

Federal Tax & Accounting

Coronavirus Roadmap



Bloomberg Tax & Accounting

All content in this report is available on Bloomberg Tax and is updated continuously as changes occur.

Bloomberg Tax & Accounting Federal Tax & Accounting – Coronavirus Roadmap

This roadmap provides a summary of federal tax and accounting activity relating to the novel coronavirus (Covid-19), including legislation such as the [Families First Coronavirus Response Act](#), the [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#), and the Covid-related Tax Relief Act of 2020 (Division N, Title II, Subtitle B of the [Consolidated Appropriations Act, 2021](#)). The roadmap was prepared by Bloomberg Tax & Accounting staff and was last updated on December 29, 2020.

For comprehensive information on the tax implications of Covid-19, see the Bloomberg Tax & Accounting [Coronavirus Tax Watch](#).

Other topics are summarized in separate coronavirus roadmaps.

[State Tax](#) | [International Tax \(Direct Taxes\)](#) | [International Tax \(Indirect Taxes\)](#) | [Financial Accounting \(U.S. GAAP\)](#) | [Payroll \(Federal\)](#) | [Payroll \(State\)](#)

Contents

[Business Entities](#)

[Compliance](#)

[Estates, Gifts and Trusts](#)

[Excise Tax](#)

[Health Care](#)

[Individuals](#)

[International](#)

[Retirement](#)

[Tax-Exempt Bonds](#)



Topic	Treatment	Related Content
<p>Credits for Paid Sick and Family Leave</p>	<p>The Covid-related Tax Relief Act of 2020 extends the refundable payroll tax credits for paid sick and family leave, enacted in the Families First Coronavirus Response Act (FFCRA), through the end of March 2021. It also modifies the tax credits so that they apply as if the corresponding employer mandates were extended through the end of March 2021.</p> <p>Individuals may elect to use their average daily self-employment income from 2019 rather than 2020 to compute the credit.</p> <p>Technical changes coordinate the definitions of qualified wages within the paid sick leave, paid family and medical leave, the exclusion of such leave from employer OASDI tax, and clarifies the treatment of paid leave for purposes of the Railroad Retirement Tax.</p> <p>Effective as if included in the Families First Coronavirus Response Act.</p> <p>For more payroll tax changes, see the Payroll – Federal Provisions – Coronavirus Roadmap.</p> <p>Authorities</p> <p>Families First Coronavirus Response Act §7001(g), 7002(e), 7003(g), and 7004(e); Covid-related Tax Relief Act of 2020 §286-§288.</p>	<p>373 T.M., XII.E.</p> <p>392 T.M., II.A.</p>

<p>Business & Farming Losses (NOLs)</p>	<p>The CARES Act amends IRC §172(b) to allow for the carryback of losses arising in tax years beginning after December 31, 2017 and before January 1, 2021 to each of the five tax years preceding the tax year of such loss (however, real estate investment trusts (REITs) are not permitted such carrybacks). The CARES Act does not alter the indefinite carryforward of NOLs arising in those years.</p> <p>The CARES Act also amends IRC §172(a) to remove the limitation that NOLs could be used to offset no more than 80% of taxable income (disregarding the NOL deduction itself). The amendment applies to tax years beginning before January 1, 2021 (previously, tax years beginning after December 31, 2017, were subject to the 80% limitation).</p> <p>The CARES Act provides for several elections related to NOL carrybacks (election to waive NOL carryback, election to exclude IRC §965 years, and election under a special rule for tax years that began before January 1, 2018 and ended after December 31, 2017). The IRS prescribed the rules for filing those elections in Rev. Proc. 2020-24.</p> <p>Treasury and the IRS are reconsidering whether the 10-year limitations period in IRC §6511(d)(3)(A) or the 3-year limitations period in IRC §6511(d)(2)(A) applies to a refund claim resulting from a foreign tax credit carryback that arose as a result of an NOL carryback. During the reconsideration period, the applicable revenue rulings (Rev. Rul. 71-533 and part of Rev. Rul. 68-150) are suspended. The IRS noted that the suspension will not be applied adversely to a taxpayer that filed or files a claim for credit or refund within the IRC §6511(d)(3) limitations period in accordance with the applicable revenue rulings.</p> <p>The Covid-related Tax Relief Act allows farmers who elected a 2-year NOL carryback before the CARES Act to elect to retain that 2-year carryback rather than claim the 5-year carryback provided in the CARES Act. It also allows farmers who previously waived an election to carry back an NOL to revoke the waiver. This provision applies retroactively as if included in §2303 of the CARES Act.</p> <p>See also Compliance, Quick Refunds; International, NOLs and IRC §965</p> <p>Authorities</p> <p>IRC §172; CARES Act §2303; Rev. Proc. 2020-24; Notice 2020-26; Rev. Rul. 2020-8; Covid-related Tax Relief Act of 2020 §281</p>	<p>539 T.M., IV.A</p> <p>539 T.M., VI.A</p> <p>607 T.M., VII.B.</p>
--	---	---

<p>NOLs and Other Attribute Limitations</p>	<p>In the event of a change in ownership of a loss corporation (generally where 50% of the stock is acquired by new owners), the use of NOLs and other tax attributes by the company after the change is limited. For these purposes, stock acquired by government entities or lenders as part of loan or guarantee programs can constitute a transfer of stock contributing to such a change.</p> <p>The CARES Act provides Treasury regulatory authority to make rules including guidance that acquisition of equity interests as part of loan and guarantee facilities and programs authorized by CARES Act §4003 will not result in an ownership change for IRC §382 purposes.</p> <p>Authorities IRC §382; CARES Act §4003(h)(2)</p>	<p>780 T.M., III.B (ownership change)</p> <p>780 T.M., III.C (definition of stock)</p> <p>780 T.M., III.L (TARP-related exemption)</p>
<p>NOLs and IRC §965</p>	<p>See International, NOLs and IRC §965</p>	
<p>Business Interest Limitations</p>	<p>For tax years beginning in 2019 and 2020, the deduction for business interest expense is limited to the sum of (i) business interest income, (ii) 50% of adjusted taxable income (ATI) (increased from 30% of ATI), and (iii) floorplan financing interest expense. Taxpayers may elect not to use the increased limitation. Given that many taxpayers may have significantly reduced income in 2020, taxpayers may elect to substitute 2019 ATI for 2020 ATI. Special rules apply for short tax years.</p> <p>In the case of a partnership, the increase to the ATI portion of the limitation applies only to tax years beginning in 2020. Any election not to use the increased limitation must be made at the partnership level. Like other taxpayers, partnerships may elect to substitute 2019 ATI for 2020 ATI. A special rule provides that partners treat 50% of any excess business interest expense allocated to the partner in a tax year beginning in 2019 as paid or accrued in the partner's first tax year beginning in 2020, with the remaining 50% subject to the default limitation based on allocated excess taxable income (or excess interest income pursuant to Prop. Reg. §1.163(j)-6(g)(2)(i)). A partner may elect out of this special rule.</p> <p>The IRS prescribed rules for the above elections in Rev. Proc. 2020-22.</p> <p>Authorities IRC §163(j); CARES Act §2306; Rev. Proc. 2020-22</p>	<p>536 T.M., X.T (general discussion)</p> <p>712 T.M., II.B.3.g (partnership specific)</p>

<p>Government-Provided Relief Funds (Loans and Grants)</p>	<p>The CARES Act expressly provides that any forgiveness or cancellation of all or part of Paycheck Protection Program (PPP) loans provided to businesses under Title I of Division A of the CARES Act (Small Business Administration loans) will not be treated as income for tax purposes.</p> <p>The CARES Act was silent on the deductibility of otherwise allowable payments of eligible expenses by a PPP loan recipient if the loan is later forgiven as a result of the payment of those expenses. However, the Covid-related Tax Relief Act allows taxpayers to deduct otherwise deductible eligible expenses paid with the proceeds of a forgiven PPP loan. The tax basis and other attributes of the taxpayer’s assets will not be reduced as a result of the PPP loan forgiveness.</p> <p>Under the Covid-related Tax Relief Act, PPP loan forgiveness that is excluded from a partnership’s or S corporation’s income is treated as tax-exempt income for purposes of IRC §705 and IRC §1366.</p> <p>Assistance received under Title IV of Division A of the CARES Act are treated as indebtedness for tax purposes, even if the government acquires warrants, stock, or other equity interests in the assisted companies as part of the assistance program.</p> <p>The CARES Act also provides, in Division A, Title I, for grant programs for certain small businesses. The CARES Act does not have any express provision concerning the treatment of such grants for tax purposes. IRC §118(b) expressly excepts contributions to a corporation by a government entity from the exclusion for contributions to capital. As a result, absent legislative provision, grants received by a corporate entity may be treated as taxable income.</p> <p>Authorities</p> <p>IRC §118, §162, §705, §1366; CARES Act §1106(i), §4003(h); Covid-related Tax Relief Act §276</p>	<p>759 T.M., III.E.3 (§118 exclusion)</p> <p>503 T.M., IV.C. (disallowance of deductions to avoid a double benefit); 536 T.M., X.L (disallowance of deductions allocable to tax-exempt income)</p>
---	--	--

<p>Government-Provided Relief Funds for Nonprofit Organizations (Loans and Grants)</p>	<p>Only certain nonprofit organizations (IRC §501(c)(3) and §501(c)(19) organizations) are eligible to participate in Paycheck Protection Program loans under Title I of Division A of the CARES Act, subject to certain limitations based upon the organization’s number of employees. The entire loan is eligible for forgiveness if certain criteria are satisfied.</p> <p>Private nonprofit organizations (defined in 13 CFR §123.300(d) as organizations exempt under IRC §501(c), §501(d), or §501(e)) and small agricultural cooperatives are eligible for Emergency Economic Injury Disaster Loan (EIDL) Grants under Title I of Division A of the CARES Act. The EIDL Grants are not eligible for forgiveness.</p> <p>Similar to for-profit entities, nonprofit organizations are eligible for loan assistance under Title IV of Division A of the CARES Act, which will be treated as indebtedness for tax purposes.</p> <p>Authorities</p> <p>CARES Act §1102, §1110, §4003</p>	<p>450 T.M., IV</p>
<p>Limitation on Business Losses</p>	<p>The CARES Act removes the limitation on excess business losses for taxpayers other than corporations for tax years beginning in 2018, 2019, and 2020.</p> <p>The CARES Act also makes technical corrections to the excess business loss provisions to clarify: (1) that net operating losses and the qualified business income deduction under IRC §199A are not included in calculating an excess business loss; and (2) the extent to which capital gains are taken into account in determining the amount of an excess business loss.</p> <p>Authorities</p> <p>IRC §461(l); CARES Act §2304</p>	<p>539 T.M., III.A.4</p>

