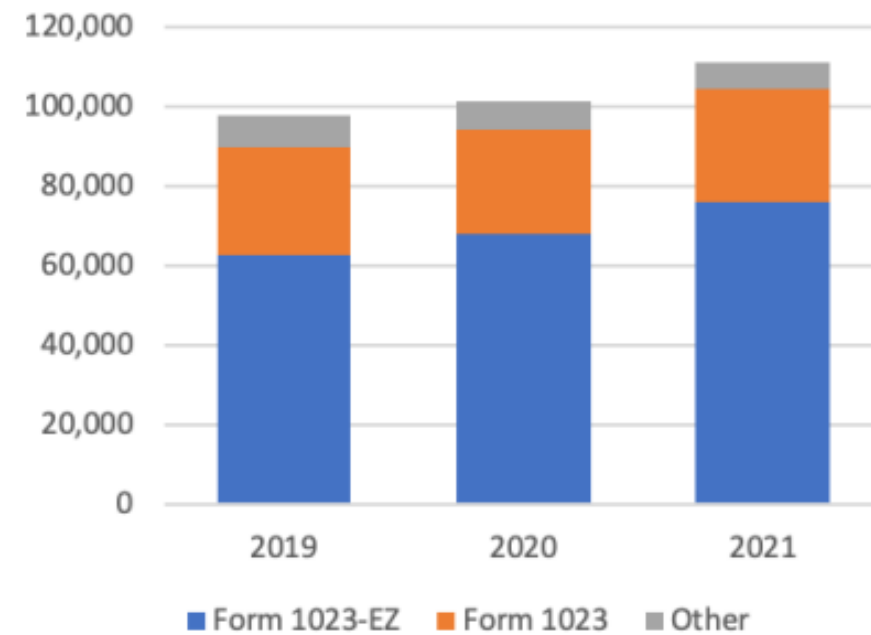
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- ❑ Entities that filed and received exemption using Form 1023-EZ
- ❑ Referrals from inside and outside the IRS
- ❑ Pursued promoter investigations and other client exams in partnership with SB/SE-led investigations

