2021 HIGHER EDUCATION TAXATION INSTITUTE

Recent Developments in College and University Tax Law

12:30 to 1:30 p.m. June 15, 2021 Austin, TX

Bertrand M. Harding Jr. Edward J. Jennings

Discussion Topics

- Legislative Developments
- IRS Guidance on COVID-19 Related Tax Provisions
- IRS Enforcement
- Tax-Exemption Developments
- Unrelated Business Taxable Income (UBTI)
- Compensation, Excise Tax and Fringe Benefits
- Charitable Contribution Deductions
- Form 990 and Other Reporting Requirements
- International Taxes and Procedural Matters

UT LAW CLE THE UNIVERSITY OF TEXAS SCHOOL OF LAW

Legislative Developments

Herbert Hoover once said, "About the time we can make the ends meet, somebody moves the ends."

- Consolidated Appropriations Act, 2021 On December 27, 2020, the President signed the Consolidated Appropriations Act, 2021 (CAA), which includes a \$1.4 trillion omnibus appropriations package to fund the government through fiscal year 2021 of which approximately \$900 billion was allocated to the coronavirus relief.
- The American Rescue Plan Act of 2021 On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (ARPA) to provide additional relief for individuals and businesses affected by the coronavirus pandemic.
 - Payroll Tax Credit under FFCRA
 - Dependent Care Assistance
 - Unemployment Extension
 - The Shuttered Venue Operator Grant Program
- American Families Plan

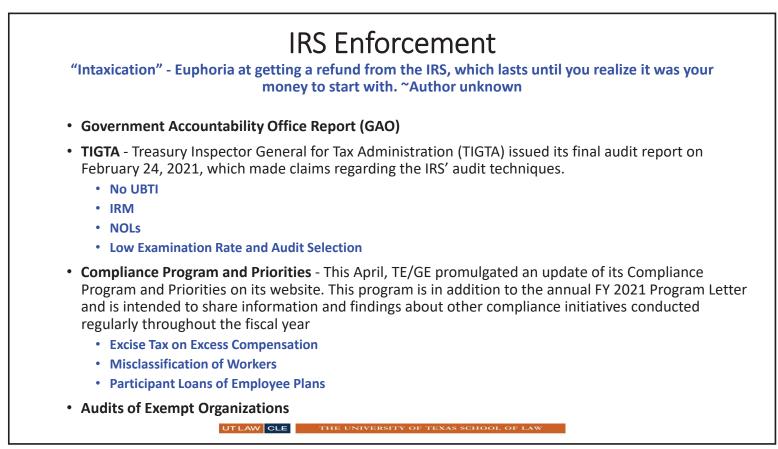
UT LAW CLE THE UNIVERSITY OF TEXAS SCHOOL OF LAW



Shuttered Venue Grant Program About the Program • Established in December 2020 by Economic Aid Act Provides \$16 billion in grant aid for operators of live venues, including theaters and museums Administered by Small Business Administration's Office Disaster Assistance After an initial delay, the SBA began accepting SVOG applications in April 2021 Applicants • Must have been operational on February 29, 2020 May receive an amount equal to 45% of 2019 gross earned revenue or \$10 million, whichever is less Grants made in priority of economic need • Funds can be used for payroll, rent, and most other operational costs Open Items SBA guidance found in continuously updated online FAQs • Lot of unanswered questions regarding application requirements and process The applicant is the "venue" whether or not a legal entity in its own right Numerous questions and issues when venue is owned by a state university UT LAW CLE

IRS Guidance on COVID-19 Related Tax Provisions If we could first know where we are, and whither we are tending, we could then better judge what to do, and how to do it - Abraham Lincoln Families First Coronavirus Response Act (FFCRA) Reporting Tax Credits on Wage Statements for Small **Exempt and Government Employers** CARES Act Employee Retention Credit Employment Tax Deferral Reporting Grants on Form 1098-T • There was an open question as to whether these HEERF grants had to be reported by the schools on the Forms 1098-T issued to the students, and the IRS has said that these grants do not need to be reported. Consolidated Appropriations Act on COVID-Related Flexible Spending Account Rules Presidential Memorandum on Employee Social Security Tax Deferral Option Ancillary Issues Leave-Based Donation Programs Relief for Van Pools Related Unused Dependent Care Contributions Cannot Be Returned UT LAW CLE THE UNIVERSITY OF TEXAS SCHOOL OF LAW

5



Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the <u>UT Law CLE eLibrary (utcle.org/elibrary)</u>

Title search: Recent Developments in College and University Tax Law

Also available as part of the eCourse 2021 Higher Education Taxation eConference

First appeared as part of the conference materials for the 2021 Higher Education Taxation Institute session "Recent Developments in College and University Tax Law"