<p>Minimum Tax Credits</p>	<p>The CARES Act accelerates the ability of corporations to recover excess minimum tax credits (MTCs) that they possessed when the corporate alternative minimum tax was repealed beginning in 2018. Under the new provision, 50% of the excess MTC are refundable in the corporation’s 2018 tax year and all remaining MTCs are refundable in tax year 2019. In addition, corporations may elect to take the entire refund in the 2018 tax year.</p> <p>See also Compliance, Quick Refunds</p> <p>Authorities</p> <p>IRC §53(e); CARES Act §2305; Notice 2020-26</p>	<p>752 T.M., VII.C</p>
<p>Qualified Improvement Property</p>	<p>The CARES Act retroactively classifies qualified improvement property (QIP) placed in service after 2017 as 15-year property with an ADS recovery period of 20 years. Taxpayers may thus apply 100% bonus depreciation to eligible QIP. The CARES Act also clarifies that improvements must be made by the taxpayer to be QIP. The amendments apply to property placed in service after December 31, 2017.</p> <p>The IRS provided guidance, in Rev. Proc. 2020-25, permitting taxpayers to make a late election under IRC §168(g)(7), (k)(5), (k)(7), or (k)(10), to revoke an election under IRC §168(k)(5), (k)(7), or (k)(10), or to withdraw an election under IRC §168(g)(7), for property placed in service by the taxpayer during its 2018, 2019, or 2020 tax year, for a limited period of time. Rev. Proc. 2020-25 also permits taxpayers to make late elections to change their depreciation of qualified improvement property placed in service after December 31, 2017, in the taxpayers' 2018, 2019, or 2020 tax year. The making of such a late election, or the revocation of such an election, is treated as a change in method of accounting for a limited period of time.</p> <p>Authorities</p> <p>IRC §168(e)(3)(E), (e)(6)(A), (g)(3)(B); CARES Act §2307; Rev. Proc. 2020-25</p>	<p>531 T.M., V.F</p>
<p>Charitable Contribution Deductions</p>	<p>See Individuals, Charitable Contribution Deductions</p>	
<p>Quick Refunds</p>	<p>See Compliance, Quick Refunds</p>	

<p>Due Dates for Filing Income Tax Returns and Making Income Tax Payments</p>	<p>See Compliance, Due Dates for Filing Income Tax Returns and Making Income Tax Payments</p>	
<p>Forbearance on Federally Backed Mortgage Loans</p>	<p>The CARES Act provides that borrowers with federally backed mortgage loans and multifamily borrowers with federally backed multifamily mortgage loans experiencing a financial hardship during the covered period due to the Covid-19 emergency may request and obtain forbearance on their loans. The covered period for this purpose begins with the date of the Act’s enactment, March 27, 2020 and ends on the earlier of the termination date of the Covid-19 emergency or December 31, 2020. Many such loans are held in investment trusts and real estate mortgage investment conduits (REMICs).</p> <p>The IRS provided safe harbors under which (1) a CARES Act forbearance program will not jeopardize the federal income tax status of investment trusts and REMICs that hold the loans; and (2) REMICs may acquire loans for which servicers have provided CARES Act forbearances without the REMICs being treated as having improper knowledge of an anticipated default for purposes of the rules governing REMIC foreclosure property.</p> <p>Authorities</p> <p>CARES Act §4022, §4023; Rev. Proc. 2020-26</p>	<p>741 T.M., IX.K</p>
<p>Production Tax Credit and Investment Tax Credit</p>	<p>The Covid-19 pandemic has caused delays in the development of certain facilities eligible for the production tax credit for renewable energy facilities under IRC §45 and the investment tax credit for energy property under IRC §48. In recognition of those delays, the IRS extended the continuity safe harbor rule for projects that began construction in either 2016 or 2017 and provided a 3 ½-month safe harbor for services or property paid for by the taxpayer on or after September 16, 2019 and received by October 15, 2020.</p> <p>Authorities</p> <p>Notice 2020-41, <i>modifying</i> Notice 2019-43, Notice 2018-59, Notice 2017-4, Notice 2016-31, Notice 2015-25, Notice 2014-46, Notice 2013-60, and Notice 2013-29.</p>	<p>512 T.M., III.F (production tax credit)</p> <p>512 T.M., III.A (investment tax credit)</p>

<p>Opportunity Zones</p>	<p>The IRS provided relief in Notice 2020-39 for qualified opportunity funds (QOFs) and their investors in response to the Covid-19 pandemic. The notice provides relief for certain failures by a QOF to meet the IRC § 1400Z-2(d)(1) 90% investment standard during 2020. Those failures are treated as due to reasonable cause and disregarded for purposes of IRC §1400Z-2.</p> <p>The notice also postpones the time periods for satisfying certain other requirements. The last day of a QOF’s 180-day investment period is postponed to December 31, 2020 if the last day would have occurred between April 1, 2020 and December 31, 2020. Similarly, the period beginning on April 1, 2020, and ending on December 31, 2020 is disregarded in determining any 30-month substantial improvement period.</p> <p>The IRS also confirmed in Notice 2020-39 that the 24-month extension for the working capital safe harbor and the 12-month extension for QOFs to reinvest certain proceeds are available to otherwise qualifying QOFs and qualified opportunity zone businesses.</p> <p>Authorities</p> <p>Notice 2020-39, modifying Notice 2020-23</p>	<p>598 T.M. II</p>
<p>Employer Leave-Based Donation Payments</p>	<p>See Individuals, Employer Leave-Based Donation Payments</p>	

Topic	Treatment	Related Content
<p>Filing and Tax Payment Deadline Extensions for Taxpayers Affected by Covid-19 Emergency</p>	<p>The IRS postponed to July 15, 2020 the due date for filing obligations and tax payment obligations as well as time-sensitive actions of “affected taxpayers” due on or after March 30, 2020 and before July 15, 2020. Affected taxpayers’ filing and payment obligations include:</p> <ul style="list-style-type: none"> • Individual income tax payments and return filings on Forms 1040, 1040-SR, 1040-NR, 1040-NR-EZ, 1040-PR, and 1040-SS; • Corporate income tax payments and return filings on Forms 1120, 1120-C, 1120-F, 1120-FSC, 1120-H, 1120-L, 1120-ND, 1120-PC, 1120-POL, 1120-REIT, 1120-RIC, 1120-S, and 1120-SF; • Partnership return filings on Forms 1065 and 1066; • Estate and trust income tax payments and return filings on Forms 1041, 1041-N and 1041-QFT; • Estate and generation-skipping transfer tax payments and return filings on Forms 706, 706-NA, 706-A, 706-QDT, 706-GS(T), 706-GS(D), and 706-GS(D-1); • Form 706, filed pursuant to Rev. Proc. 2017-34; • Form 8971 and any supplemental Form 8971, including all §6035(a) requirements; • Gift and generation-skipping transfer tax payments and return filings on Form 709 that are due on the date an estate is required to file Form 706 or Form 706-NA; • Estate tax payments of principal or interest due as a result of an election made under §6166, §6161, or §6163 and §6166 annual recertification requirements; • Exempt organization business income tax and other payments and return filings on Form 990-T; • Excise tax payments on investment income and return filings on Form 990-PF and excise tax payments and return filings on Form 4720; and • Quarterly estimated income tax payments calculated on or submitted with Forms 990-W, 1040-ES, 1040-ES (NR), 1040-ES (PR), 1041-ES, and 1120-W. <p>The IRS further expanded the definition of “affected taxpayer” to include taxpayers with time-sensitive actions relating to certain employment taxes, employee benefit plans, exempt organizations, IRAs, Coverdell education savings accounts, HSAs, and Archer and Medicare Advantage MSAs.</p> <p>Authorities</p> <p>Notice 2020-35, amplifying Notice 2020-23, Notice 2020-20 and Notice 2020-18; modifying Rev. Proc. 2020-10, Rev. Proc. 2019-39, Rev. Proc. 2019-19, Announcement 2018-05, Rev. Proc. 2017-55, and Rev. Proc. 2017-18</p>	<p>In Brief: IRS Extends Filing and Payment Deadlines Until July 15 — What Should Practitioners Do Now?</p> <p>634 T.M., XI.D.14</p> <p>Additional Analysis</p> <p>IRS FAQs</p>

<p>Due Dates for Filing Tax Returns and Making Income Tax Payments</p>	<p>The IRS postponed to July 15, 2020 the due date for filing obligations and tax payment obligations of “affected taxpayers” due on or after March 30, 2020 and before July 15, 2020. The postponement is automatic; no Form 4868 or Form 7004 is required. Affected taxpayers may file extensions by July 15, 2020 for additional time to file returns, but the extension date may not go beyond the original statutory or regulatory extension date.</p> <p>Initially, only the due date for making income tax payments was extended, and the amount of payment eligible for postponement was limited. The current guidance addresses filing deadlines in addition to due dates for making payments and does not limit the amount of payment that may be postponed. The postponed filing deadlines apply not only to forms listed above, but also to schedules, returns, and other forms filed as attachments thereto. IRC §965(h) installment payments due before July 15, 2020 and elections made or required to be made on a specified form are also included.</p> <p>The period from April 1, 2020 to July 15, 2020 will be disregarded in the calculation of interest, penalty, or addition to tax for failure to file the returns or pay the taxes so postponed.</p> <p>The IRS also postponed to July 15, 2020 the annual filing season program for the 2020 calendar year.</p> <p>Authorities</p> <p>Notice 2020-35, <i>amplifying</i> Notice 2020-23, Notice 2020-20 and Notice 2020-18; <i>modifying</i> Rev. Proc. 2020-10, Rev. Proc. 2019-39, Rev. Proc. 2019-19, Announcement 2018-05, Rev. Proc. 2017-55, and Rev. Proc. 2017-18</p>	<p>In Brief: IRS Extends Filing and Payment Deadlines Until July 15 — What Should Practitioners Do Now?</p> <p>634 T.M., XI.D.14</p> <p>Additional Analysis</p> <p>IRS FAQs</p>
---	---	---

