

Tax Insights | May 25, 2022
**Tracking Tax News,
You Need to Know**



IRS Private Letter Rulings Processing Is Delayed

An IRS attorney said there is a delay in the processing of private letter rulings because of the remote working of the attorneys. In response to the pandemic, the IRS issued [Revenue Procedure 2020-29](#), which allowed taxpayers to submit requests for private letter rulings electronically. Private letter rulings are responses issued by the IRS to individual taxpayers that apply tax laws to their specific situations. The IRS Office of Chief Counsel will transition to in-person work later in the month, according to an IRS attorney who spoke at a recent ABA conference.

IRS to Re-propose TCJA's Loss-acquisition Rules

The IRS will re-propose rules that limit the amount of net operating losses (NOLs) a company can use that it has acquired through a merger, an agency official said. There will be a revision of the proposed rules under [Section 382\(h\)](#). The regulations, which were proposed in 2019 under the 2017 Tax Cuts and Jobs Act, have not been finalized. The regulations restrict a target company's usage of NOL after being acquired by another company in order to prevent abuse of NOL utilization. The proposal will follow the formal notice of the rulemaking process, which allows stakeholders to offer comments.

IRS Plans to Update Forms for Tax-Exempt Organizations This Year

A Treasury Department official said revisions to tax-exempt organization [Forms 990](#) and [990-PF](#) are expected at the end of the year. Form 990 provides a summary of an exempt organization's financial status and activities over the past year, and Form 990-PF shows tax liability based on investment income, as well as for reporting charitable distributions and activities. Various types of exempt organizations, including exempt private foundations and private foundations that are making a Section 507(b) termination, are required to file the 990-PF form annually.

NYC To Provide Penalty and Interest Relief for PTET Addback

The New York City Department of Finance has issued a [Finance Memorandum](#) alerting general, and banking corporation taxpayers that are required to add back New York State pass-through entity tax that was deducted from federal taxable income will not incur any penalties or interest if the tax on those amounts is paid by June 15, 2022. Affected taxpayers that have already filed their 2021 returns must file an amended return by June 15, 2022. For those taxpayers that have not filed their 2021 returns, the returns must be filed (or a request for an extension) by June 15, 2022, to obtain the relief.

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