

Tax News & Views Health Care Edition

IRS issues revenue procedures for 2015

The Internal Revenue Service (IRS) has updated various revenue procedures that affect exempt organizations for 2015.

[Rev. Proc. 2015-1](#) provides revised procedures for letter rulings, information letters and determination letters affecting exempt organizations.

[Rev. Proc. 2015-2](#) provides revised rules for technical advice memos.

[Rev. Proc. 2015-3](#) provides a revised list of areas of the Internal Revenue Code (IRC) under the jurisdiction of the Associate Chief Counsel relating to issues on which the IRS will not issue letter rulings or determination letters.

[Rev. Proc. 2015-4](#) contains the IRS' general procedures for employee plan and exempt organization letter ruling requests. Revised procedures are provided for furnishing ruling letters and information letters on matters related to sections of the IRC currently under the jurisdiction of the Office of the Division Commissioner, Tax Exempt and Government Entities.

[Rev. Proc. 2015-5](#) sets forth procedures for issuing determination letters on the exempt status under IRC section 501(c)(3) to eligible organizations that submit Form 1023-EZ, Streamlined Application for Recognition of Exemption under Section 501(c)(3) of the Internal Revenue Code.

[Rev. Proc. 2015-8](#) provides the new user fee schedule as it pertains to requests for letter rulings, determination letters, etc., on matters under the jurisdiction of the Commissioner, Tax Exempt and Government Entities Division.

[Rev. Proc. 2015-9](#) sets forth procedures for issuing determination letters on the exempt status of organizations under IRC sections 501 and 521. The procedures also apply to the revocation and modification of determination letters, and provide guidance on the exhaustion of administrative remedies for purposes of declaratory judgment under section 7428.

[Rev. Proc. 2015-10](#) provides procedures for issuing determination letters and rulings on private foundation status under IRC section 509(a), operating foundation status under section 4942(j)(3), and exempt operating foundation status under section 4940(d)(2), of organizations exempt from Federal income tax under section 501(c)(3). This revenue procedure also applies to the issuance of determination letters on the foundation status under section 509(a)(3) of nonexempt charitable trusts described in section 4947(a)(1).

One-year tax extenders bill becomes law

The Tax Increase Prevention Act (H.R. 5771) ("The Act"), enacted December 19, 2014, retroactively extends for one year most, but not all, of the temporary tax deductions, credits, and incentives that expired at the end of 2013. The Act was approved on a bipartisan basis in the House of Representatives on December 3 and the Senate on December 16, 2014. Among the more than 50 expired provisions that were renewed through the end of 2014 under the extenders legislation are:

- The research and experimentation credit;
- Bonus depreciation and the election to accelerate alternative minimum tax credits in lieu of additional first-year depreciation;
- Increased expensing limits (\$500,000/\$2 million) for section 179 property and the expanded definition of section 179 property;
- 15-year straight-line cost recovery for qualified leasehold improvements, qualified restaurant buildings and improvements, and qualified retail improvements;
- The New Markets Tax Credit;
- The Work Opportunity Tax Credit;
- The basis adjustment to stock of S corporations making charitable contributions of property;
- The enhanced deduction for charitable contributions of food inventory;
- Tax-free distributions from individual retirement plans by individuals age 70-1/2 and older for charitable purposes;
- Special rules for contributions of capital gain real property made for conservation purposes; and
- Modification of tax treatment of certain payments to controlling exempt organizations under IRC section 512(b)(13)(E).



Find it Fast

[IRS issues revenue procedures for 2015](#)

[One year tax extenders bill becomes law](#)

[Did you know?](#)

[Deloitte Thoughtware](#)

Although the passage of the extenders bill provides certainty to taxpayers for the 2014 tax year, the tax relief in the extenders package is short-lived. The application of the extended provisions is uncertain for 2015 as the debate over the future of these provisions continues in Congress.

Did you know?

Implementation Strategy required to be attached to Form 990 for charitable hospital organizations

The recently released final regulations under IRC Section 501(r) and 6033 require that every charitable hospital organization include the following with their Form 990:

1. Either attach a copy of the most recently adopted implementation strategy for each hospital facility, OR
2. Include the URL of the web page where the implementation strategy has been posted for each hospital facility.

This requirement under Section 6033 is effective for all tax returns filed on or after December 31, 2014.

