

January 2020

Private Foundations Bulletin

Qualified Transportation Fringe Benefits Tax Repeal: Next Steps

As we previously reported in our [December 2019 bulletin](#), the “Further Consolidated Appropriations Act, 2020” included a provision retroactively repealing the unrelated income business tax on qualified transportation fringe benefits (QTFB).

The repeal of the QTFB provision has been met with great excitement within the private foundation community. However, many private foundations were left wondering what the next steps to reclaiming previous payments and recent estimated payments may be.

The Internal Revenue Service (IRS) recently released a simplified amendment process for private foundations that filed a 990-T solely to report and pay unrelated business income tax (UBIT) on QTFB.

General

If you wish to claim a refund or a credit of the UBIT reported on your Form 990-T for 2017 or 2018 under section 512(a)(7), you may do so by filing an amended Form 990-T as stated in the Form’s instructions and do the following as well:

1. Write “Amended Return” at the top of Form 990-T. If the amended return is being filed only to claim a refund, credit, or adjust information due to the repeal of Section 512(a)(7), write “Amended Return – Section 512(a)(7) Repeal”;
2. Complete the appropriate year’s 990-T with the revisions; and
3. Attach a statement indicating the line numbers on the original return that were changed and the reason for each change (for example, stating “repeal of Section 512(a)(7)”).

Exception

Private foundations that have multiple sources of unrelated business taxable income other than QTFB or utilized net operating losses to offset QTFBs in 2017 or 2018 may **not** be able to use the simplified amendment process.

Quick Refund of Estimated Tax Payments

A private foundation that overpaid its estimated tax for the tax year may apply for a quick refund using Form 4466 if the overpayment is:

- At least 10% of the expected tax liability.
- At least \$500.

Contact Us

We welcome the opportunity to answer any questions you may have related to this topic or any other accounting, audit, tax or advisory matters relative to private foundations. Please call 212.286.2600 or email any of the Private Foundation Services team members below:

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