



Tax News & Views

Health Care and Nonprofit Edition

2023 Exempt Organization Forms and Instructions Released

Tax-exempt organization tax forms and instructions are now available for tax-year 2023, including:

- Form 990, Return of Organization Exempt From Income Tax, and corresponding Schedules A-R;
- Form 990-EZ, Short Form Return of Organization Exempt From Income Tax;
- Form 990-PF, Return of Private Foundation;
- Form 990-T, Exempt Organization Business Income Tax Return, (at the time of this publication, Schedule A, Unrelated Business Taxable Income From an Unrelated Trade or Business for tax-year 2023 had not yet been released);

Find it Fast

2023 Exempt Organization Forms and Instructions Released

TE/GE Fiscal Year 2023 Accomplishments Letter

IRS Form 990-T and Form 1120-POL e-filing delay

Additional reporting for charitable contributions (Proposed regulations under Internal Revenue Code section 170)

Did you know?

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- Form 4720, Return of Certain Excise Taxes; and
- Form 8940, Request for Miscellaneous Determinations.

On the whole, the 2023 forms are very similar to the 2022 forms, though all include some relatively minor changes to formatting. The 'What's New' section of the instructions for each tax form highlights new updates that may affect the reporting on each form for the tax year. Significant changes include:

- Form 990, Schedule H, Part V Facility Information, Section B Instructions were updated to include:
 - Notice 2022-36 provides relief for certain taxpayers from certain failure to file penalties and certain international information return (IIR) penalties with respect to tax returns for taxable years 2019 and 2020 that are filed on or before September 30, 2022. This notice also provides relief from certain information return penalties with respect to taxable year 2019 returns that were filed on or before August 1, 2020, and with respect to taxable year 2020 returns that were filed on or before August 1, 2021.
- Form 990, Schedule H, Part I, Line 7e, Worksheet 4, Community Health Improvement Services and Community Benefit Operations clarified that:
 - The activity or program may not be reported if it is: designed primarily to increase referrals of patients with third-party coverage; required for license or accreditation, except when responding to a community health need, enhancing public health, or relieving the burden of government to improve health; or restricted to individuals affiliated with the organization (employees and physicians of the organization).
- Form 8940, Request for Miscellaneous Determinations was updated to include three new requests:
 - Government entities requesting voluntary termination of exempt status under 501(c)(3) (previously a letter request)
 - Canadian registered charities requesting inclusion in the Tax-Exempt Organization Search data base of organizations eligible to receive tax-deductible charitable contributions (Pub. 78 data) or a determination on public charity classification (previously a letter request)
 - Private foundations giving notice only of intent to terminate private foundation status under section 507(b)(1)(B) (previously provided on Form 8940 or by general correspondence)

TE/GE Fiscal Year 2023 Accomplishments Letter

The Internal Revenue Service released its [Fiscal Year 2023 Accomplishments Letter](#). The Letter discusses the IRS accomplishments during the year, including:

- With funding from the Inflation Reduction Act, the IRS made a number of modernization and technology improvements.

- During this fiscal year, the IRS hired 197 employees — including 113 Revenue Agents, 7 Tax Compliance Officers, 64 Tax Examiners, 5 Analysts, and 8 other positions.
- As part of its data driven examinations process, the IRS noted that the most prominent issues found relate to employment taxes, unrelated business income, and unreported compensation.
- The IRS completed 877 reviews of tax-exempt hospitals for adherence to Internal Revenue Code 501(r) potential noncompliance with the Affordable Care Act. Consistent with prior years, 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).

IRS Form 990-T and Form 1120-POL e-filing delay

The IRS recently issued [News Release 2024-15](#) that informed taxpayers that the IRS' systems are currently undergoing upgrades that will take e-filing of Form 990-T, Exempt Organization Business Income Tax Return, and Form 1120-POL, U.S. Income Tax Return for Certain Political Organizations, offline from January 15, 2024 through March 15, 2024. As a result, taxpayers will be unable to e-file these forms during this time period. While this may only impact a small group of taxpayers, the impact could be significant for those affected. Organizations subject to UBIT are required to file Form 990-T electronically, so paper-filing is not an option. Organizations filing a Form 1120-POL may paper file.

