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IRS Releases Proposed Regulations on Electronic Filing Requirements

The IRS has released [proposed regulations](#) amending the rules for filing certain forms electronically. The proposed regulations, which also withdraw prior proposed regulations issued in May 2018, reflect changes made by the Taxpayer First Act of 2019 (TFA) and are consistent with the TFA's emphasis on increasing electronic filing. The proposed regulations amend the threshold for electronic filing of the covered returns and list additional forms that must be filed electronically. The proposed regulations cover requirements on persons required to file partnership returns, corporate income tax returns, unrelated business income tax returns, withholding tax returns, certain information returns, registration statements, disclosure statements, notifications, actuarial reports and certain excise tax returns. The proposed regulations also provide for a waiver from the requirement for any person who can establish undue hardship.

IRS Updates Employee Plans Compliance Resolution System

The IRS has released [Rev. Proc. 2021-30](#), which updates the Employee Plans Compliance Resolution System (EPCRS). The EPCRS is the comprehensive system of correction programs for sponsors of retirement plans that are intended to satisfy the requirements of Sections 401(a), 403(a), 403(b), 408(k) or 408(p), but that have not met these requirements for a period of time. (Section references are to the Internal Revenue Code of 1986, as amended.) Plan sponsors are permitted to correct these failures in accordance with the EPCRS and thereby continue to provide their employees with retirement benefits on a tax-favored basis. The EPCRS includes the Self Correction Program (SCP), the Voluntary Correction Program (VCP) and the Audit Closing Agreement Program (Audit CAP). Rev. Proc. 2021-30 (which updates Rev. Proc. 2019-19) includes: (1) expanded guidance on the recoupment of overpayments; (2) the elimination of the anonymous submission procedure under VCP, effective Jan. 1, 2022; (3) the addition of an anonymous, no-fee, VCP pre-submission conference procedure, effective Jan. 1, 2022; (4) the one year extension of the end of the SCP correction period for significant failures (which also extends the safe harbor correction method for Employee Elective Deferral Failures lasting more than three months, but not beyond the extended SCP correction period for significant failures); (5) the expansion of the ability of a plan sponsor to correct an Operational Failure under SCP by plan amendment and (6) the extension to Dec. 31, 2023 of the sunset of the safe harbor correction method available for certain Employee Elective Deferral Failures associated with missed elective deferrals for eligible employees who are subject to an automatic contribution feature in a Section 401(k) plan or Section 403(b) plan.



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