

# IRS NEWS FOR BUSINESS

## February 2021

### ► UPCOMING WEBINARS

Check [Webinars for Small Businesses](#) for updates.

### ► HOT TOPICS

#### [Announcement 2021-2](#)

- Announcement 2021-2 notifies lenders who have filed or furnished Forms 1099-MISC, Miscellaneous Information, reporting certain payments on loans subsidized by the Administrator of the U.S. Small Business Administration as income of the borrower, that the lenders must file and furnish corrected Forms 1099-MISC that exclude these subsidized loan payments. This accords with section 278(e)(1) of the COVID-related Tax Relief Act, which provides that these payments are not includible in the gross income of the borrowers; and Notice 2021-6, waiving Form 1099-MISC reporting requirements for these payments.

### ► IP PINS

#### [All taxpayers now eligible for Identity Protection PINs](#)

- The IRS has expanded the Identity Protection PIN Opt-In Program to all taxpayers who can verify their identities.
- The Identity Protection PIN (IP PIN) is a six-digit code known only to the taxpayer and to the IRS. It helps prevent identity thieves from filing fraudulent tax returns using a taxpayers' personally identifiable information.

### ► ECONOMIC IMPACT PAYMENTS AND THE RECOVERY REBATE CREDIT

- [FAQs for EIP 1](#)
- [FAQs for EIP 2](#)
- [IRS Statement — Update on Economic Impact Payments](#)
- [Recovery Rebate Credit](#) Valuable information in [Form 1040 instructions](#). See “Line 30, Recovery Rebate Credit” starting on page 57. See the worksheet on page 59.
- [Treasury issues millions of second Economic Impact Payments by debit card](#)
  - The Treasury Department and the IRS are sending approximately 8 million second Economic Impact Payments (EIPs) by prepaid debit card.
  - More information about these cards is available at [EIPcard.com](#).

## ► A CLOSER LOOK

### [Our Commitment to Serving a Diverse Nation](#)

- One of the most important ways the IRS can serve diverse communities is by communicating with them in the language of their choice.
- There is a new "[Languages](#)" page that has basic tax information translated into 20 languages. Certain high-volume web pages have been translated into, Spanish, Chinese (Simplified and Traditional), Korean, Russian, Vietnamese and Haitian-Creole.

## ► NEWS RELEASES

### [IRS sends Taxpayer First Act Report to Congress](#)

- The IRS has sent the [Taxpayer First Act Report](#) to Congress, a comprehensive set of recommendations that will reimagine the taxpayer experience, enhance employee training and restructure the organization to increase collaboration and innovation.
- The IRS will continue conversations with key stakeholders and congressional committees to secure funding and begin to work toward implementation of these recommendations over the next several years.
- For more information, see [Taxpayer First Act](#).

## ► TAX TIPS TO SHARE WITH YOUR CLIENTS

### [Tax resources for military members, veterans and their families](#)

- The IRS has a variety of resources to help members of the military, veterans and their families navigate the unique and sometimes complex circumstances that come with filing taxes while in the military.

## ► NEWS FOR BUSINESSES and EMPLOYERS

### [IRS updates FAQs on paid sick leave credit and family leave credit](#)

- The IRS posted updated FAQs about recent legislation that extended and amended tax relief to certain small- and mid-sized employers under the Families First Coronavirus Response Act (FFCRA). The FAQs are available at [COVID-19-Related Tax Credits for Required Paid Leave Provided by Small and Midsize Businesses FAQs](#).
- The updates to the FAQs cover how the COVID-related Tax Relief Act of 2020, enacted December 27, 2020, extends the availability of the tax credits created by the FFCRA to eligible employers for paid sick and family leave provided through March 31, 2021, as well as other amendments to the credits.
- The paid sick and family leave credits, which previously were available only until the end of 2020, have been extended for periods of leave taken through March 31, 2021.

## [New law extends COVID tax credit for employers who keep workers on payroll](#)

- The IRS urges employers to take advantage of the newly-extended employee retention credit, designed to make it easier for businesses that, despite challenges posed by COVID-19, choose to keep their employees on the payroll.
- The Taxpayer Certainty and Disaster Tax Relief Act of 2020, enacted December 27, 2020, made a number of changes to the employee retention tax credits previously made available under the CARES Act, including **modifying and extending the Employee Retention Credit (ERC)**, for six months through June 30, 2021. Several of the changes apply only to 2021, while others apply to both 2020 and 2021.

## [New law increases deduction limit for corporate cash contributions for disaster relief; IRS provides recordkeeping relief](#)

- The IRS explained how corporations may qualify for the new 100% limit for disaster relief contributions and offered a temporary waiver of the recordkeeping requirement for corporations otherwise qualifying for the increased limit.
- The Taxpayer Certainty and Disaster Tax Relief Act of 2020 (TCDTRA of 2020), enacted December 27, temporarily increased the limit, to up to 100% of a corporation's taxable income, for contributions paid in cash for relief efforts in qualified disaster areas.
- Under the new law, qualified disaster areas are those in which a major disaster has been declared under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act. This does not include any disaster declaration related to COVID-19.

## ► TAX EXEMPT / NON-PROFIT

### [Exempt Organization Issue Snapshots](#)

- Issue Snapshots are employee job aids that provide analysis and resources for a given technical tax issue. They are developed through internal collaboration and may evolve as the compliance environment changes and new insights and experiences are contributed. Please visit this site periodically for new and updated Issue Snapshots.
- [IRC Section 501\(c\)\(4\) Homeowners' Associations](#)
- [Private Foundations – Self-Dealing IRC 4941\(d\)\(1\)\(C\)](#)

## ► NEWS FROM OTHER AGENCIES

### [From the SBA: Shuttered Venue Operators Grant](#)

- Are you a theatrical producer, talent representative, venue promoter, or do you operate a live venue, live performing arts organization, movie house or cultural institution, and have you been impacted by COVID-19? The Shuttered Venue Operators Grant included in the Economic Aid Act may provide grants of up to \$10 million for eligible entities.
- [Shuttered Venue Operators Grant](#)
- [Shuttered Venue Operators Grants - FAQ](#)

## ► OUTREACH CONNECTION

Free tax content you can share: [Outreach Connection](#)

- If you need to share information about taxes with your staff, clients, customers or colleagues, we have content you can include in your:
  - Website
  - e-Newsletter
  - Twitter, Instagram or other social media
- We add more items to this page every month. [Subscribe](#) now to get email alerts.

## ► e-NEWS SUBSCRIPTIONS and SOCIAL MEDIA

### [e-News Subscriptions](#)

- The IRS offers several e-News subscriptions on a variety of tax topics. Click above for information about subscribing.

### [IRS Social Media](#)

- The IRS uses social media tools to share the latest information on tax changes, scam alerts, initiatives, products and services. Connect with the IRS through social media tools.

## ► HOW TO SHARE IRS INFO ON SOCIAL MEDIA

When you find an article you want to share, click on the “Share” link. Like so:

- Scroll to the bottom of any page on IRS.gov. Look for “Share / Print”



- Click on Share
- You can share on Facebook, Twitter, or LinkedIn.