<p>Due Dates for Time-Sensitive Actions</p>	<p>The IRS postponed to July 15, 2020 the due date for time-sensitive actions of “affected taxpayers” due on or after March 30, 2020 but before July 15, 2020. Time-sensitive actions for this purpose include:</p> <ul style="list-style-type: none"> • Filing a Tax Court petition or a petition for review of a Tax Court decision; • Filing a claim, or bringing a suit upon a claim, for credit or refund of any tax; and • Actions listed in Rev. Proc. 2018-58 that may be postponed by reason of service in a combat zone or a federally declared disaster. <p>The IRS granted a 30-day postponement of the deadline for time-sensitive IRS action that may be postponed because of a lack of access to documents, systems, or other resources, if the last date for performance is on or after April 6, 2020 and before July 15, 2020. Taxpayers affected by time-sensitive IRS action include persons (1) under examination; (2) whose cases are with Appeals; and (3) who, during the period beginning on or after April 6, 2020 and ending before July 15, 2020, file written documents described in IRC §6501(c)(7) or submit payments with respect to a tax for which the time for assessment would otherwise expire during that period.</p> <p>The IRS postponed to December 31, 2020, the due dates for certain time-sensitive actions affected by the Covid-19 emergency, i.e., making investments, making reinvestments, and expending amounts for construction of real property under IRC §45D due to be performed or expended on or after April 1, 2020, but before December 31, 2020.</p> <p>The IRS granted a further postponement, until December 31, 2020, of the deadline for taking certain time-sensitive actions under IRC §42 for qualified low-income housing projects and under IRC §142(d) and §147(d) for qualified residential rental projects. If the deadline was on or after April 1, 2020, but before December 31, 2020, the deadline is postponed to December 31, 2020.</p> <p>The IRS provided a further postponement, until December 31, 2020, of the deadline for performing any Community Health Needs Assessment (CHNA) requirement under IRC §501(r)(3) that was due to be completed on or after April 1, 2020, but before December 31, 2020.</p> <p>For IRC §47(c)(1)(B) and Treas. Reg. §1.48-12(b)(2), if the 24- or 60-month measuring period in which the requisite amount of qualified rehabilitation expenditures (QREs) must</p>	<p>Listing of Postponements Due to Combat Zone Service or Federally Declared Disaster Area</p> <p>627 T.M., I.E.19 (Postponement by Reason of Service in a Combat Zone or Contingency Operation)</p> <p>630 T.M., Tax Court Litigation</p>
--	--	--

	<p>be paid or incurred to satisfy the substantial rehabilitation test for a building originally ends on or after April 1, 2020, but before March 31, 2021, the last day of the 24- or 60-month period for a taxpayer to incur the requisite QREs with respect to the building is postponed to March 31, 2021.</p> <p>For taxpayers subject to the transition rule in §13402(c)(2) of the TCJA, if the 24- or 60-month measuring period in which the requisite amount of QREs have to be paid or incurred to satisfy the substantial rehabilitation test for a building originally ends on or after April 1, 2020, but before March 31, 2021, the last day of the 24- or 60-month period for a taxpayer to pay or incur the requisite QREs with respect to the building is postponed to March 31, 2021.</p> <p>See also Business Entities, Opportunity Zones regarding the 180-day investment requirement for qualified opportunity fund investors.</p> <p>Authorities</p> <p>Notice 2020-58, Notice 2020-56, Notice 2020-53, Notice 2020-49 and Notice 2020-35, amplifying Notice 2020-23, Notice 2020-20 and Notice 2020-18; modifying Rev. Proc. 2020-10, Rev. Proc. 2019-39, Rev. Proc. 2019-19, Announcement 2018-05, Rev. Proc. 2017-55, and Rev. Proc. 2017-18</p>	
<p>Protections for Taxpayer Return Information</p>	<p>The Covid-related Tax Relief Act undoes the changes made by the CARES Act that allowed the IRS to share tax return information of student aid applicants, their parents, students, and borrowers with the Department of Education and further allowed that tax return information to be redisclosed to colleges and universities (and certain scholarship organizations). Taxpayer confidentiality protections are restored to the tax return information shared by IRS, while allowing certain uses as requested by the committees with education jurisdiction.</p> <p>Authorities</p> <p>§6103; Covid-related Tax Relief Act §284</p>	<p>625 T.M., II.C.</p> <p>632 T.M., V.A.</p>

<p>Quick Refunds</p>	<p>A corporation that overpays its estimated tax can obtain a quick refund of the excess estimated tax before it files its tax return. A corporation can obtain a quick refund only if the amount of the refund equals or exceeds 10% of the amount estimated by the corporation on its application as its income tax liability for the tax year and is at least \$500.</p> <p>The CARES Act permits a corporation to file a tentative carryback adjustment application in conjunction with an IRC §53(e)(5) election to take the entire refund of excess minimum tax credits in the 2018 tax year if the application is filed before December 31, 2020. (See Business Entities, Minimum Tax Credits.) The time to file a tentative carryback adjustment application for a tax year that began during calendar year 2018 and ended before March 27, 2019 had already expired by the time the CARES Act was enacted on March 27, 2020. The IRS thus granted, in Notice 2020-26, a six-month extension of time to file a tentative carryback adjustment application for taxpayers with NOLs arising in a tax year that began during calendar year 2018 and ended on or before June 30, 2019. The extension does not extend the time to carry back any other item.</p> <p>The IRS also provided, in Rev. Proc. 2020-24, relief for taxpayers with tax years that began before January 1, 2018 and ended after December 31, 2017. A taxpayer with an NOL arising in such a year will be treated as having timely filed a tentative carryback adjustment application and any available elections for such tax years with an NOL (i.e., waiver or reduction of any carryback period, revocation of waiver of any carryback period) if filed by July 27, 2020.</p> <p>Beginning April 17, 2020, the IRS will accept eligible refund claims Form 1139 and Form 1045 submitted via fax to 844-249-6236 and 844-249-6237, respectively.</p> <p>Authorities</p> <p>IRC §6411; CARES Act, §2303; Notice 2020-26; Rev. Proc. 2020-24; https://www.irs.gov/newsroom/temporary-procedures-to-fax-certain-forms-1139-and-1045-due-to-Covid-19</p>	<p>In Brief: Quick Refunds — Companies Can Get Quick Cash Back from the IRS</p> <p>IPA ¶710.B</p>
<p>Due Date for Filing FATCA Reports</p>	<p>See International, Due Date for Filing FATCA Reports</p>	
<p>Due Date for IRC §965(h) Installment Payments</p>	<p>See International, Due Date for IRC §965(h) Installment Payments</p>	

IRS Temporary Procedure on Electronic Signatures and Electronic Document Transmission	Until June 30, 2021, the IRS will allow IRS employees: (1) to accept scanned or photographed images of signatures and digital signatures on documents related to the determination or collection of tax liability; and (2) accept documents via email and to transmit documents to taxpayers using SecureZip or other established secured messaging systems. Authorities NHQ-01-1120-0004	623 T.M., IV.H.5
--	--	----------------------------------

Topic	Treatment	Related Content
Due Date for Estate Tax, Gift Tax, and Generation-Skipping Transfer Tax Returns and Payments	See Compliance, Taxpayers Affected by Covid-19 Emergency; Compliance, Due Dates for Filing Tax Returns and Making Income Tax Payments	822 T.M., X.D
Safe Harbor for Determining Trust Status	<p>The IRS provided temporary guidance under which certain modifications to mortgage loans, certain modifications to leases, and certain additional capital contributions are not treated under Reg. §301.7701-4(c) (and Rev. Rul. 2004-86) as manifesting a power to vary the investment of certificate holders in an investment trust. The following actions taken by investment trusts that hold real property qualify for this safe harbor:</p> <ul style="list-style-type: none"> • Forbearance or modification under the CARES Act of mortgage loan(s) that secure(s) the trust’s real property; • Forbearance or modification, requested or agreed to between March 27, 2020 and December 31, 2020 in response to the Covid-19 emergency, of non-federally backed mortgage loan(s) (as described in section 2.07 of Rev. Proc. 2020-26) that secure(s) the trust’s real property; • Modification of real property leases entered into on or before March 13, 2020 to coordinate cash flows or to accommodate (i.e., waive or defer) rental payments of tenants experiencing financial hardship due to the Covid-19 emergency; and • Acceptance of cash contributions made between March 27, 2020 and December 31, 2020 if the acceptance is made as a result of the trust experiencing financial hardship due to the Covid-19 emergency and the contribution is necessary to meet certain enumerated financial needs of the trust (i.e., increase permitted reserves, maintain trust property, or fulfill obligations under mortgage loans or real property leases). <p>See also Business Entities, Forbearance on Federally Backed Mortgage Loans</p> <p>Authorities</p> <p>Rev. Proc. 2020-34</p>	<p>852 T.M., III.D (trust definition)</p> <p>741 T.M., III.B (investment trusts)</p>