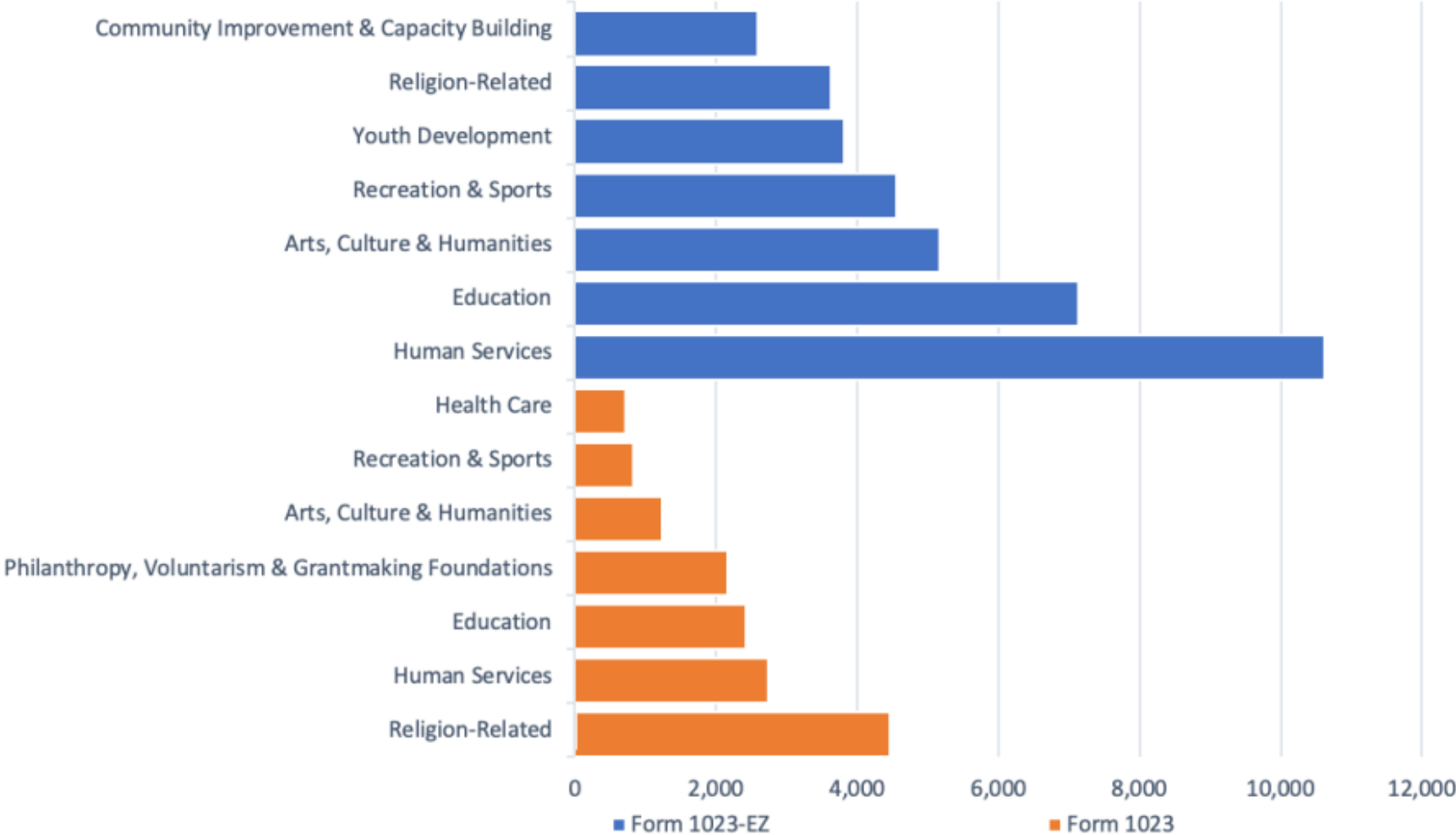
# Determinations

Source: Publication 5379 (Rev. 12-2021)

**Figure 3: EO Determination Receipts**



**Figure 4: Taxonomy of 501(c)(3) Organizations Approved in FY 2021**



**IRS TE/GE Fiscal Year 2022 Program Letter  
Publication 5313 (Rev. 9-2021)**



# TE/GE Priorities for FY2022

Strengthen	Strengthen Compliance Activities
Improve	Improve Operational Effectiveness
Maintain	Maintain a Taxpayer-Focused Organization
Ensure	Ensure Awareness and Collective Understanding
Leverage	Leverage Technology and Data Analytics
Develop	Develop Our Workforce

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# Current State of the IRS

# June 2022 EO Director Notes

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- ❑ Exams transitioning to face-to-face; virtual meetings will still be utilized based on facts and circumstances
- ❑ Secured electronic file sharing/email permissions/electronic signatures extended to October 2023
- ❑ Have detailed additional personnel to catch up on correspondence
- ❑ Continue to work on improvements to information sharing without calling

# June 2022 EO Director Notes (continued)

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- ❑ Form 1024 to be filed electronically after April 4, 2022
  - [Rev Proc 2022-8](#)
- ❑ Compliance Strategies
  - 990-N filers
  - [Dirty Dozen released](#)
  - Abusive promoter leads; beware schemes re: inflated deductions
  - Voluntary compliance closure
- ❑ Request with [4506-B](#) a copy of exempt application or determination letter

# June 2022 EO Director Notes (continued)

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- ❑ Continuing efforts to hire in a tight labor market
- ❑ Mandatory E-filing
  - Contact e-help desk via phone number sent with e-file rejection
  - Working to eliminate past hiccups

# IRS Reorganization Ongoing

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- ❑ [Taxpayer First Act Report to Congress](#)
- ❑ Streamline the agency's structure
- ❑ Best position the IRS to combat cybersecurity threats and other
- ❑ Address whether the IRS Criminal Investigation Division should report directly to the commissioner
- ❑ Latest IRS blog on it-March 2022:  
<https://www.irs.gov/newsroom/taxpayer-first-act-irs-modernization>

