

Tax News & Views Health Care Edition

IRS releases Tax Exempt & Government Entities Work Plan for FY2017

The IRS Commissioner of the Tax-Exempt and Government Entities (TE/GE) division, Sunita Lough, recently released the [work plan](#) for fiscal year 2017 outlining TE/GE's priorities and focus for the coming year. Per the release, TE/GE continues to focus on five key areas, including:

1. Continuous improvement
2. Knowledge management
3. Employee engagement and development
4. Data-driven decision-making
5. Risk management

As TE/GE moves forward with new initiatives, the activities are evaluated based on transparency, efficiency, and effectiveness.

The program letter includes a Workplace Briefing, which highlights the focus areas for the Exempt Organizations (EO) unit. The briefing highlights two areas of focus: Examinations and Rulings & Agreements.

Examinations — The Commissioner states that EO's overarching compliance strategy is to ensure organizations enjoying tax-exempt status comply with the requirements for exemption and adhere to all applicable federal tax laws. TE/GE plans to continue its utilization of data-driven decisions. In 2017, TE/GE plans to:

- Leverage feedback from field employees to improve upon the 990-EZ and 990-PF case selection models
- Implement 990-T, 5227, and post compliance determination review models
- Develop a Referral Model to aid in integrating the next best referral case into its work stream
- Utilize data to identify organizations at risk for private inurement and private benefit issues, including 400 returns already identified

Find it Fast

IRS releases Tax Exempt & Government Entities Work Plan for FY2017

Did you know?

- Identify anomalies on the return filed by private foundations, including 100 returns already identified; and
- Implement a statistical sampling methodology to assess compliance in the Exempt Organization Population.

The work plan also discussed the results in the context of the prior fiscal year work plan. In FY2016, TE/GE completed 4,984 examinations which resulted in 43 revocations. TE/GE completed 692 Form 990, Schedule H reviews and referred 166 of those organization for field examinations as part of the review of hospitals' IRC Section 501(r) compliance under the Patient Protection and Affordable Care Act. Finally as part of the post determination compliance program, exams were closed for 1,051 organizations which filed Form 1023 or 1024 (39% change rate, 5

organizations revoked or terminated), and 36 organizations which filed Form 1023-EZ (2 required organizing document amendments).

Determinations — In FY2017, EO Rulings and Agreements anticipates an overall increase in total applications attributable almost totally to the Form 1023-EZ as a result of the user fee changes. A slight increase in Forms 1024 and 8940 is also expected. As a result, TE/GE is estimating an increase of approximately 400 cases to its end-of-year open inventory.

TE/GE plans in 2017 to continue to prepare and post technical issue snapshots for employees and the general public. To date, 5 issue snap shots are available and posted to the electronic reading room and another 20 issue snap shots are in process based on issues raised to the knowledge management team.

Deloitte Thoughtware

[Deloitte Center for Health Solutions](#). The source for health care insights: The Deloitte Center for Health Solutions (DCHS) is the research division of Deloitte's Life Sciences and Health Care practice. The goal of DCHS is to inform stakeholders across the health care system about emerging trends, challenges, and opportunities.

[Health Care Current](#). Weekly insights to keep you informed and ahead. This weekly series explores breaking news and developments in the US health care industry; examines key issues facing life sciences and health care companies; and provides updates and insights on policy, regulatory, and legislative changes.

Did you know?

CMS issues final MACRA rule

On October 14, 2016, the US Centers for Medicare and Medicaid Services released its final rule outlining the new payment programs under the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA). For more information on the final rule, see the [October 18, 2016](#) edition of Deloitte's Health Care Current, [Going to school on MACRA: Building a foundation for success](#).

Final Section 385 Regulations Released

On October 13, 2016, Treasury and the IRS issued final regulations under Section 385 addressing whether a purported debt instrument that is issued to a related party is treated as stock, debt, or in part stock and in part debt for US federal income tax purposes.

Social Security Wage Base Increased

The Social Security Administration announced that the wage base used to calculate Social Security tax will increase from \$118,500 in 2016 to \$127,200 in 2017.

Deloitte Dbriefs

Deloitte Dbriefs are live webcasts that give you valuable insights on important developments affecting your business. Register for the following webcasts or view archived recordings by clicking on the respective hyperlinked button below.