Topic	Treatment	Related Content
<p>Temporary Exemption for Certain Distilled Spirits; Reduced Excise Tax Rate on Beer, Wine, and Distilled Spirits</p>	<p>The CARES Act allowed a temporary excise tax exemption for distilled spirits used or contained in hand sanitizer produced and distributed consistent with FDA guidance related to SARS CoV-2 or Covid-19.</p> <p>The temporary exemption applied to alcohol withdrawn from bonded premises of a distilled spirits plant for use in hand sanitizer for the period January 1, 2020, through December 31, 2020.</p> <p>The Taxpayer Certainty and Disaster Tax Relief Act reduces the excise tax rate on beer, wine, and distilled spirits removed after December 31, 2020; allows beer to be transferred tax-free between bonded facilities, subject to regulations; increases the threshold alcohol content level for the application of excise tax rates; and provides that IRC § 5212 applies to distilled spirits – regardless of whether they are bulk distilled spirits – if they are transferred in bond from the person who distilled or processed the distilled spirits to another person for bottling or storage of the distilled spirits, and returned to the transferor for removal.</p> <p>The reduced excise tax rates do not apply to smuggled or illegally produced beer, wine, and spirits.</p> <p>Minimum processing requirements apply for distilled spirits to qualify for the reduced excise tax rates.</p> <p>Under a modified single taxpayer rule, two or more entities that produce beer, wine, or distilled spirits under a license are treated as a single taxpayer.</p> <p>Authorities</p> <p>IRC § 5001(c); IRC § 5041(b), IRC § 5041(c), IRC § 5051(a), IRC § 5212 IRC § 5214(a)(14), IRC § 5414, IRC § 5067, IRC § 5555(a), IRC § 6611(e), IRC § 7652(i)</p> <p>CARES Act § 2308; Taxpayer Certainty and Disaster Tax Relief Act §106, §108, §109, §110</p>	<p>Federal EXTN at 1</p>

<p>Refund in Lieu of Reduced Excise Tax Rates for Foreign Production</p>	<p>The Taxpayer Certainty and Disaster Tax Relief Act allows a refund in lieu of reduced excise tax rates for beer, wine, and distilled spirits produced outside the United States and imported into the United States, if the distilled spirits are removed after December 31, 2022.</p> <p>Information reporting is required with respect to assignment of lower rates or refunds by foreign producers of beer, wine, and distilled spirits.</p> <p>Authorities</p> <p>IRC § 5001(c), IRC § 5041(c), IRC § 5051(a), IRC § 6038E, IRC § 7652(i); Taxpayer Certainty and Disaster Tax Relief Act § 107</p>	<p>Federal EXTN at 1</p>
<p>Suspension of Certain Aviation Excise Taxes</p>	<p>The CARES Act creates an excise tax holiday period from after the date of enactment through December 31, 2020, during which the following excise taxes are suspended:</p> <p>Air Transportation. Federal excise taxes imposed on air transportation under IRC § 4261 and § 4271 are suspended during the excise tax holiday period.</p> <p>Kerosene. Kerosene used in commercial aviation is exempt from tax imposed under IRC § 4041(c) and § 4081 during the excise tax holiday period and is considered a nontaxable use under IRC § 6427(l). The tax applied for financing the Leaking Underground Storage Tank Trust Fund is not suspended.</p> <p>Authorities</p> <p>CARES Act §4007</p>	<p>Federal EXTN at 8.1.3.1</p> <p>Federal EXTN at 9.4</p>
<p>Sporting Goods Excise Taxes</p>	<p>The IRS provided elective relief for taxpayers with a federal sporting goods excise tax payment due and a Form 720 filing requirement for the second quarter of 2020. Ordinarily, the due date for such returns would be July 31, 2020. In light of the Covid-19 emergency, the IRS postponed the 2020 due date until October 31, 2020.</p> <p>Authorities</p> <p>Notice 2020-48</p>	<p>Federal EXTN at 17.5</p>

Topic	Treatment	Related Content
<p>Cafeteria Plan Mid-Year Elections</p>	<p>Section 125 cafeteria plans may allow mid-year elections during calendar year 2020 so that employees may elect or change employer-sponsored health coverage and modify their health FSA or dependent care assistance program amounts. Cafeteria plans also may provide an extended period to apply unused amounts remaining in a health FSA or dependent care assistance program.</p> <p>Allows plans that include a health flexible spending arrangement (FSA) or a dependent care FSA to continue to be treated as cafeteria plans when they permit:</p> <ul style="list-style-type: none"> • the FSA to carryover unused benefits up to the full annual amount from the plan year ending in 2020 to the plan year ending in 2021, and the plan year ending in 2021 to the plan year ending in 2022; • extension of the grace period for unused benefits or contributions for a plan year ending in 2020 or 2021 to 12 months after the end of the plan year; • an employee to make a prospective change in election amounts for plan years ending in 2021 without a status change. <p>A plan that includes a health FSA may allow an employee who ends participation in the plan during calendar year 2020 or 2021 to continue to receive reimbursements from unused benefits or contributions through the end of that plan year, including any grace period.</p> <p>Plans may extend the maximum age of eligible dependents from 12 to 13 for dependent care FSAs for the 2020 plan year, and unused amounts from the 2020 plan year may be carried over into the 2021 plan year.</p> <p>The plan may be amended retroactively. The amendment must be adopted by the last day of the first calendar year beginning after the end of the plan year in which it is effective. Operation of the plan must be consistent with the terms of the amendment from the effective date to the date of adoption.</p> <p>Authorities IRC §21(b), §125; Notice 2020-29; Taxpayer Certainty and Disaster Tax Relief Act §214</p>	<p>397 T.M. III.D., III.E., IV.F. 513 T.M., III.D.</p>

<p>Extension of Timeframes for Actions Related to Group Health Plans</p>	<p>Period from March 1, 2020, until 60 days after the announced end of the National Emergency or a date announced jointly by Treasury and Labor is disregarded when determining request, election, and notification periods related to certain claims procedure and external review processes for group health plan and disability claims, certain COBRA continuation coverage periods, and the period to request group health plan special enrollment.</p> <p>Authorities</p> <p>85 Fed. Reg. 26,351 (May 4, 2020)</p>	<p>353 T.M., IV.D.3., IV.F.3.</p> <p>330 T.M., XV.D.3.</p>
<p>Due Dates for Contributions to Health Savings Accounts</p>	<p>Participants may make contributions to an HSA or Archer MSA for 2019 at any time up to July 15, 2020.</p> <p>The due date for filing with the IRS, and furnishing to individuals, contribution information for HSAs, Archer MSAs, and Medicare Advantage MSAs on Form 5498-SA is postponed to August 31, 2020.</p> <p>Authorities</p> <p>Notice 2020-35, <i>amplifying</i> Notice 2020-23 and Notice 2020-18 (<i>superseding</i> Notice 2020-17)</p> <p>https://www.irs.gov/newsroom/filing-and-payment-deadlines-questions-and-answers</p>	<p>330 T.M., VIII.C (HSA)</p> <p>330 T.M., IX.C (Archer MSA)</p>

<p>Inclusion of Certain Over-The-Counter Medical Products as Qualified Medical Expenses</p>	<p>Reimbursements for medicine through an account-based plan may be made without a prescription, if permitted by the plan. (The medical expense deduction continues to require that medicine be obtained by a prescription or be insulin.)</p> <p>Amounts paid for menstrual care products are treated as amounts paid for medical care for purposes of payment through an account-based plan.</p> <p>For HSAs and Archer MSAs, the provision is effective for amounts paid after December 31, 2019.</p> <p>For FSAs and HRAs, the provision is effective for expenses incurred after December 31, 2019.</p> <p>Authorities</p> <p>IRC §106(f), §220(d), §223(d); CARES Act §3702</p>	<p>330 T.M., VIII.C (HSA)</p> <p>330 T.M., IX.C (Archer MSA)</p> <p>397 T.M., IV.C (Health FSA)</p> <p>330 T.M., VII.B (HRA)</p>
<p>Rapid Coverage of Preventive Services and Vaccines for Coronavirus</p>	<p>Secretary of Labor and the Secretary of the Treasury are instructed to require group health plans and health insurance issuers offering group or individual health insurance to cover (without cost-sharing) any qualifying coronavirus preventive service. This requirement applies 15 business days after the date on which a recommendation is made relating to the qualifying coronavirus preventive service.</p> <p>Reg. §54.9815-2713T incorporates this requirement and applies from November 2, 2020, until the end of the public health emergency for Covid-19 as determined by the HHS Secretary.</p> <p>Authorities</p> <p>CARES Act §3203</p>	<p>389 T.M., XIX.A</p>

<p>High-Deductible Health Plans</p>	<p>A high deductible health plan (HDHP) may, without affecting its status as a health savings account (HSA)-eligible HDHP, provide health benefits associated with testing for and treatment of Covid-19 without a deductible, or with a deductible below the minimum deductible (self only or family) for an HDHP. Such benefits are disregarded for purposes of determining the plan’s status as a HDHP.</p> <p>An individual covered by the HDHP will not be disqualified from being an eligible individual who may make tax-favored contributions to an HSA.</p> <p>This relief may be applied retroactively to reimbursements of expenses incurred on or after January 1, 2020.</p> <p>Authorities IRC §223(c); Notice 2020-15; Notice 2020-29</p>	<p>330 T.M., VIII.B (eligible individuals)</p> <p>330 T.M., VIII.E (HDHP)</p> <p>Additional Analysis</p>
<p>Exemption for Telehealth Services</p>	<p>Under a safe harbor for plan years beginning on or before December 31, 2021, a plan may be treated as a health savings account (HSA)-eligible high deductible health plan even though it does not have a deductible for telecare and other remote care services. Remote care services do not disqualify an individual from contributing to the health savings account.</p> <p>This treatment of remote care services applies to services provided on or after January 1, 2020.</p> <p>Authorities IRC §223(c); CARES Act §3701; Notice 2020-29</p>	<p>330 T.M., VIII.E</p>
<p>Guidance on Protected Health Information</p>	<p>Not later than 180 days after the date of enactment, the Secretary of Health and Human Services must issue guidance on the sharing of patients’ protected health information during the declared Covid-19 emergencies, including information on compliance with HIPAA regulations.</p> <p>Authorities CARES Act §3224; 85 Fed. Reg. 19,392 (Apr. 7, 2020)</p>	<p>389 T.M., VIII.H</p>