**Key Features and Benefits of the New Organizational Structure**

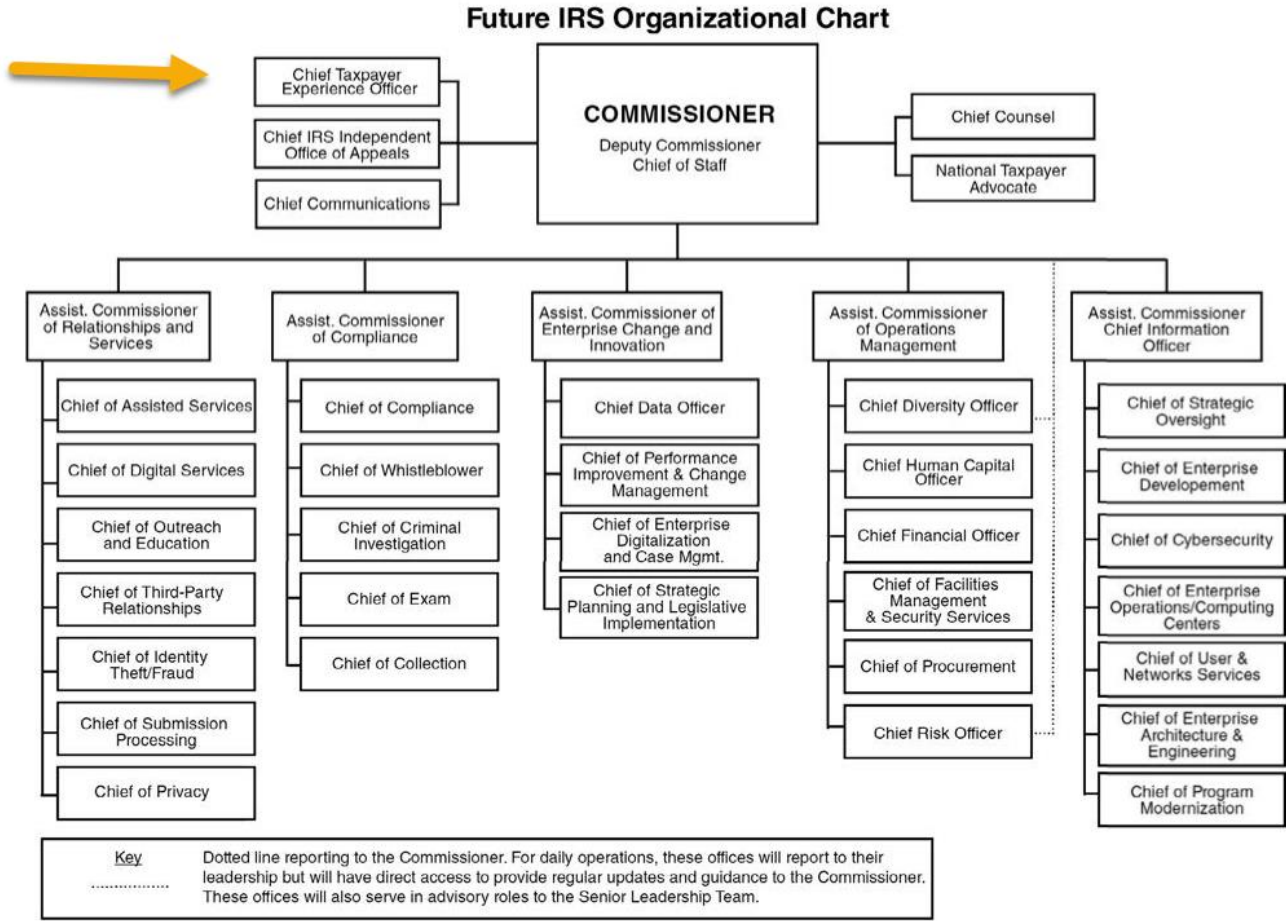


Figure 1: Notional Future IRS Organizational Structure

# Taxpayer Advocate Service

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- ❑ Independent Organization within the IRS to help resolve taxpayer problems and recommend changes
  - [Taxpayer Advocate Website](#)
- ❑ National Taxpayer Advocate (NTA)- Erin M. Collins
- ❑ You can get updates on tax topics at [facebook.com/YourVoiceAtIRS](https://www.facebook.com/YourVoiceAtIRS), [Twitter.com/YourVoiceatIRS](https://twitter.com/YourVoiceatIRS), and [YouTube.com/TASNTA](https://www.youtube.com/TASNTA).





# Local TAS Offices (PA)

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There are 2 offices for Pennsylvania



## Philadelphia

2970 Market St.  
Mail Stop 2 M20-300  
Philadelphia, PA 19104

 (267) 466-2427  
 (855) 822-1226

## Pittsburgh

1000 Liberty Ave.  
Room 1400  
Pittsburgh, PA 15222

 (412) 404-9098  
 (855) 821-2125

# TAS Reports

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- ❑ [2021 Annual Report](#) issued June 2021
- ❑ [2023 Objectives Report to Congress](#) released June 22, 2022

“The IRS has said it is aiming to crush the backlogged inventory this year, and I hope it succeeds,” Collins wrote. “Unfortunately, at this point the backlog is still crushing the IRS, its employees, and most importantly, taxpayers. As such, the agency is continuing to explore additional processing strategies.”

# Key Points from 2023 Objectives Report to Congress

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- ❑ As of May 2022, IRS had a backlog of 21.3 million unprocessed paper returns
- ❑ Key taxpayer challenges:
  - Return processing delays
  - Correspondence processing delays
  - Difficulty reaching the IRS by phone

# Key Recommendations from 2023 Objectives Report to Congress

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- ❑ Automating the processing of paper returns
  - TAS in March to implement 2-D barcoding or other scanning technology to automate the transcription of paper returns
- ❑ Reducing the barriers to e-filing tax returns
