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## IRS Provides Relief for New Markets Tax Credit Transactions

The IRS issued Notice 2020-49 (<https://www.irs.gov/pub/irs-drop/n-20-49.pdf>) (and an accompanying news release IR 2020-120 (<https://www.irs.gov/newsroom/treasury-irs-provide-tax-relief-to-investors-and-businesses-affected-by-covid-19-in-new-markets-tax-credit-transactions>)) in which it provides relief for taxpayers involved in new markets tax credit transactions that were required to take specified time-sensitive actions on or after April 1 and before Dec. 31. The Notice provides, for example, that: (a) if a community development entity (CDE) is due to invest cash received in a qualified low-income community investment (QILICI) on or after April 1 and before Dec. 31, that cash investment is treated as invested in a QILICI to the extent it is invested by Dec. 31; if a CDE is due to reinvest certain amounts of cash or a payment in a QILICI on or after April 1 and before Dec. 31, the amounts are treated as continuously invested in a QILICI to the extent the amounts are so reinvested by Dec. 31; and (c) if a qualified active low-income community business (QALICB) is due to expend the proceeds of a capital or equity investment or loan by a CDE for construction of real property on or after April 1 and before Dec. 31, such proceeds are treated as a reasonable amount of working capital of the QALICB if so expended by Dec. 31.

## IRS Announces QI/WP/WT Periodic Certification and Waiver Due Date Extended

The IRS announced (<https://www.irs.gov/businesses/corporations/qualified-intermediary-system>) that for a Qualified Intermediary (QI), Withholding Foreign Partnership (WP), and Withholding Foreign Trust (WT) with a periodic certification due date of July 1, the due date for the periodic certification and request to waive the periodic review requirement is extended until Dec. 15 without the need to file a request for extension with the IRS.

## COVID-19 Relief for Entities Without Effectively Connected Income

The IRS announced (<https://www.irs.gov/newsroom/faqs-for-nonresident-alien-individuals-and-foreign-businesses-with-employees-or-agents-impacted-by-covid-19-emergency-travel-disruptions>) that nonresident aliens and foreign corporations (and partnerships in which either is a partner), that do not have a U.S. trade or business due to IRS-provided relief from COVID-19 travel disruptions, will not be subject to the 30% tax on US-source income that is not effectively connected to a U.S. trade or business.

## IRS Updates QOZ FAQs

The IRS has updated its frequently asked questions (FAQs) (<https://www.irs.gov/newsroom/opportunity-zones-frequently-asked-questions>) to discuss the definition of Qualified Opportunity Zone (QOZ) business property.

## IRS Issues FAQs Clarifying Effect of CARES Act NOL Carrybacks on Calculating UBTI

The IRS posted frequently asked questions (FAQs) (<https://www.irs.gov/newsroom/faqs-carryback-of-nols-by-certain-exempt-organizations>) clarifying the effect of net operating loss carrybacks on calculating a tax-exempt organization's unrelated business taxable income (UBTI).

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