<p>Coverage of Diagnostic Testing for Covid-19</p>	<p>Sets out the requirements related to an in vitro diagnostic test that must be covered without cost sharing or other conditions.</p> <p>Authorities</p> <p>Families First Coronavirus Response Act, §6001; CARES Act §3201</p>	<p>389 T.M., XIX.A</p>
<p>Pricing of Diagnostic Testing</p>	<p>The Families First Coronavirus Response Act requires group health plans and health insurance issuers to cover Covid-19 testing but does not include information regarding the pricing of the testing.</p> <p>Under the CARES Act, issuers and group health plans must reimburse the provider of the diagnostic testing. During the Covid-19 public health emergency declaration period, testing providers must make public the cash price of the test on their public internet website or risk a civil penalty of up to \$300 a day.</p> <p>If a negotiated rate was in effect between the parties before the emergency declaration, that rate applies during the declaration period. If the rate was not negotiated, the plan or issuer must pay the listed cash price unless it can negotiate a lower rate.</p> <p>Authorities</p> <p>Families First Coronavirus Response Act, §6001; CARES Act §3202; 85 Fed. Reg. 71,142 (Nov. 6, 2020)</p>	<p>389 T.M., XIX.A</p>

Topic	Treatment	Related Content
<p>Recovery Rebates (Economic Impact Payments)</p>	<p>Eligible individuals are allowed a credit of \$1,200 (\$2,400 for joint filers), plus \$500 for each qualifying child, for the first tax year beginning in 2020. An eligible individual is any individual who has a Social Security number and who is not a nonresident alien, an individual who can be claimed as a dependent on another taxpayer’s return, or an estate or trust. The allowable credit is reduced by 5% of the eligible individual’s adjusted gross income in excess of \$75,000 (all filers other than joint and heads of households), \$112,500 (head of household), or \$150,000 (joint filers and surviving spouses). The credit phases out entirely at \$99,000 (\$198,000 for joint filers).</p> <p>Eligible individuals who are not otherwise required to file federal income tax returns for tax year 2019 may receive economic impact payments under the procedures set forth in Rev. Proc. 2020-28.</p> <p>Authorities</p> <p>IRC §6428; CARES Act §2201(a); Rev. Proc. 2020-28; Covid-related Tax Relief Act §273</p>	<p>When and How Will I Get That \$1,200 Stimulus Payment?: QuickTake</p> <p>513.T.M.,III.L (2020 Recovery Rebate)</p>

<p>Additional Recovery Rebates (Economic Impact Payments)</p>	<p>Eligible individuals are allowed an additional credit of \$600 per eligible individual (\$1,200 for married taxpayers filing jointly), plus \$600 per qualifying child. This allowable credit is reduced by 5% of the eligible individual’s adjusted gross income in excess of \$75,000 (all filers other than joint and head of household), \$112,500 (head of household), or \$150,000 (joint filers and surviving spouses). Advance payments will be issued based on 2019 tax return information.</p> <p>Eligible taxpayers who are not otherwise required to file federal income tax returns for tax year 2019 and are treated as providing returns through the IRS’s nonfiler portal in the first round of Economic Impact Payments (provided under the CARES Act) will also receive the additional payments.</p> <p>Advance payments generally are not subject to administrative offset for past due federal or state debts and are protected from bank garnishment or levy by private creditors or debt collectors.</p> <p>Authorities</p> <p>IRC §6428A; Covid-related Tax Relief Act §272</p>	<p>513.T.M.,III.L (2020 Recovery Rebate)</p>
<p>Qualified Disaster Relief Payments</p>	<p>Gross income does not include any amount received by an individual as a qualified disaster relief payment, which includes any amount to reimburse or pay reasonable and necessary personal, family, living, or funeral expenses incurred as a result of a qualified disaster. A qualified disaster relief payment must be made to, or for the benefit of, an individual, but only to the extent any expense compensated by the payment is not otherwise compensated for by insurance or some other reimbursement.</p> <p>Authorities</p> <p>IRC §139</p>	<p>597 T.M., IV.E (qualified disaster relief payments received by individuals)</p> <p>597 T.M., V.C (deduction and credit reductions)</p>

<p>Charitable Contribution Deductions</p>	<p>For the 2020 tax year, the deduction percentage limitation for charitable contributions of cash has been removed for individual taxpayers. The TCJA had provided for an increased limitation of 60% for cash contributions; however, the CARES Act would suspend the percentage limitations entirely. This simply means that any qualified contribution is allowed to the extent that the aggregate of such contributions does not exceed the taxpayer’s adjusted gross income. This type of provision allowing for an “unlimited” charitable contribution deduction has occurred in the past; however, this suspension is applicable only for cash contributions.</p> <p>The CARES Act also increases the limitation on the corporate charitable contribution deduction from 10% of taxable income to 25% of taxable income. In addition, the limitation on contributions of food inventory is increased from 15% to 25%.</p> <p>For tax years beginning in 2020, eligible taxpayers are entitled to an above-the-line deduction of up to \$300 for qualified charitable contributions. An eligible taxpayer is an individual that did not elect to itemize deductions. A qualified charitable contribution is a cash contribution to a qualified tax-exempt organization. Although not a significant amount, individuals may find this provision important due to the increased standard deduction amount that made the threshold for itemizing beyond reach for many taxpayers.</p> <p>Authorities</p> <p>IRC §62; CARES Act §2204, §2205</p>	<p>863 T.M., IV.A (historical)</p> <p>863 T.M., IV.B (percentage limitations)</p> <p>863 T.M., IV.E (calculation examples)</p> <p>794 T.M., V.A (corporate limits)</p>
--	--	--

<p>Employer Leave-Based Donation Payments</p>	<p>An employee may elect to forgo vacation, sick, or personal leave in exchange for cash payments that his or her employer makes to IRC §170(c) charitable organizations. The IRS issued guidance indicating that such payments will not be treated as wages (or compensation, as applicable) to the employee or otherwise be included in the employee’s gross income if the payments are paid before January 1, 2021, to charitable organizations for the relief of victims of the Covid-19 pandemic in the affected geographic areas (i.e., each of the 50 states, the District of Columbia, and five U.S. territories). The guidance also indicates that an electing employee will not be treated having constructively received gross income or wages (or compensation) and may not claim a charitable contribution deduction with respect to the value of forgone leave.</p> <p>An employer may deduct the cash payments under IRC §170 or §162 if it otherwise meets the respective requirements of either section.</p> <p>Authorities</p> <p>Notice 2020-46</p>	<p>502 T.M., IV.B.2.b.(2)</p> <p>502 T.M., Worksheet 3</p>
<p>Teacher Expense Deduction</p>	<p>Treasury has been directed to issue guidance or regulations providing that personal protective equipment and other supplies used for the prevention of the spread of Covid-19 are treated as eligible expenses for purposes of the eligible educator expense deduction, retroactive to March 12, 2020.</p> <p>Authorities</p> <p>IRC §62(a)(2)(D)(ii); Covid-related Tax Relief Act §275</p>	<p>503 T.M., V.B.</p>

<p>Deduction for Expenses Paid With Paycheck Protection Program Loan Proceeds</p>	<p>Forgiveness of Paycheck Protection Program (PPP) loans are not included in gross income.</p> <p>Taxpayers may deduct otherwise deductible expenses, even if such expenses were paid with the proceeds of a PPP loan that is forgiven, and the tax basis and other attributes of the taxpayer’s assets will not be reduced as a result of the loan forgiveness.</p> <p>PPP loan forgiveness that is excluded from the income of a partnership or S corporation is treated as tax-exempt income for purposes of IRC §705 and IRC §1366.</p> <p>Authorities</p> <p>IRC §162; Covid-related Tax Relief Act §276</p>	<p>503 T.M., IV.C.; 536 T.M., X.L</p>
<p>Emergency Financial Aid Grants</p>	<p>Certain emergency financial aid grants under the CARES Act are excluded from the gross income of college and university students. Students are held harmless for purposes of determining eligibility for the American Opportunity and Lifetime Learning tax credits.</p> <p>Effective March 27, 2020.</p> <p>Authorities</p> <p>IRC §25A(g)(2); Covid-related Tax Relief Act §277</p>	<p>518 T.M., II.; 517 T.M., V.G.2.; 517 T.M., V.G.3.</p>

<p>Certain Loan Forgiveness and Other Business Financial Assistance</p>	<p>Gross income does not include forgiveness of certain loans, emergency EIDL grants, Targeted EIDL advances, Grants for Shuttered Venue Operators, and certain loan repayment assistance.</p> <p>Deductions are allowed for otherwise deductible expenses paid with the amounts so excluded from income, and tax basis and other attributes will not be reduced as a result of those amounts being excluded from income.</p> <p>Any amount excluded from the income of a partnership or S corporation under this provision is treated as tax-exempt income for purposes of IRC §705 and IRC §1366.</p> <p>Effective for tax years ending after March 27, 2020, for forgiveness of certain loans, emergency EIDL grants, and certain loan repayment assistance.</p> <p>Effective for tax years ending after the date of enactment of §278 of the Covid-related Tax Relief Act, for Targeted EIDL advances and Grants for Shuttered Venue Operators.</p> <p>Authorities</p> <p>Covid-related Tax Relief Act §278</p>	<p>540 T.M., II.C.</p>
<p>Waiver of Information Reporting Requirements</p>	<p>Treasury is granted authority to waive information filing requirements for any amount excluded from income by reason of the exclusion of covered loan amount forgiveness from taxable income, the exclusion of emergency financial aid grants from taxable income, or the exclusion of certain loan forgiveness and other business financial assistance under the CARES Act from income.</p> <p>Authorities</p> <p>Covid-related Tax Relief Act §279</p>	<p>644 T.M., VI.</p>