- ❑ Improving the IRS's hiring and training processes
- ❑ Improving telephone service

# IRS Tips

# EO BMF key to successful E-filing

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- ❑ Contacting the IRS on [EO BMF](#) Issues
  - Call Customer Account Services (CAS): 877-829-5500
  - Written correspondence:
  - USPS Address: Internal Revenue Service, Attn. EO Entity, M/S 6273, Ogden UT 84201
  - Private Delivery Address: Internal Revenue Services, 1973 N Rulon White Blvd, Attn. EO Entity, M/S 6273, Ogden UT 84404
  - Fax: 855-214-7520

# Calling IRS CAS 877-829-5500

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- ❑ Research instructions to [IRS CAS](#) via IRM 21.3.8
- ❑ Have [Form 2848](#) ready to go and be e-faxed immediately if calling as tax advisor

# Other Taxpayer Tips

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- ❑ Fax correspondence when at all possible vs. USPS/private delivery
- ❑ Monitor your USPS mailbox for IRS hard mail
- ❑ USPS mailing: always “return receipt requested” w/ contemporaneous records of mailing contents
- ❑ Avoid multiple mailings of same subject if have return receipt/delivery receipt
- ❑ Put your patience pants on



# Don't Forget about TEOS

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- ❑ [Tax Exempt Organization Search](#)
- ❑ Check an organization's eligibility to receive tax-deductible charitable contributions
- ❑ Search for Form 990 series returns, Pub 78 data, determination letters
- ❑ Beginning December 31, 2021 , no longer update Form 990 series data on Amazon Web Services; will solely be available on TEOS ( [IR-2021-250](#) )

# Employee Retention Credit Processing

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- ❑ Once received, IRS has 8 weeks to assign to an agent
- ❑ Agent then has 20 weeks to move along the process
- ❑ If under \$100,000, can go right to processing
- ❑ Over \$100,000, requires secondary review before processing

# Parking Tax Refund Processing

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- ❑ Still in progress for some
- ❑ Remember these were paper-filed
- ❑ Unfortunately, ample evidence these refund filings due to repeal of the tax did trigger audits

