

Changes at the IRS

Two changes announced recently by IRS are good news for nonprofits. The first is form 990 and 990 EZ extensions will be for six months (rather than three months) starting in 2017. The other good news is that the fee for form 1023-EZ, the simplified application for exemption, has decreased from \$400 to \$275.

Another change won't be so welcome. That is a new strict deadline of January 31 for forms 1099-MISC. In prior years, those forms could be submitted to IRS months after year end, depending on how they were submitted. Now, regardless of the submission process, they are due by January 31. Some accounting systems (like QuickBooks) help you gather and summarize 1099 information throughout the year to make the process easy. You do have to set that up in your system and you do have to get necessary tax ID and address information from individuals or companies you are paying. Request that payees complete form W9 to provide that information.

Unlike forms 1099, form 1098-C (which is used to report gifts of cars, boats and airplanes) needs to be filed within 30 days of the gift unless you are selling the item in which case it is due within 30 days of the sale.

If you have bank or investment accounts outside the US and need to file a Report of Foreign Bank and Financial Accounts, that form will have an initial due date of April 15, but can be extended.