Protections for Taxpayer Return Information	<p>The Covid-related Tax Relief Act reverses the changes made by the CARES Act that allowed the IRS to share tax return information of student aid applicants, their parents, students, and borrowers with the Department of Education and further allowed that tax return information to be redisclosed to colleges and universities (and certain scholarship organizations). Taxpayer confidentiality protections are restored to the tax return information shared by IRS while allowing certain uses as requested by the committees with education jurisdiction.</p> <p>Authorities</p> <p>IRC §6103; Covid-related Tax Relief Act §284</p>	<p>625 T.M., II.C.; 632 T.M., V.A.</p>
--	--	--

Topic	Treatment	Related Content
<p>NOLs and IRC §965</p>	<p>The CARES Act amends IRC §172(b) to allow for the carryback of losses arising in tax years ending after December 31, 2017 and before January 1, 2021 to each of the five tax years preceding the tax year of such loss. However, the NOL carryback cannot be used to offset IRC §965(a) income in those tax years. The CARES Act provides that if the taxpayer elects to carryback NOLs to any tax year in which it included IRC §965(a) income in its gross income, then the taxpayer is treated as having made the election under IRC §965(n) with respect to each such tax year. The CARES Act allows a taxpayer to elect to exclude from its NOL carryback any tax year to which IRC §965(a) applies. The mechanics of the election can be found in Rev. Proc. 2020-24.</p> <p>Authorities</p> <p>IRC §965(a), (n); Rev. Proc. 2020-24</p>	<p>930 T.M., IX.A</p> <p>930 T.M., IX.H</p>
<p>Due Date for IRC §965(h) Installment Payments</p>	<p>Although the IRC §965(h) installment payment is generally made in respect of a taxpayer’s 2017 or 2018 tax year, the due date of the installment payment associated with a 2019 tax return is the due date of the taxpayer’s 2019 federal income tax return. For any taxpayer whose filing due date has been postponed from April 15, 2020 to July 15, 2020, the due date of that taxpayer’s IRC §965 installment payment has also been postponed to July 15, 2020.</p> <p>Authorities</p> <p>Notice 2020-18, <i>superseding</i> Notice 2020-17; IRC §965(h)(2)</p>	<p>930 T.M., IX.F</p>
<p>Due Date for Filing FATCA Reports</p>	<p>The IRS provided an automatic extension of time for Reporting Model 2 FFIs and Participating FFIs to file Form 8966, <i>FATCA Report</i>. The March 31, 2020 filing deadline was extended to July 15, 2020. The IRS also provided an extension of time until December 31, 2020 for Model 1 IGA jurisdictions to provide their 2019 FATCA data to the U.S. Competent Authority.</p> <p>Authorities</p> <p>https://www.irs.gov/businesses/corporations/frequently-asked-questions-faqs-fatca-compliance-legal#reporting</p>	<p>6565 T.M., III.C.1.d</p>

<p>Covid-19 Medical Condition Travel Exception</p>	<p>Eligible individuals who did not anticipate meeting the IRC §7701(b)(3) substantial presence test and thus becoming U.S. residents for federal income tax purposes during 2020 may claim the Covid-19 medical condition travel exception, which permits the exclusion of up to 60 calendar days of presence in the United States for purposes of applying the substantial presence test. The Covid-19 medical condition travel exception may be claimed in addition to other applicable exceptions to the substantial presence test. Similar relief applies to exclude days of presence for purposes of determining an individual’s eligibility for treaty benefits with respect to income from the performance of dependent personal services within the United States.</p> <p>Authorities IRC §7701(b)(3); Rev. Proc. 2020-20</p>	<p>6400 T.M., III.E.7 (medical condition exception) 6870, III.B.4 (dependent personal services)</p>
<p>Waiver of Time Requirements for Foreign Earned Income Exclusion</p>	<p>The Treasury Secretary determined that the Covid-19 emergency is an adverse condition that precluded the normal conduct of business in China (excluding Hong Kong and Macau) as of December 1, 2019, and globally as of February 1, 2020. Because of that determination, the IRS waived the IRC §911(d)(1) eligibility requirements at least until July 15, 2020.</p> <p>Authorities IRC §911(d)(4); Rev. Proc. 2020-27, supplementing Rev. Proc. 2020-14</p>	<p>6080 T.M., I.B.5.b</p>
<p>Foreign Branches</p>	<p>For purposes of determining whether a domestic corporation has a foreign branch separate unit under IRC §1503(d) or whether a U.S. person is required to file a Form 8858, <i>Information Return of U.S. Persons With Respect to Foreign Disregarded Entities (FDEs) and Foreign Branches (FBs)</i>, “temporary activities” conducted by individual(s) in a foreign country during a 60-day period within calendar year 2020 will not be taken into account if the presence of the individual(s) was temporary and the individual(s) conducted the activities in the foreign country because of Covid-19 Emergency Travel Disruptions.</p> <p>Authorities Rev. Proc. 2020-30</p>	<p>6650 T.M., II.C.3 (foreign branch separate units) 6840 T.M., XI.B (Form 8858)</p>

Topic	Treatment	Related Content
<p>Due Dates for Contributions to Retirement Plans</p>	<p>The deadline for making contributions to an IRA, or for an employer to make contributions to its workplace-based retirement plan on account of 2019, is extended to July 15, 2020.</p> <p>The due date for filing with the IRS, and furnishing to individuals, contribution information for IRAs (as well as Coverdell ESAs) on the Form 5498 series is postponed to August 31, 2020.</p> <p>Authorities</p> <p>Notice 2020-35, amplifying Notice 2020-23 and Notice 2020-18 (superseding Notice 2020-17); https://www.irs.gov/newsroom/filing-and-payment-deadlines-questions-and-answers</p>	<p>367 T.M., III.A.3</p>
<p>Funding-Related Deadlines for Qualified Retirement Plans</p>	<p>If the deadline for the following time-sensitive actions is on or after March 30, 2020, and before July 15, 2020, it is postponed to July 15, 2020:</p> <ul style="list-style-type: none"> • Qualified retirement plan funding waiver application; • Cooperative and small employer charity (CSEC) plan contributions, quarterly installments, adoption of funding restoration plan, and certification of funded status; • Multiemployer defined benefit plan certification of funded status (and notice to interested parties), funding improvement plan or rehabilitation plan adoption (and notification to bargaining parties), and annual update of funding improvement plan or rehabilitation plan and related schedules; • Excise tax reporting on Form 5330 for excise taxes listed in Table 1 of the Instructions; and • Substitute mortality table requests for approval. <p>Authorities</p> <p>Notice 2020-35</p>	<p>370 T.M., VIII.E</p>

Extension of Timeframes for Employee Benefit Plan Notifications	<p>Period from March 1, 2020, until 60 days after the announced end of the National Emergency or a date announced jointly by Treasury and Labor is disregarded when determining certain notification periods related to claims procedures.</p> <p>Employee benefit plans and the responsible plan fiduciary will not be in violation of ERISA Title I for a failure to timely furnish a notice, disclosure, or document (other than one covered under the joint Treasury and Labor relief) that must be furnished to plan participants, beneficiaries, and other persons between March 1, 2020, and 60 days after the announced end of the Covid-19 National Emergency, if they act in good faith and furnish the notice, disclosure, or document as soon as administratively practicable under the circumstances.</p> <p>Authorities</p> <p>85 Fed. Reg. 26,351 (May 4, 2020); EBSA Disaster Relief Notice 2020-01</p>	370 T.M., VIII.E
--	--	----------------------------------

<p>Single-Employer Plan Funding Rules</p>	<p>The due date for calendar year 2020 minimum required contributions to be made by the sponsor of a defined benefit plan is extended to January 1, 2021; however, contributions are treated as timely if made no later than January 4, 2021. Delayed contributions must be increased by interest accruing for the period between the original due date for the contribution and the actual payment date, at the effective rate of interest for the plan for the plan year that includes the payment date.</p> <p>Plans under benefit restrictions as outlined in IRC §436 and ERISA §206(g) may elect to treat the plan’s adjusted funding target attainment percentage (AFTAP) for the last plan year ending before January 1, 2020, as the adjusted funding attainment target for plan years that include the 2020 calendar year.</p> <p>Notice 2020-61 provides guidance in question-and-answer format, starting with the reminder that the extended due date does not apply to a multiemployer plan, a cooperative and small employer charity (CSEC) plan, a fully-insured plan under IRC §412(e)(3), or a money purchase pension plan. It also does not change the date by which a contribution must be made in order to be deducted for a tax year under IRC §404. It does apply to apply to contributions in excess of the amount needed to satisfy the minimum required contribution.</p> <p>The guidance explains: how a contribution is adjusted for interest between the valuation date and the payment date; how the amount of a quarterly installment is determined, if the extended due applies to the installment; and how interest adjustments are determined if the plan's effective interest rate for the plan year in which the contribution is made has not been determined at the time payment is made.</p> <p>If a quarterly installment originally due during 2020 is not satisfied by January 4, 2021, the unpaid portion is subject to a higher interest rate for the period during which it remains unpaid when determining the amount of the minimum required contribution that is satisfied by a contribution.</p> <p>When a contribution for a plan year is made after the original due date for the plan year, but on or before the extended due date:</p>	<p>371 T.M., XV.A</p>
--	---	---------------------------------------

- The contribution must be increased for the period between the original due date and the payment date at the effective interest rate for the plan year that includes the payment date.
- If the contribution is less than the amount due, as adjusted for additional interest to account for the period between the original due date and the date of payment (at the effective interest rate for the plan year in which the payment is made), then a portion of the minimum required contribution for that plan year would remain unpaid, and the unpaid minimum required contribution would be subject to excise tax under IRC §4971(a).
- The contribution is taken into account in determining the value of plan assets for a plan year following the plan year for which the contribution is made.
- Special reporting rules apply for Schedule SB of Form 5500.

If the extended contribution due date applies to a plan year, the deadline for an election to increase a prefunding balance or to use a prefunding balance or a funding standard carryover balance to offset the minimum required contribution for that plan year is extended to January 4, 2021.