Transfer Pricing

Transfer pricing spotlight on Canada: BEPS adoption, enforcement actions, audits, and court cases

November 9 | 2 p.m. ET

Canada continues to refine its transfer pricing laws and strengthen compliance enforcement. What recent issues should you know about? Hear the latest updates on Canada's transfer pricing environment and how your company can adjust planning, compliance, and reporting appropriately.

[Register or View archive](#) 

Multistate Tax

Top state tax issues to consider before year-end: What tax professionals should know

November 14 | 2 p.m. ET

Tax professionals should be prepared to address many important developments in an ever-changing state tax environment and understand their practical implications. What are hot topics for year-end 2016? Learn about some of the more important areas that you should be considering as year-end approaches.

[Register or View archive](#) 

Health Sciences

The evolving health care consumer: Winning through differentiated customer experience

November 16 | 1 p.m. ET

Consumers' needs and expectations are constantly evolving in the health care market. Which services and digital experiences matter most to health care consumers, and how can organizations acquire, retain, and engage consumers in this evolving landscape? Hear findings from recent Deloitte Center for Health Solutions research and learn how to win in an evolving consumer health care ecosystem.


[Register or View archive](#) 

Tax Operations

Global indirect tax: Addressing the challenge of an expansive footprint with multiple technologies

November 18 | 2 p.m. ET

Whether a company is a buyer or seller, almost every business transaction involves some form of indirect tax. Add an international footprint and various technologies, and the complexity of global indirect tax management can grow exponentially. Explore the challenges of using multiple technologies in the indirect tax area and learn how to address related tax requirements.

[Register or View archive](#) 

Tax Operations

Insights on tax software platforms: An in-depth look at a deployment

December 1 | 2 p.m. ET

Tax executives often want to know which software might be best for their organization. Because each company's circumstances are different, a deeper understanding of a software package's capabilities and the software company's overall vision can be instructive. What should tax executives know about in making that decision? Hear how technology has been leveraged in several companies and how it might be applied to your department.

[Register or View archive](#) 

Health Sciences

A look ahead to 2017: What changes can the health care industry expect?

December 16 | 1 p.m. ET

In a health care environment characterized by continuing rapid change, what strategic priorities and trends should life sciences and health care organizations be mindful of looking ahead to 2017? Explore US and global market forces influencing the life sciences and health care environment in 2017.

[Register or View archive](#) 

Contact

Please contact your local Deloitte Tax LLP provider for more information on our services.

Fran Bedard—Nashville

fbedard@deloitte.com

+1 615 259 1811

Lori Boyce—Detroit

lboyce@deloitte.com

+1 313 396 3324

Jeff Frank—Indianapolis

jdfrank@deloitte.com

+1 317 656 6921

William Homer—Philadelphia

whomer@deloitte.com

+1 215 299 4642

Alicia Janisch—Detroit

ajanisch@deloitte.com

+1 313 324 1442

Christine Kawecki—Jericho

ckawecki@deloitte.com

+1 516 918 7138

Joan McMahon—San Francisco

jmcmahon@deloitte.com

+1 415 783 5568

Kristina Rasmussen—Minneapolis

krasmussen@deloitte.com

+1 612 397 4178

**Mary Rauschenberg—
Chicago and Washington National Tax**

mrauschenberg@deloitte.com

+1 312 486 9544

Steve Rovner—Tampa

srovner@deloitte.com

+1 813 273 8355

John W. Sadoff, Jr.—Atlanta

jsadoff@deloitte.com

+1 704 887 1810

Jim Sowar—Cincinnati

jsowar@deloitte.com

+1 513 784 7242

The information contained in Tax News & Views: Health Care Edition is for general purposes only and Deloitte is not, by means of this newsletter, rendering accounting, business, financial investment, legal, tax, or other professional advice or services. This material is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional adviser. Deloitte shall not be responsible for any loss sustained by any person who relies on this newsletter. If you have questions about the content of Tax News & Views: Health Care Edition, contact Mary Rauschenberg at +1 312 486 9544 or at mrauschenberg@deloitte.com.

As used in this document, "Deloitte" means Deloitte Tax LLP, a subsidiary of Deloitte LLP. Please see www.deloitte.com/us/about for a detailed description of the legal structure of Deloitte LLP and its subsidiaries. Certain services may not be available to attest clients under the rules and regulations of public accounting.

Copyright © 2016 Deloitte Development LLC. All rights reserved.