

Tax Law Changes for Tax Year 2022

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Stakeholder Liaison: What We Do

Stakeholder Liaison establishes and manages relationships with the tax professional community and partners that serve small businesses, multilingual, rural and underrepresented communities to promote two-way dialogue in helping taxpayers understand and meet their tax responsibilities.





Objectives

- · Participants will learn about:
 - Major income tax changes for individual taxpayers for Tax Year 2022
 - Major employment tax changes for Tax Year 2022
 - Major tax form changes from 2021 to 2022
 - New tax forms for Tax Year 2022
 - Tax products available for limited English proficiency (LEP) taxpayers





Information on Changes to Tax Forms

- Draft tax forms, instructions and some publications are posted at IRS.gov/DraftForms before the final release is posted at IRS.gov/LatestForms.
- 500+ "Product Pages" (IRS.gov/Form1040, IRS.gov/W4, etc.) provide links and show changes that impact the product after its initial final release; available at IRS.gov/FormChanges.
- All revisions of all tax products can be viewed and downloaded at IRS.gov/AllForms.



Recent Tax Legislation

- Infrastructure Investment and Jobs Act, 2022 P.L. 117-58 (Enacted November 15, 2021)
 - Extension of highway-related taxes
 - Extension and modification of certain superfund excise taxes
 - Private activity bonds for qualified broadband projects and carbon dioxide capture facilities
 - Increase in national limitation amount for qualified highway or surface freight transportation facilities





Recent Tax Legislation (cont.)

- Infrastructure Investment and Jobs Act, 2022 P.L. 117-58 (Enacted November 15, 2021) (cont.)
 - Modification of automatic extension of certain deadlines in the case of taxpayers affected by federally declared disasters
 - Authority to postpone certain tax deadlines by reason of significant fires
 - Modification of tax treatment of contributions to the capital of a corporation
 - Information reporting for brokers and digital assets
 - Termination of employee retention credit for employers subject to closure due to COVID-19



Provisions Expiring at the end of 2022

- These provision apply for 2022 but will no longer apply after 12/31/2022.
 - Premium assistance credit enhancements (sec. 36B(b)(3)(A)(iii) and (c)(1)(E)
 - · Allowance of full deduction for business meals provided by a restaurant (sec. 274(n)(2)(D))





Provisions Expiring 12/31/2022, cont. 1

- Incentives for biodiesel and renewable diesel:
 - Income tax credits for biodiesel fuel, biodiesel used to produce a qualified mixture, and small Agri-biodiesel producers (sec. 40A(g))
 - Income tax credits for renewable diesel fuel and renewable diesel used to produce a qualified mixture (sec. 40A(g))
 - Excise tax credits and outlay payments for biodiesel fuel mixtures (secs. 6426(c)(6) and 6427(e)(6)(B))
 - Excise tax credits and outlay payments for renewable diesel fuel mixtures (secs. 6426(c)(6) and 6427(e)(6)(B))





Provisions Expiring 12/31/2022, cont. 2

- Railroad track maintenance credit (expiration of 50-percent rate) (sec. 45G(a))
- Temporary delay of designation of multiemployer plans as in endangered, critical, or critical and declining status (sec. 9701 of P.L. 117-2)





Expired Provisions

- These provisions expired as of 12/31/2021:
 - Energy-related provisions
 - Nonbusiness energy property (sec. 25C(g))
 - Alternative fuel vehicle refueling property credit (sec. 30C(g))
 - Energy efficient homes credit (sec. 45L(g))
 - Mortgage insurance premiums as qualified residence interest (sec. 163(h)(3)(E)(iv))





- These provisions expired and don't apply for 2022.
 - Modification of limitation on charitable contributions (sec. 2205 of P.L. 116-136, as amended)
 - · Credit for health insurance costs of eligible individuals (sec. 35(b)(1)(B))
 - Special rule for health and dependent care flexible spending arrangements (sec. 214 of Div. EE of P.L. 116-260)

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Expired Provisions, cont. 2

- These provisions expired and don't apply for 2022.
 - Enhanced credits from the American Rescue Plan:
 - Child Tax Credit (sec. 24)
 - Child and Dependent Care Credit (sec. 21)
 - Earned Income Credit (sec. 32)
 - Premium Tax Credit (sec. 36B)
 - 2021 Recovery Rebate Credit (sec. 6428B)





- These provisions expired and don't apply for 2022:
 - Child Tax Credit (Sec. 24(i) and 7527A)
 - Extended qualifying child to under age 18
 - Credit increased to \$3,000 per child (\$3,600 for under age 6)
 - New phaseout amounts for additional credit amounts
 - Refundable in 2021 for most taxpayers
 - Created an advance child tax credit payment

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Expired Provisions, cont. 4

- These provisions expired and don't apply for 2022:
 - Child and Dependent Care Credit (sec. 21(g) and 129(a)(2)(D))
 - Increased dollar limit amount to \$8,000 for one qualifying person and \$16,000 for two or more qualifying persons
 - Increased credit rate and income phaseout amounts
 - Refundable in 2021 for most taxpayers
 - Increased the exclusion amount for employerprovided dependent care assistance to \$10,500





- These provisions expired and don't apply for 2022:
 - Earned income tax credit: Special rules for individuals without qualifying children (sec. 32(n))
 - · Decreased minimum age
 - · Qualified former foster youth
 - Qualified homeless youth
 - Eliminated maximum age
 - · Increased credit and phaseout percentages