# Yes, the IRS is asking why you didn't efile a 990-T prior to 2020

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- ❑ Return entire paper filed return and handwrite at the top of page 1 of the return “ IRS does not support electronic filing of Form 990-T for 2019 returns and prior”
- ❑ Makes sense to also send a cover letter to directly respond to the original notice

# Suspension of Notices is Helping

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- [March 25, 2022 IRS EO Update](#)

# IRS Resources

- ❑ <https://www.irs.gov/government-entities/tax-exempt-government-entities-division-at-a-glance>

## Resources

- [TE/GE Fiscal Year 2021 Accomplishments Letter](#)
- [TE/GE FY 2022 Program Letter](#)
- [Tax-Exempt and Government Entities - Annual Priority & Program Letters](#)
- [Tax Exempt and Government Entities Issue Snapshots](#)
- [Advisory Committee on Tax Exempt and Government Entities](#)
- [How to Contact the Tax Exempt and Government Entities Division](#)
- [Tax Exempt and Government Entities Interim Guidance and Directives](#)
- [Tax Assistance for Individuals with Disabilities](#)
- [Tax-Exempt and Government Entities Newsletter](#)

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## **2021 Form 990 and 2021 Form 990-T**

# What's New with the 2021 Form 990?

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- ❑ Section 501(c)(21) trusts
  - No longer be file Form 990-BL and will file Form 990
  - May also be required to file Form 6069
  
- ❑ Form 1099-NEC and nonemployee compensation reporting



# Other 2021 Form 990 Items of Note

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- ❑ Instructions define and explain procedures for adopting a new method of accounting and when need IRS consent
- ❑ Other minor clarifications and updates

# PPP Forgiveness and ERC Display

- ❑ [2021 Instructions for Form 990](#), Part VIII. Statement of Revenue, line 1 e. (similar instructions found for Schedule A)

serve children in the community.



*The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) established the Paycheck Protection Program (PPP) to provide loans to small businesses as a direct incentive to keep their workers on the payroll. The loans are forgiven if all employee retention criteria are met and the funds are used for eligible expenses. Amounts of PPP loans that are forgiven may be reported on line 1e as contributions from a governmental unit in the tax year that the amounts are forgiven or at such time as provided in Rev. Proc. 2021-48, 2021-49 I.R.B. 835.*

# 2021 Form 990, Schedule A, Part II

Schedule A (Form 990) 2021 Page **2**

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**  
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2017	(b) 2018	(c) 2019	(d) 2020	(e) 2021	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") . . .						
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . . .						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge . . . .						
<b>4 Total.</b> Add lines 1 through 3 . . . .						
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) . . . .						
<b>6 Public support.</b> Subtract line 5 from line 4						



# 2021 Form 990 Schedule A, Part III

Schedule A (Form 990) 2021 Page **3**

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**  
 (Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II.  
 If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2017	(b) 2018	(c) 2019	(d) 2020	(e) 2021	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose . . . .						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . . .						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge . . . .						
<b>6 Total.</b> Add lines 1 through 5 . . . .						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons . . . .						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year . . . .						
<b>c</b> Add lines 7a and 7b . . . .						
<b>8 Public support.</b> (Subtract line 7c from line 6.) . . . .						



# Employee Retention Credit Presentation

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- ❑ No current IRS guidance for Form 990 (still true for 2021 form)
- ❑ Non-authoritative current AICPA advice:
  - GAAP presentation is gross (based on discussions with FASB staff and general guidance on gross vs. net—see ASC 958-220-45)
  - Follow same for Form 990 (transparency, consistency)

# 2021 990 Schedule A What's New

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- ❑ Updated instructions to reflect the final IRC Section 512(a)(6) siloing UBTI: can include in denominator either UBTI calculated under IRC Section 512(a)(6) or calculate in the aggregate without regard to IRC Section 512(a)(b)
  - So can net losses for purposes of the support test