With regard to the election to apply the prior year's AFTAP:

- It may be made for a non-calendar year plan year that includes a portion of 2020.
- Plans follow the procedure for elections for funding balances specified in Reg. §1.430(f)-1(f)(1)(i), including written notification to the plan's actuary and the plan administrator. An election made using a different procedure will not be treated as invalid if these requirements are met by September 30, 2020.
- The election generally requires certification by the plan's actuary, which should be reflected on the Schedule SB. If elections are made for a plan year that begins in 2019 and ends in 2020 and for the next plan year, the actuary is not required to certify the plan's AFTAP for the plan year that begins in 2019.
- If the election is made before AFTAP has been certified for the plan year, then the election is treated as a certification of the AFTAP for purposes of the presumption rules of IRC §436(h).
- If certification is made before the election for a plan year, the election is treated as a subsequent determination of the AFTAP for that plan year but is eligible for

	<p>deemed immaterial treatment; thus, the AFTAP that applies under the election is applied on a prospective basis beginning with the date of the election. If certification occurs after the election, that certified AFTAP does not apply for that plan year unless the employer revokes the election using the same procedures as the election. If the election is revoked, the certified AFTAP is treated as a subsequent determination of the AFTAP that is not eligible for deemed immaterial treatment.</p> <ul style="list-style-type: none">• If the AFTAP that applies is pursuant to an election, the restriction on plan amendments and unpredictable contingent event benefits is applied using the rules of Reg. §1.436-1(g)(2) through (4), substituting the AFTAP that applies pursuant to the election for the presumed AFTAP.• For purposes of the IRC §436(h) presumptions used in a subsequent plan year, the actual AFTAP for the plan year that was certified by the plan actuary, not the AFTAP that applies pursuant to the election, generally is used. <p>Authorities</p> <p>CARES Act §3608; Notice 2020-61, modified by Notice 2020-82</p>	
--	---	--

<p>Tax-Favored Withdrawals from Retirement Plans</p>	<p>Coronavirus-related distributions from eligible retirement plans are not subject to the 10% excise tax on early distributions. Distributions must be made on or after January 1, 2020 and before December 31, 2020 to an individual who is diagnosed with SARS-CoV-2 or Covid-19, whose spouse or dependent is so diagnosed, or who experiences financial hardship because of quarantine or other factors. Coronavirus-related distributions may not exceed \$100,000 in the aggregate for any tax year. Taxpayers may elect to ratably spread the income over a 3-year period beginning with tax year 2020. Taxpayers may also avoid income recognition by repaying the distribution to the retirement plan within three years of receipt.</p> <p>In Notice 2020-50, the IRS expanded the categories of individuals eligible for coronavirus-related distributions and loans (referred to as “qualified individuals”) by taking into account additional factors such as reductions in pay, rescissions of job offers, and delayed start dates with respect to an individual, as well as adverse financial consequences to an individual arising from the impact of the Covid-19 coronavirus on the individual’s spouse or household member.</p> <p>The following amounts are not coronavirus-related distributions:</p> <ul style="list-style-type: none"> • corrective distributions of elective deferrals and employee contributions, excess elective deferrals under IRC §402(g), excess contributions under IRC §401(k), and excess aggregate contributions under §401(m); • loans that are treated as deemed distributions pursuant to IRC §72(p); • dividends paid on applicable employer securities under IRC §404(k); • the costs of current life insurance protection; • prohibited allocations that are treated as deemed distributions pursuant to IRC §409(p); • distributions that are permissible withdrawals from an eligible automatic contribution arrangement within the meaning of IRC §414(w); and • distributions of premiums for accident or health insurance under Treas. Reg. §1.402(a)-1(e)(i). <p>If a distribution is eligible for tax-free rollover, an individual may at any time in the 3-year period beginning the day after the date of the distribution, recontribute any portion not in excess of the amount of the distribution to an eligible retirement plan. A recontribution</p>	<p>370 T.M., III.D</p> <p>370 T.M., VIII.E</p>
---	--	--

	<p>will not be treated as a rollover contribution for purposes of the one-rollover-per-year limitation under IRC §408(d)(3)(B).</p> <p>For taxpayers who use the 1-year income inclusion method, the amount of the recontribution will reduce the amount of the distribution included in gross income for the year of the distribution and the amount will be reported on Form 8915-E.</p> <p>For taxpayers who use the 3-year ratable income inclusion method, the amount of the recontribution will reduce the ratable portion of the distribution that is includible in gross income for that year. Further, the excess amount may be carried forward in the next tax year in the 3-year period or, alternatively, carried back to a prior tax year(s) in which the individual included income attributable to a coronavirus-related distribution.</p> <p>If a qualified individual dies before the full taxable amount has been included in gross income, the remainder must be included in gross income for the tax year that includes the individual's death.</p> <p>For individuals receiving substantially equal periodic payments, coronavirus-related distributions will not be treated as a change in substantially equal payments under IRC §72(t)(4).</p> <p>Section 280 of the Covid-related Tax Relief Act indirectly confirms that money purchase pension plans may take advantage of these temporary rules.</p> <p>Authorities</p> <p>CARES Act §2202(a); Notice 2020-50; Covid-related Tax Relief Act of 2020 §280.</p>	
--	--	--

<p>Employer Retirement Plans Making Coronavirus-Related Distributions</p>	<p>A distribution designated as a coronavirus-related distribution by an employer retirement plan is treated as meeting the distribution restrictions for qualified cash or deferred arrangements under IRC §401(k)(2)(B)(i), custodial accounts under IRC §403(b)(7)(A)(i), annuity contracts under IRC §403(b)(11), governmental deferred compensation plans under IRC §457(d)(1)(A), and the Thrift Savings Plan under 5 U.S.C. §8433(h)(1).</p> <p>If a distribution is treated as a coronavirus-related distribution by an employer retirement plan, the rules for eligible rollover distributions under IRC §401(a)(31), §402(f), and §3405 are not applicable to the distribution. Thus, the plan is not required to offer a direct rollover or provide §402(f) notice. Further, the plan administrator or payor is not required to withhold an amount equal to 20% of the distribution.</p> <p>The employer may choose whether and to what extent to treat distributions under its plans as coronavirus-related distributions. The administrator may rely on an individual’s certification that the individual satisfies the conditions to be a qualified individual.</p> <p>Section 280 of the Covid-related Tax Relief Act elaborates that money purchase pension plans that make a coronavirus-related distribution that is an in-service withdrawal will be treated as meeting the distribution rules of IRC §401(a). The provisions of this section apply retroactively as if included in the enactment of Section 2202 of the CARES Act.</p> <p>Authorities</p> <p>CARES Act §2202(a); Notice 2020-50; Covid-related Tax Relief Act of 2020 §280</p>	<p>370 T.M., III.D</p> <p>370 T.M., VIII.E</p>
--	---	--

<p>Eligible Retirement Plans Making or Accepting Recontribution of Coronavirus-Related Distributions</p>	<p>An eligible retirement plan must report the payment of a coronavirus-related distribution on Form 1099-R, <i>Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.</i> This reporting is required even if the individual recontributes the distribution to the same eligible retirement plan in the same year. If a payor is treating the payment as a distribution and no other appropriate code applies, the payor may use distribution code 2 in box 7 of Form 1099-R.</p> <p>A qualified individual who receives a coronavirus-related distribution that is eligible for tax-free rollover treatment may recontribute, at any time in a 3-year period, any portion of the distribution to an eligible retirement plan that may accept eligible rollover contributions. The relief in Q&A-14 of Treas. Reg. § 1.401(a)(31)-1 applies to an employer retirement plan accepting recontributions of coronavirus-related distributions.</p> <p>Eligible retirement plans are generally not required to accept rollover contributions.</p> <p>Authorities</p> <p>CARES Act §2202(a); Notice 2020-50</p>	<p>370 T.M., III.D</p> <p>370 T.M., VIII.E</p>
---	---	--

<p>Loans from Retirement Plans</p>	<p>Loans from qualified employer plans up to \$100,000 (increased from \$50,000) are permitted in the 180 days beginning on the date of enactment (loans made on or after March 27, 2020 and before September 23, 2020). The full present value of the nonforfeitable accrued benefit of the employee under the plan, as opposed to one-half thereof, is used in applying the IRC §72(p)(2)(A)(ii) exception to treatment of the loan as a taxable deemed distribution.</p> <p>For outstanding loans on or after March 27, 2020, if the due date under IRC §72(p)(2)(B) or (C) for any repayment occurs during the period beginning on March 27, 2020, and ending on December 31, 2020, the due date is suspended for 1 year. Any subsequent repayments are adjusted to reflect the delay and any interest accruing during the delay, and the period of the delay must be disregarded in determining the 5-year period and the term of the loan under IRC §72(p)(2)(B) and §72(p)(2)(C).</p> <p>The loan repayments must resume after the end of the suspension period, and the term of the loan may be extended by up to 1 year from the date the loan was originally due to be repaid. If a qualified employer plan suspends loan repayments during the suspension period, the suspension will not cause the loan to be deemed distributed even if, due solely to the suspension, the term of the loan is extended beyond 5 years.</p> <p>Authorities</p> <p>CARES Act §2202(b); Notice 2020-50</p>	<p>370 T.M., III.D</p> <p>370 T.M., VIII.E</p>
---	--	--