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Expired Provisions, cont. 6

- These provisions expired and don't apply for 2022:
 - Premium Tax Credit
 - Premium assistance credit special rule for individuals who receive unemployment compensation (sec. 36B(g))





- These provisions expired and don't apply for 2022:
 - Employment Tax Changes
 - Extension and modification of employee retention credit (sec. 3134(n))
 - Sick and family leave credit (sec. 3131(h) and 3132(h))
 - Premium assistance for COBRA continuation coverage (sec. 9501 of P.L. 117-2)

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Form 1040, U.S. Individual Income Tax Return

- Virtual currency question has been revised
- We eliminated certain write-ins:
 - Added new lines for wage items (lines 1a-1z)
 - Added new line 6c with a checkbox
- We removed lines related to pandemic legislation



Schedule 1 (Form 1040), Additional Income and Adjustments to Income:

- Eliminated certain write-ins
- Expanded line 8e into lines 8e and 8f
- Added new lines for income items (lines 8r-8u)

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Schedule 2 (Form 1040), Additional Taxes:

- Eliminated a write-in on line 8 by adding a checkbox
- Removed items related to pandemic legislation



Schedule 3 (Form 1040), Additional **Credits and Payments**

- Removed lines for expired credits
 - Line 13c (health coverage tax credit)
 - Line 13g (refundable child and dependent care credit)
- Retained lines 13b and 13h (qualified sick and family leave credits)

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Schedule 8812 (Form 1040), Credits for **Qualifying Children and Other Dependents**

- Removed the expired American Rescue Plan Act enhancements
 - Removed line 13 checkboxes
 - · Removed Part I-B and Part I-C
 - Removed Part III
- Added a checkbox for filers who don't want to claim the additional child tax credit



- Form 1098, Mortgage Interest Statement
- Form 1099-A, Acquisition or Abandonment of Secured Property
- Form 1099-C, Cancellation of Debt
- Form 1099-DIV, Dividends and Distributions
- Form 1099-G, Certain Government Payments

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Forms Converted to Continuous Use (cont.)

- Form 1099-INT, Interest Income
- Form 1099-K, Payment Card and Third-Party **Network Transactions**
- Form 1099-MISC, Miscellaneous Information
- Form 1099-NEC, Nonemployee Compensation
- Form 1099-S, Proceeds From Real Estate **Transactions**



Form 1099-K

- Third party network threshold for reporting changed from totals exceeding \$20,000 and 200 transactions to totals exceeding
- \$600, regardless of the total number of transactions.
- Reporting is not required on transactions that are not for goods or services.
- Go to IRS.gov/GigEconomy.

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New Products List

- Form 179-D, Energy Efficient Commercial **Buildings**
- Form 8453-CORP, E-file Declaration for Corporations
- Form 8879-CORP, E-file Authorization for Corporations



- Available in Spanish
 - Form 1040-NR and its Schedules A, NEC, and OI
- · Available in Spanish, Chinese, Korean, Vietnamese and Russian
 - Publication 334
 - Publication 519
- Available in Chinese, Korean, Vietnamese and Russian
 - Form W-4

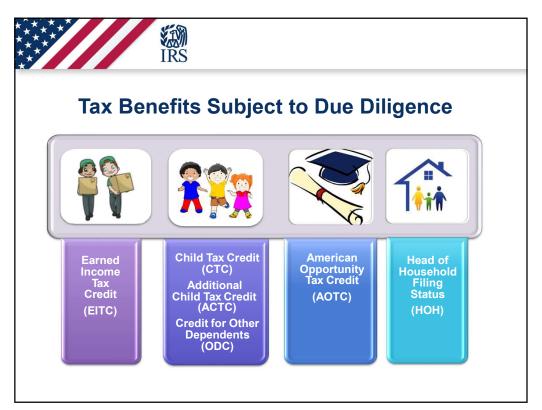
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Where's My Refund

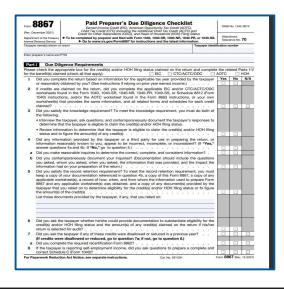
- New feature allows taxpayers to check on the refund status of their current tax year and the two previous years.
- Go to IRS.gov/refunds for more information.







Form 8867- Paid Preparer Due Diligence Checklist



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Due Diligence Frequently Asked Questions

Are there specific documents tax preparers are supposed to keep with clients' folders?

Answer:

No, however, per Publication 4687, keep electronic or paper copies of:

- Form 8867 and applicable worksheet(s) used to calculate the credit(s) which include EITC, CTC/ACTC/ODC, or AOTC claimed on the return
- Taxpayer documents relied on to determine eligibility for the credit(s) and/or HOH filing status
- Records of how, when, and from whom the information was received to prepare the Form 8867 and applicable worksheet(s)



Resources

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- Changes are also at IRS.gov/FormChanges.
- For all revisions of all tax products go to IRS.gov/AllForms.

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Tax Law Changes for Tax Year 2022 Tax Forms Contact Information:

• For questions about form content, instructions or publications, email **TaxForms@irs.gov**



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