

## **Congress Mandates Electronic Filing**

On July 1, 2019, Congress passed the “Taxpayer First Act.” This law includes provisions that require tax exempt organizations to electronically file all Form 990-series returns. In late 2019, the IRS clarified transitional relief for small organizations, Form 990-T filing, and Form 4720 filing. The rules take effect for tax years beginning on or after July 2, 2019. Thus, most organizations will be required to electronically file Form 990 with their 2020 returns. This means that, generally, Form 990 and Form 990-PF returns for tax years ending on or before June 30, 2020 could still be filed on paper. Note that previous thresholds for required electronic filing have not changed. The IRS has announced that organizations who have previously paper-filed, will receive a reminder notice informing them of the change.

At November 15, 2021 – the first “big” eFile deadline day - taxpayers encountered numerous “glitches” in the Form 990-series eFiling regime. While the eFile “checks” can be very valuable in ensuring that the data in the forms is complete and accurate, the COVID-challenged IRS did not appear to be able to assist adequately with many of the glitches/speedbumps.

Institutions should start early with Form 990-series preparation and plan to eFile at least 15 days prior to any due date in the foreseeable future.