- An organization with an initial due date for a Form 990-T between January 15, 2024 through March 15, 2024, should request an automatic six-month extension of time to file by submitting Form 8868 by the unextended due date of the tax return. Any balance due must be submitted with the Form 8868 to avoid any interest or penalties.
- An organization with an extended due date for a Form 990-T due between January 15, 2024 through March 15, 2024, will not be able to timely file its Form 990-T. However, it should file the Form 990-T after March 15, 2024 as soon as the IRS E-file system is available and should include with its late e-filed Form 990-T a request that any penalties for late filing not be imposed due to reasonable cause. The reasonable cause request should reference that e-filing was not available as of the due date of the return.

Additional reporting for charitable contributions (Proposed regulations under Internal Revenue Code section 170)

On November 17, 2023, Treasury and the IRS released a [notice of proposed rulemaking](#) relating to the charitable contribution deduction under section 170 (REG-112916-23, the "Proposed Regulations").

The guidance amends the substantiation and reporting requirements for noncash charitable contributions under Treas. Reg. § 1.170A-16, including:

- The requirement that numbers be entered in Sections A and B of Form 8283, Noncash Charitable Contributions; and
- The clarification of reporting by a partnership and its partners or an S corporation and its shareholders of noncash charitable contributions over \$500 made by a partnership or S corporation.

The Proposed Regulations provide additional rules regarding the deduction of qualified conservation contributions made by partnerships and S corporations under section 170(h)(7), including related reporting.

The Proposed Regulations limiting the deduction of qualified conservation contributions apply to contributions made after December 29, 2022, whereas the new reporting and substantiation rules under Prop. Treas. Reg. § 1.170A-16 apply to contributions made in taxable years ending on or after November 20, 2023. In addition, Form 8283 and the instructions to Form 8283 have been updated to reflect the Proposed Regulations.

Did you know?

Correction to Revenue Procedure 2024-5 Released

The Internal Revenue Service released [Announcement 2024-7](#) which provides a correction to Revenue Procedure 2024-5 and clarifies the timing related to the increase in user fees for certain filings of Form 8940, Request for Miscellaneous Determinations:

- Section 4942(g)(2) set asides – advance approval
 - Submissions prior to July 1, 2024 – \$2,500
 - Submissions on or after July 1, 2024 – \$3,500
- Section 4945 advance approval of organization's grant making procedures
 - Submissions prior to July 1, 2024 – \$2,500
 - Submissions on or after July 1, 2024 – \$3,500
- Section 4945(f) advance approval of voter registration activities
 - Submissions prior to July 1, 2024 – \$2,500
 - Submissions on or after July 1, 2024 – \$3,500

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.

Upcoming Conferences & D-Briefs

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

How to prepare for increased transfer pricing enforcement

Mar 12 | 1 p.m. ET | 18 GMT

In this webcast, we will examine the IRS's recent increase in enforcement funding, how it is using the new funding, what it is focusing on in its transfer pricing enforcement campaigns, and how companies can prepare for this increased scrutiny. Participants will explain the steps that companies can take to prepare for possible transfer pricing audits and engage in planning to reduce the risk of future transfer pricing controversy.

Register



Tax Accounting & Provisions

Financial accounting and reporting for income taxes: Important updates

Mar 22 | 1 p.m. ET | 18 GMT

Recently there have been a number of potentially significant developments in tax legislation and the tax accounting landscape. In this session, we'll take a look at several areas that organizations should be considering in 2024. Participants will identify the important developments and explore their potential effects on financial reporting for income taxes.

Register



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