



## Tax News & Views

### Health care edition

#### Annual Revenue Procedures Released

The Internal Revenue Services (“IRS”) released a series of updated revenue procedures (Rev. Proc.) affecting tax-exempt organizations via [Internal Revenue Bulletin 2022-1](#).

- **Rev. Proc. 2022-1** revises the procedures for letter rulings, user fees, determination letters and information letters on specific issues.
- **Rev. Proc. 2022-2** provides when and how the IRS provides guidance conveyed in a technical advice memorandum (TAM).
- **Rev. Proc. 2022-3** updates the list of areas under the Internal Revenue Code that the IRS will not issue rulings.

#### Find it Fast

Annual Revenue Procedures Released

Updated Exemption Application Process for Form 1024

TE/GE Fiscal Year 2021 Accomplishments Letter

Modification to Employee Retention Credit

Did you know?

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- **Rev. Proc. 2022-4** contains updated procedures for delivering letter rulings, determination letters, and other advice under the Tax-Exempt and Government Entities Division, Employee Plans Rulings, and Agreement Office.
- **Rev. Proc. 2022-5** describes revised procedures for issuing determination letters for organizations not covered under Rev. Proc. 2021-4, private foundation status, and other determinations related to tax-exempt organizations.
- **Rev. Proc. 2022-7** provides a current list of provisions of the Internal Revenue Code that the Associate Chief Counsel (International) will not issue letter rulings or determination letters.

### Updated Exemption Application Process for Form 1024

[Revenue Procedure 2022-8](#) modifies [Revenue Procedure 2022-5](#) to require that organizations electronically submit Form 1024, Application for Recognition of Exemption under Sections 501(a) or Section 521 of the Internal Revenue Code. The Form 1024 is filed using [www.pay.gov](http://www.pay.gov). The IRS also provides a 90-day transitional relief period, which the IRS will accept paper versions of the Form 1024. To meet transitional relief, the Form 1024 must be postmarked on or before the end of the day on April 4, 2022, which marks the 90-day period starting on the effective date of the Revenue Procedure, January 3, 2022.

### TE/GE Fiscal Year 2021 Accomplishments Letter

The Internal Revenue Service released its [Fiscal Year 2021 Accomplishments Letter](#). The Letter discusses the IRS accomplishments during the year, including:

- Introducing new electronic forms and payment options, including electronic filing of most of the returns filed by tax-exempt organizations.
- As part of the compliance strategy, continued examinations to address hospital organizations with unrelated business income with a focus on unrelated business taxable income reported on Form 990-T, Exempt Organization Business Income Tax Return, where expenses significantly exceed gross income.
- Completed 1,019 reviews of tax-exempt hospitals for adherence to Internal Revenue Code 501(r) and referred 71 hospitals for examination for possible noncompliance with the Affordable Care Act. The most common issues found related to hospital's lack of a Community Health Needs Assessment under IRC Section 501(r)(3) and financial assistance policies under IRC Section 501(r)(4).

### Modification to Employee Retention Credit

The Infrastructure Investment and Jobs Act, [H.R. 3684](#) ("IIJA"), retroactively terminates the employee retention credit ("ERC") making wages paid after September 30, 2021 ineligible for the credit (except for

wages paid by certain recovery startup businesses). The ERC is a fully refundable tax credit for employers equal to 50 percent of qualified wages ("Qualified Wages") for 2020 (70 percent for 2021) that eligible employers ("Eligible Employers") pay their employees after March 12, 2020 and before January 1, 2022. The maximum amount of Qualified Wages that may be paid to each employee in 2020 is \$10,000 resulting in a maximum credit of \$5,000 per employee. Prior to the IIJA being signed into law the maximum amount of Qualified Wages paid to each employee by an Eligible Employer in 2021 was \$10,000 per quarter resulting in a maximum credit of \$7,000 per employee per quarter in 2021, or \$28,000 per employee for the calendar year. The IIJA amendment to IRC section 3134 provides that the section only applies to qualified wages paid after June 30, 2021, and before October 1, 2021, except for wages paid by a Recovery Startup Business.

Observation: Because the law was enacted after the beginning of the fourth quarter, it is possible that an employer, other than a Recovery Startup Business employer, may have taken action to utilize the ERC for wages paid on or after October 1, 2021, through November 15, 2021, by reducing other fourth quarter payroll tax deposits. Employers in this situation will need to review fourth quarter payroll tax deposits in order to assess the amount of underpayment and plan for additional deposits to be made in the fourth quarter. Employers should continue to monitor any additional IRS guidance related to the ERC.

### Did you know?

#### Tax Exempt Organization Search (TEOS) Becomes Sole Source Point for Exempt Organizations (EO) Data

The Internal Revenue Service announced via [IRS News Release 2021-250](#) that beginning December 31, 2021, the publicly available data provided by the IRS on electronically filed Forms 990 will be available solely on the [Tax Exempt Organization Search](#) webpage on IRS.gov. The IRS will no longer update the Form 990 series data on Amazon Web Services.

#### Revocation of Announcement 2001-33

The Internal Revenue Service issued [Announcement 2021-18](#) which revokes Announcement 2001-33. The Announcement

instructs tax-exempt organizations to report compensation on their annual information tax returns in accordance with the specific form instructions for Form 990, Form 990-EZ, and Form 990-PF, effective for taxable years beginning on or after January 1, 2022. Announcement 2001-33 previously provided tax-exempt organizations with reasonable cause for purposes of relief from certain penalties if they reported compensation on their annual information tax returns in accordance with Announcement 2001-33.

#### Latest on Tax law changes

The Tax News & Views: Capitol Hills briefings provides [articles](#) and [podcasts](#) on the latest developments with tax legislation on capitol hill.

## 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.



### Multistate Tax

#### State pass-through entity taxes: An update on upcoming election dates

Feb 1 | 1 p.m. ET | 17 GMT

A number of state's pass-through entity tax elective due dates for 2021 and 2022 are fast approaching. Participants will be able to identify states that have upcoming pass-through entity tax election due dates, discuss the federal and state tax treatment of making a pass-through entity tax election, and understand the nuances of the Massachusetts pass-through entity tax regime.

Register



### Business Strategy & Tax

#### The inflation outlook: Four futures for US inflation

Feb 8 | 2 p.m. ET | 18 GMT

US inflation has risen sharply, with prices up 6.8% YoY in November 2021, the highest rate in nearly 40 years. The ongoing COVID-19 pandemic has led to both supply and demand-side shocks and persistent uncertainty about what's to come. Deloitte has developed a set of scenarios that describe different ways inflation could evolve between now and late 2024. Participants will gain insight into what the future of inflation may hold and how to prepare.

Register



### Business Strategy & Tax

#### Exponential enterprise: Ability to win and capacity for change

Feb 22 | 1 p.m. ET | 17 GMT

Today's CXOs face an increasingly complex operating environment. According to our recent survey, 60% believe that disruptions like those in 2020 are here to stay—and 70% are not confident in their organization's ability to respond. Participants will gain insights into the critical steps firms must take to become or remain an exponential enterprise.

Register



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