# 2021 Form 990 Schedule A What's New (instructions for these line items)

## PART II SUPPORT SCHEDULE

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2017	(b) 2018	(c) 2019	(d) 2020	(e) 2021	(f) Total
7	Amounts from line 4 . . . . .					
8	Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources . . . . .					
9	Net income from unrelated business activities, whether or not the business is regularly carried on . . . . .					
10	Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) . . . . .					
11	<b>Total support.</b> Add lines 7 through 10 . . . . .					
12	Gross receipts from related activities, etc. (see instructions) . . . . .					12
13	<b>First 5 years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> . . . . . <input type="checkbox"/>					

## PART III SUPPORT SCHEDULE

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2017	(b) 2018	(c) 2019	(d) 2020	(e) 2021	(f) Total
9	Amounts from line 6 . . . . .					
10a	Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources . . . . .					
b	Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 . . . . .					
c	Add lines 10a and 10b . . . . .					
11	Net income from unrelated business activities not included on line 10b, whether or not the business is regularly carried on . . . . .					
12	Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) . . . . .					
13	<b>Total support.</b> (Add lines 9, 10c, 11, and 12.) . . . . .					
14	<b>First 5 years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> . . . . . <input type="checkbox"/>					
<b>Section C. Computation of Public Support Percentage</b>						

# 2021 Form 990 Schedule B

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- ❑ Schedule B Reminder- final regulations that exempt all filers other than IRC Section 501(c)(3) and Section 527 organizations from having to report contributors' names, addresses, other identifying information on Schedule B but still have to maintain in their books and records



# Form 990PF What's New

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- ❑ Part V: IRC Section 4940(e), Reduced Tax on Net Investment Income removed in 2021 Form; part references renumbered; related Part XI, lines 5 & 6 removed
- ❑ Part I, line 11 instructions and “Other Forms You May Need to file” eliminated references to Forms 965 and 965-B
- ❑ Accounting Method instructions expanded

# What's New with the 2021 Form 990-T?

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- ❑ References to Form 941 Instructions
  - ARP credits for qualified sick & family leave wages
  - COVID-19 related employee retention credit
- ❑ Part IV lines 4 and 5

# 2021 Form 990-T, Parts IV and V

<b>Part IV</b> Statements Regarding Certain Activities and Other Information (see instructions)		Yes	No										
<b>1</b>	At any time during the 2021 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If "Yes," the organization may have to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country here ▶ _____	<input type="checkbox"/>	<input type="checkbox"/>										
<b>2</b>	During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," see instructions for other forms the organization may have to file.	<input type="checkbox"/>	<input type="checkbox"/>										
<b>3</b>	Enter the amount of tax-exempt interest received or accrued during the tax year . . . ▶ \$ _____	<input type="checkbox"/>	<input type="checkbox"/>										
<b>4</b>	Enter available pre-2018 NOL carryovers here ▶ \$ _____. Do not include any post-2017 NOL carryover shown on Schedule A (Form 990-T). Don't reduce the NOL carryover shown here by any deduction reported on Part I, line 6.	<input type="checkbox"/>	<input type="checkbox"/>										
<b>5</b>	Post-2017 NOL carryovers. Enter available Business Activity Code and post-2017 NOL carryovers. Don't reduce the amounts shown below by any NOL claimed on any Schedule A, Part II, line 17 for the tax year. See instructions.	<input type="checkbox"/>	<input type="checkbox"/>										
	<table border="1"> <thead> <tr> <th>Business Activity Code</th> <th>Available post-2017 NOL carryover</th> </tr> </thead> <tbody> <tr> <td>_____</td> <td>\$ _____</td> </tr> <tr> <td>_____</td> <td>\$ _____</td> </tr> <tr> <td>_____</td> <td>\$ _____</td> </tr> <tr> <td>_____</td> <td>\$ _____</td> </tr> </tbody> </table>	Business Activity Code	Available post-2017 NOL carryover	_____	\$ _____	_____	\$ _____	_____	\$ _____	_____	\$ _____	<input type="checkbox"/>	<input type="checkbox"/>
Business Activity Code	Available post-2017 NOL carryover												
_____	\$ _____												
_____	\$ _____												
_____	\$ _____												
_____	\$ _____												
<b>6a</b>	Did the organization change its method of accounting? (see instructions) . . . . .	<input type="checkbox"/>	<input type="checkbox"/>										
<b>b</b>	If 6a is "Yes," has the organization described the change on Form 990, 990-EZ, 990-PF, or Form 1128? If "No," explain in Part V . . . . .	<input type="checkbox"/>	<input type="checkbox"/>										
<b>Part V</b> Supplemental Information													
Provide the explanation required by Part IV, line 6b. Also, provide any other additional information. See instructions.													
_____													
_____													

