

Tax Notes

IRS Requires Tax-Exempt Organizations to E-file Forms

By Sacha Richards, Tax Manager

The Taxpayer First Act of 2019 (Act) was signed into law last year. This legislation aims to expand and strengthen taxpayer rights and to reform the IRS into a more taxpayer-friendly agency by requiring it to develop a comprehensive customer service strategy, modernize its technology, and enhance its cyber security. The Act requires tax-exempt organizations to electronically file information returns and related forms regardless of size or number of returns filed as formerly established under previous electronic filing guidance.

Forms 990 and 990-PF

Forms 990 and 990-PF, with tax years ending **July 31, 2020 and later**, MUST be filed electronically. Form 990 and 990-PF filings, for tax years ending on or before June 30, 2020, may still be paper filed. The IRS will continue to accept paper filings for short tax years, as its systems are yet unable to receive these forms electronically.

Form 990-EZ

The IRS will accept either paper or electronic filing of Form 990-EZ for tax years ending on and before July 31, 2020. For tax years ending **August 31, 2020 and later**, Form 990-EZ MUST be filed electronically.

Forms 990-T and 4720

The IRS continues to work on its conversion of Form 990-T and Form 4720 into an electronic format. As a result, the IRS will accept paper filed returns in 2020. The IRS plans to have these returns ready for e-filing in 2021 (reporting on tax year 2020).

Form 8872

For periods starting on or after **January 2020**, Form 8872 will be due electronically for Section 527 organizations. These include political parties, political action committees and campaign committees of candidates for federal, state or local office.

In order for tax-exempt political organizations to fulfill their filing requirement of semiannual, quarterly or monthly reports on Form 8872, the organization must have the username and password it received from the IRS after electronically filing its initial notice (Form 8871).

Contact Us

If you have questions regarding how these rules will apply to your organization, contact Garrett M. Higgins, CPA, Partner at ghiggins@pkfod.com or a member of your tax-exempt client service team at PKF O'Connor Davies.

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