<p>Mid-Year Reductions or Suspensions of Contributions to Safe Harbor §401(k) and §401(m) Plans</p>	<p>Employers may reduce or suspend certain contributions made under their safe harbor §401(k) or §401(m) plans in certain circumstances without complying with certain requirements that otherwise apply. The temporary relief also extends to §403(b) plans that apply §401(m) safe harbor rules pursuant to IRC §403(b)(12).</p> <p>If a plan amendment reducing or suspending safe harbor matching or nonelective contributions during a plan year is adopted between March 13, 2020 and August 31, 2020, the plan will not be deemed out of compliance with safe harbor rules where the employer (1) is operating at an economic loss for the plan year (as defined in IRC §412(c)(2)(A)) or (2) has a safe harbor notice that includes a statement that the plan may be amended during the plan year to reduce or suspend safe harbor contributions and that the reduction or suspension will not apply until at least 30 days after all eligible employees are provided with notice for the reduction and/or suspension.</p> <p>Supplemental notice of plan amendments that reduce or suspend safe harbor nonelective contributions are not required to be provided at least 30 days before the effective date of the reduction or suspension, if the supplemental notice is provided to all eligible employees no later than August 31, 2020, and the amendment is adopted no later than the effective date of the reduction or suspension of the nonelective safe harbor contributions.</p> <p>Contributions made on behalf of highly compensated employees (HCEs) are not safe harbor contributions; therefore, a mid-year change that only reduces contributions made on behalf of HCEs is not a reduction or suspension of safe harbor contributions. However, HCEs impacted by a mid-year change must be given an updated safe harbor notice and be afforded the opportunity to make changes to elections. HCEs impacted by mid-year changes are to be determined as of the issuance date for the updated safe harbor notice.</p> <p>Authorities</p> <p>IRC §401(k), §401(m); Notice 2020-52, clarifying Notice 2016-16</p>	<p>358 T.M., V.B, V.C</p> <p>361 T.M., VIII.L</p> <p>373 T.M., II.C.3</p> <p>388 T.M., IV.B</p>
--	--	---

Termination Election for Qualified Transfers to Cover Future Retiree Costs	<p>IRC §420(f) temporarily allows (through December 31, 2025) qualified transfers of excess pension assets from certain defined benefit pension plans to a health benefits account. Employers may transfer up to 10 years of retiree health and life costs from a pension plan to a retiree health benefits account and/or a life insurance account within the pension plan if the following requirements are met: (1) the plan must be 120% funded at the outset; (2) the plan must be 120% funded throughout the transfer period; (3) all unused amounts must be transferred back; and (4) the plan is subject to a maintenance of effort requirement.</p> <p>The Covid-related Tax Relief Act of 2020 allows employers to make a one-time election during taxable years 2020 and 2021 to end any existing transfer period for any taxable year beginning after the date of election provided that: (1) the maintenance continues to apply as if the transfer period were not shortened; (2) the employer ensures the plan stays at least 100% funded throughout the original transfer period; (3) the plan has funding targets for the first five years after the original transfer period; and (4) all amounts left in the retiree benefits account at the end of the shortened transfer period are returned to the pension plan.</p> <p>Effective for taxable years beginning after December 31, 2019.</p> <p>Authorities</p> <p>Covid-related Tax Relief Act of 2020 §285.</p>	<p>351 T.M., X.B.</p>
---	---	---------------------------------------

<p>Permitted Cancellation of Deferral Election Under Nonqualified Deferred Compensation Plan Subject to §409A</p>	<p>A nonqualified deferred compensation plan subject to IRC §409A may provide for a cancellation of a service provider’s deferral election, or such a cancellation may be made, due to an unforeseeable emergency or a hardship distribution pursuant to Treas. Reg. §1.401(k)-1(d)(3). If a service provider receives a distribution from an eligible retirement plan that constitutes a coronavirus-related distribution, that distribution will be considered a hardship distribution. Thus, a nonqualified deferred compensation plan may provide for a cancellation of the service provider’s deferral election, or such a cancellation may be made, due to a coronavirus-related distribution. The deferral election must be cancelled, not merely postponed or delayed.</p> <p>Authorities</p> <p>IRC §409A; CARES Act §2202; Notice 2020-50</p>	<p>385 T.M., VI.G</p>
--	--	---------------------------------------

<p>Temporary Waiver of Required Minimum Distribution Rules</p>	<p>Minimum distribution rules are waived for calendar year 2020 for IRAs and certain defined contribution plans. Waiver does not apply to required beginning dates in calendars year after 2020, and amounts that would otherwise be required to be distributed are not eligible rollover distributions.</p> <p>For distributions to be made over a 5-year period that includes calendar year 2020, calculations of the distribution period may disregard calendar year 2020.</p> <p>Plan amendments to comply with this provision must be made on or before the last day of the first plan year beginning on or after January 1, 2022 (January 1, 2024 for governmental plans). Plans operated in accordance with these changes between the amendment’s effective date and December 31, 2020, will not to be deemed to have a plan qualification failure, or an anti-cutback rule failure, under IRC §411(d)(6).</p> <p>The IRS provides transition relief for plan administrators and payors in connection with the change in required beginning date for required minimum distributions (sometimes called RMDs) under IRC §401(a)(9). A distribution from a plan made during 2020 to a participant who will attain age 70 ½ in 2020 that would have been an RMD but for the change in the required beginning date will not be considered as failing the requirements of IRC §401(a)(31), §402(f) and §3405(c).</p> <p>The relief allows taxpayers who receive certain distributions to roll them into an eligible retirement plan, even if the distribution normally would be treated as part of a series of substantially equal periodic payments. The following distributions from a plan (other than a defined benefit plan) may be rolled over, provided the other rules of IRC §402(c) are satisfied:</p> <ul style="list-style-type: none"> • Distributions to a plan participant paid in 2020, if the payments equal the amounts that would have been required minimum distributions in 2020, but for CARES Act §2203, or are one or more payments in a series of substantially equal periodic payments made at least annually and expected to last for the life of the participant, the joint lives of the participant and the participant’s designated beneficiary, or for a period of at least 10 years; and 	<p>370 T.M., I.F</p>
---	--	--------------------------------------

	<ul style="list-style-type: none"> For a plan participant with a required beginning date of April 1, 2021, distributions that are paid in 2021 that would have been a required minimum distribution for 2021 but for CARES Act §2203. <p>The 60-day rollover period for such distributions, as well as for IRA distributions in 2020 that would have been RMDs in 2020 but for CARES Act §2203 or SECURE Act §114, is extended in 2020 so that the deadline for rolling over such distributions will not be before August 31, 2020 (note that, effectively, this only applies for employees taking such distributions more than 60 days before August 31, 2020).</p> <p>The IRS additionally allows for the repayment of required minimum distributions previously distributed from an IRA in 2020. The recipient may repay the distribution to the distributing IRA, even if the repayment is made more than 60 days after the distribution, provided the repayment is made no later than August 31, 2020. The repayment will be treated as a rollover for purposes of IRC §408(d)(3), except for purposes of the one rollover per 12-month period limitation and the restriction on rollovers for nonspousal beneficiaries.</p> <p>The Appendix to Notice 2020-51 further provides a sample plan amendment for defined contribution plans that plan sponsors may adopt to implement IRC §401(a)(9)(I) (i.e., the waiver of required minimum distributions). The IRS notes that, while the waiver of 2020 RMDs applies to IRAs, an IRA does not have to be amended to reflect the waiver.</p> <p>Authorities</p> <p>IRC §401(a)(9)(I); IRC §402(c)(4); CARES Act §2203; Notice 2020-51</p>	
<p>PBGC Disaster Relief Announcement – General Parity with IRS Relief</p>	<p>On April 10, 2020, the PBGC informally announced that, unless a filing is on an exceptions list (e.g., advance notices of reportable events under ERISA §4043), filers can be assured that PBGC will grant disaster relief for required filings when, where, and for the same relief period that the IRS grants relief for taxpayers affected by a disaster. Filers do not have to wait for the PBGC to issue a separate announcement.</p> <p>Authorities</p> <p>https://www.pbgc.gov/prac/other-guidance/Disaster-Relief (including list of exceptions)</p>	<p>357 T.M., II.A</p>

Topic	Treatment	Related Content
Public Approval Requirement for Tax-Exempt Qualified Private Activity Bonds	<p>The IRS temporarily relaxed the IRC §147(f) public approval requirement for tax-exempt qualified private activity bonds. From May 4, 2020 until December 31, 2020, hearings held by teleconference will be treated as held in a location that, based on the facts and circumstances, is convenient for residents of the approving governmental unit. A toll-free telephone number is required to hold such a hearing by teleconference; additional means, such as videoconferencing, may also be provided.</p> <p>Authorities</p> <p>Rev. Proc. 2020-21</p>	<p>183 T.M., VI.T</p>
Tax-Exempt Bonds Purchased by State or Local Governmental Issuer	<p>The IRS temporarily expanded the circumstances and time periods in which a tax-exempt bond that is purchased by its state or local governmental issuer is treated as continuing in effect without resulting in a reissuance or retirement of the purchased tax-exempt bond. Solely for purposes of IRC §103 and IRC §141–§150, Treasury and the IRS will treat a tax-exempt qualified tender bond or tax-exempt commercial paper that is purchased by its governmental issuer on a temporary basis as continuing in effect without resulting in a reissuance or retirement of the purchased tax-exempt bond if the purchase occurs during calendar year 2020 and the governmental issuer holds the bond no later than December 31, 2020.</p> <p>A bond purchased during calendar year 2020 by or on behalf of a governmental issuer pursuant to a qualified tender right is treated as not retired pursuant to and as a result of the qualified tender right until not later than the end of the 180-day period from and after the date of such purchase.</p> <p>Authorities</p> <p>Notice 2020-25, <i>modifying and supplementing</i> Notice 2008-41</p>	<p>183 T.M., X.B.2</p>

About Bloomberg Tax & Accounting

Bloomberg Tax & Accounting provides comprehensive global research, news, and technology services enabling tax professionals to get the timely, accurate and in-depth information they need to plan and comply with confidence. Our flagship Bloomberg Tax platform combines the proven expertise and perspectives of leading tax practitioners in our renowned Tax Management Portfolios with integrated news from the industry-leading Daily Tax Report®, authoritative analysis and insights, primary sources, and timesaving practice tools. Bloomberg Tax Technology solutions on our proprietary Advantage platform help practitioners simplify complex processes to better control risk and maximize profitability.

For more information, visit pro.bloombergtax.com



Bloomberg Tax & Accounting