2015 standard mileage rates announced

Beginning on January 1, 2015, the standard mileage rates for the use of a car, van or truck are:

- 57.5 cents per mile for business miles driven (up from 56 cents in 2014)
- 23 cents per mile driven for medical or moving purposes (down half a cent from 2014), and
- 14 cents per mile driven in service of charitable organizations.

[Notice 2014-79](#) provides additional information on using the standard mileage rates.

Form 1042 instructions updated for FATCA

The IRS released updated instructions to the 2014 Form 1042, Annual Withholding Tax Return for U.S. Source

Income of Foreign Persons. The Form 1042 has been modified for 2014, primarily for withholding agents to report payments and amounts withheld under chapter 3 and chapter 4 of the IRC. In particular, the updated instructions provide withholding agents with additional guidance on various issues relating to the Foreign Account Tax Compliance Act (FATCA).

Deloitte Thoughtware

Health Reform. The health reform bills (HR3590 and HR4872) are now law and will trigger sweeping changes and disruptions – some rather quickly and some over many years. The industry is asking, “What now?” At Deloitte, we continue to explore and debate the specific questions facing the industry, and we look forward to helping our clients find and implement the appropriate answers for their organizations. To learn more, visit [Health Care Solutions](#) on the Deloitte website.

Health Care Regulation. With quality in the spotlight on a national level, hospitals across the country are renewing their commitment to confirming that their services meet the core measures for quality set by the government and that internal controls are in place to help determine that the collection and reporting of quality data is accurate, complete, and compliant with government reporting requirements. The financial and operational impacts of regulation and legislative oversight in the life sciences and health care industries are pervasive and constantly changing. [@Regulatory](#) is a monthly publication that appraises readers of the latest regulatory, legislative, and other public policy developments affecting life sciences and health care organizations. Visit [@Regulatory](#) on the Deloitte website.

Deloitte Dbriefs

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Global Mobility, Talent & Rewards

Global Mobility: Becoming Strategically Aligned with the Business February 4, 2015, 2:00 PM ET

While global mobility is often viewed as important to supporting an organization, it is less often perceived as a strategic enabler to broader talent and business strategies. How are some organizations changing this paradigm and positioning global mobility more strategically? Explore how a more strategic view of global mobility can bring value to your organization.

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Tax Controversy

Steering Clear of Accuracy-Related Penalties February 10, 2015, 2:00 PM ET

The IRS has been placing greater emphasis on determining whether it should assert accuracy-related penalties on adjustments made to taxpayers' returns. What should taxpayers know about potential methods available to prevent the imposition of an accuracy-related penalty? Gain a better understanding of the approaches that your organization may employ to limit impositions of accuracy-related penalties.

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Transfer Pricing

BEPS Actions 8 and 13 on Transfer Pricing: Implications for the Financial Services Industry February 11, 2015, 2:00 PM ET

In September 2014, the OECD met two BEPS action item milestones in providing guidance on intangibles and transfer pricing documentation. What are implications of this guidance for financial services firms regarding their operating models and transfer pricing management? Gain insights into how major changes in global transfer pricing are impacting financial services firms and steps they can take to address the changes.

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Tax Operations

The Global Transformation of Indirect Tax: What Is Your Five-Year Strategy? February 17, 2015, 2:00 PM ET

The visibility, impact, and importance of indirect taxes within multinational companies are growing dramatically. What is driving this transformation and how is your company addressing it? Learn about innovative approaches to the global transformation of indirect tax.

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Multistate Tax

Unitary Group Combined Filing Requirements and Options: A Tangled Web? February 18, 2015, 2:00 PM ET

Defining members of a unitary group can be complex. State interpretations of relevant unitary criterion are inconsistent, and state-specific provisions defining includable group members vary. Elections that provide certainty about the composition of the combined filing group have multiyear impacts that must be considered. Learn ways to address the uncertainty associated with unitary groups.

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Tax Executives

The Base Erosion and Profit Shifting (BEPS) Initiative: A Practical Approach to Assessing Risks February 26, 2015, 2:00 PM ET

For multinational corporations, the OECD's BEPS initiative could cause significant controversy around pricing of intercompany transactions, as well as result in structural changes to financing global operations, and treasury functions. The result is likely to be greater demands on already constrained tax department resources. Explore the application of the BEPS proposals on cross-border transactions.

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