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# Relief from addition to tax for underpayment of estimated income tax for tax-exempt organizations that provide Qualified Transportation Fringe Benefits

INTERNAL REVENUE SERVICE, TAX, TAX REFORM  
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As a result of the changes made to Internal Revenue Code (IRC) sections 274 and 512 by the Tax Cuts and Jobs Act of 2017, tax-exempt organizations must increase unrelated business income by any amount that is paid or incurred for any qualified transportation fringe benefit (as defined in IRC section 132(f)) provided to its employees. This change is effective for amounts incurred or paid after December 31, 2017. Tax-exempt organizations should have made estimated tax payments to cover any tax liability resulting from the new rule. Some tax-exempt organizations would owe unrelated business income tax for the first time.

The IRS published Notice 2018-100 on December 10, 2018 which provides relief of the addition to tax under IRC section 6655 for underpayment of estimated income tax payments required to be made on or before December 17, 2018. This relief applies to tax-exempt organizations subject to the tax for which estimated income tax payments would otherwise be required to be made on or before December 17, 2018. The relief only applies if a tax-exempt organization was not required to file Form 990-T, Exempt Organization Business Income Tax Return, for the taxable year preceding the organization's first taxable year ending after December 31, 2017. To qualify, the tax-exempt organization must timely file Form 990-T and timely pay tax.

In order to claim the waiver under this Notice, the tax-exempt organization must write "Notice 2018-100" on the top of its Form 990-T.

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