# 2021 Form 990-T Reminders

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- ❑ Temporary Allowance of 100% for Business Meals
- ❑ Required Electronic Filing
- ❑ Separate UBTI Calculation for each Trade or Business
- ❑ Qualified Business Income Deduction
- ❑ Adjustments to Tax Attributable to Partner's Audit Liability

# Identification of Separate Trades or Business

- ❑ Identify using first 2 digits of the North American Industry Classification Code (NAICS code)
- ❑ Select Business Activity Codes included in instructions (p. 29); full list at: <https://www.census.gov/naics/>
- ❑ Use each NAICS 2-digit code only once
- ❑ Use each NAICS 2-digit code consistently year to year
- ❑ Only need to use the 2 digit code; input with 4 -0-s to fill the 6 character space required for e-filing
- ❑ Some software offers a “Business Activity Code – Other” box to use instead of “Unrelated Business Activity Code” when the NAICS don’t apply

# Non-NAICS Business Activity Codes

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- ❑ 901101 Investment Activities
- ❑ 901301 Insurance Income Derived from Controlled Foreign Corporations (section 512(b)(17))
- ❑ 902### Transition Rule Partnerships (sunset)
- ❑ 903### Passive Income Activities with Controlled Organizations (section 512(b)(13))
- ❑ 904### Nonqualifying S Corporation Interests
  - Use the Non-NAICS Business Codes Appropriately

## Other Current EO Matters of Note

# EO Determinations & Cannabis/Mushroom Industry

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- ❑ Rev. Proc. 2022-5 (see <https://www.irs.gov/pub/irs-irbs/irb22-01.pdf> )
  - No determination letter for potential 501(c)(5) organizations if purpose is to improve economic conditions for a Schedule I or II controlled substance, even if legal under state law (e.g. marijuana or psilocybin mushrooms)

Already not available under section 501(c)(6) for such organizations

<https://www.irs.gov/pub/irs-wd/202217009.pdf> for 501(c)3 denial



## Remote Employees

- ❑ Other states involved?
  - May trigger need to obtain authorization to do business there
  - May trigger charity registration and tax exempt/EO tax returns
  - Trigger application of that state's laws to organization operations
- ❑ Could have significant consequences for non-compliance
- ❑ Temporary vs. permanent

# The Accelerating Charitable Efforts (ACE) Act

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- ❑ House Bill HR 6595 Introduced Feb 2022; Senate Bill S 1981 Introduced June 2021
- ❑ Aims to address mismatch between deduction and distribution of assets; minimize ongoing donor control; discourage warehousing of charitable assets
- ❑ Modifies tax rules relating to donor advised funds (DAFs)
- ❑ Disallow as a qualified distribution by a Private Foundation (PF) of any grant to a DAF
- ❑ Require disclosures on Form 990-PF of contributions made to DAFs
- ❑ New deduction rules for different categories of DAFs and impose limitations on donor deductions for contributions

## ACE Act (continued)

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- ❑ New excise tax on undistributed contributions held in DAFs, depending on type of DAF
- ❑ New public support rules requiring public charities that receive a grant from a DAF to treat the grant (for support test purposes) as a contribution from a PF instead of PC
- ❑ Exceptions for community foundations

