



IRS Exempt Organizations 2011 Annual Report & 2012 Work Plan

The IRS's Tax Exempt & Government Entities Office recently issued its "2011 Annual Report & 2012 Work Plan." The Office's annual report and current year work plan provide tax exempt organizations with insight into what the IRS has and will be targeting in the coming year.

Per the report, some of the IRS's accomplishments in 2011 include:

- There has been a steady increase in traditional examinations of tax-exempt organizations while a considerable decrease in the less resource-intensive compliance checks over the past several years.
- The IRS finalized the Form 990 regulations (Treas. Reg. §1.170A-9(f) and 1.509(a)-3) which implement the requirements of the revised Form 990 (originally issued in 2008) and removed the two-step process of recognizing new publicly supported charities.
- The IRS released Rev. Proc. 2011-33 that provides grantors and contributors with reliance on Publication 78 to confirm public charity status of organizations.

The IRS's focus in 2012 will include:

- Update the IRS website in early 2012 that will allow users to determine whether an organization is eligible to receive tax deductible charitable contributions, has had its exempt status automatically revoked, and if it has filed a Form 990-N annual electronic notice.
- Efforts to enforce the rules relating to political campaigns and campaign expenditures.
- The IRS will be looking at organizations that report unrelated business income on their Form 990 but do not subsequently file a Form 990-T to report that taxable income. The IRS will also focus on organizations that consistently report significant unrelated business income gross receipts but declare no tax liabilities.
- Examination of organizations that operate overseas to ensure that those foreign activities are consistent with the organizations' charitable purposes.
- Analysis of group exemption holders to ensure that those organizations are satisfying their annual filing requirements.

For the complete document, click [here](#). If you have any questions regarding this or any other tax matter, feel free to contact a GBQ consultant at 614.221.1120.

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