# Recent IPSOS Poll on Charitable Giving

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- ❑ Conducted in June 2022 by Ipsos and the Charity Reform Initiative at the Institute for Policy Studies
- ❑ Findings:
- ❑ 82% of those surveyed support role of charitable foundations; don't know specific details of PFs and DAFs—  
Once informed:
  - 69% support a 10% payout requirement for foundations and DAFs
  - 72% support requiring DAFs to make grants within 2 to 5 years of donation

# Is 1023EZ too easy?

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- ❑ [July 3, 2022 NY Times article](#): *76 Fake Charities Shared a Mailbox. The I.R.S. Approved Them All*
- ❑ Ian Hosang of NY; used names similar to large organizations “American Cancer Society of Michigan” “United Way of Ohio”
- ❑ All addresses rented mailbox on Staten Island
- ❑ Federal records show IRS approved mission statements of “charitable activity” “non-profit” “ Need to fill in”

# Other Things to Keep an Eye On....

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- ❑ Group ruling proposed regulations; working on comments generated by [Notice 2020-36](#)
  - No new group exemption letter requests until publication of final procedure or other guidance
  - No new updates yet
  
- ❑ [March 1, 2022 AICPA comment letter on Notice 2020-36](#)

# Other Things to Keep an Eye On....

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## ❑ State Regulators:

- [National Association of State Charity Officials](#)
- California Assembly Bill 488 (AB 488) governs charitable fundraising on internet platforms
- NYS OAG pursuit of fraudulent charities (Canarsie AWARE, Breast Cancer Survivors Foundation)
- James v. National Rifle Association of America
- [PA Bureau of Corporations and Charitable Organizations](#)

# AICPA Tax Advocacy letters

□ <https://us.aicpa.org/advocacy/tax/2022taxadvocacycommentletters.html>

whether federal legislation should address these pressing issues. AICPA previously testified on this issue at the March 3, 2020 hearing of the House Committee on Small Business Subcommittee on Economic Growth, Tax and Capital Access on the impact of the Wayfair decision on small businesses.

**June 22, 2022 - AICPA Comments on Section 263A Regulations**

The AICPA is pleased to comment on Section 263A. The letter is in response to the final 2018 regulations that address the allocation of direct and certain indirect costs to property produced or acquired for resale by a taxpayer.

**June 22, 2022 - AICPA Request to Multistate Tax Commission (MTC) for Extended Comment Period for MTC State Model Act on Investment Partnerships**

AICPA requested MTC provide a longer comment period on the June 8, 2022 MTC draft model act on treatment of investment partnership income, which was developed as part of the MTC's Project on State Taxation of Partnerships.

**June 21, 2022 - AICPA Comments on the Corporate Profits Minimum Tax in Reconciliation Legislation Being Considered**

The AICPA recommends that Congress reconsider and clarify the rules associated with the proposal regarding implementing a minimum tax on corporate adjusted financial statement income due to complexity and because it may have many significant and potentially negative implications.

**June 14, 2022 - AICPA Comments on Individual Retirement Account (IRA) and Trust and Estate Issues with the Required Minimum Distribution (RMD) Requirements and SECURE Proposed Regulations (REG-105954-20)**

AICPA submitted comments on the SECURE Act RMD proposed regulations trust and estate tax issues, including regarding: age of majority; trust as beneficiary definitions and provisions related to see-through trusts, conduit trusts and accumulation trusts; disability definition; required minimum distributions (RMDs); marital trust with surviving spouse as beneficiary; eligible designated beneficiary (EDB) older than the decedent, and beginning date and ending date; and 10-year rule, and an Individual Retirement Account (IRA) beneficiary trust receiving RMDs before 2020.

**June 2, 2022 - Comments on Form 990, Return of Organization Exempt from Income Tax, Form 990-T, Exempt Organization Business Income Tax Return, and Form 990-PF, Return of Private Foundation, and Related Instructions**

The AICPA is pleased to comment on Form 990, Form 990-T and Form 990-PF. In the current year the format is more streamlined and the letter also includes two additional comment sections on Announcement 2021-18 and other e-filing initiatives.







## Questions? Contact Me

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