

Communications & Liaison
STAKEHOLDER LIAISON

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.





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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



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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**.



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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



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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



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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))


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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))



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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)



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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))**



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Expired Provisions, cont. 1

- **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)**



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Expired Provisions, cont. 3

- **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 employer-provided dependent care assistance to \$10,500



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Expired Provisions, cont. 5

- **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))



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Expired Provisions, cont. 7

- **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



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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



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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

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Forms Converted to Continuous Use

- 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

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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



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Tax Products for LEP Taxpayers

- **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.


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Tax Benefits Subject to Due Diligence

			
Earned Income Tax Credit (EITC)	Child Tax Credit (CTC) Additional Child Tax Credit (ACTC) Credit for Other Dependents (ODC)	American Opportunity Tax Credit (AOTC)	Head of Household Filing Status (HOH)

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Due Diligence Requirements Review

As a paid tax return preparer, you must:

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    A[Complete and submit Form 8867] --> B[Compute the credits based on the facts]
    B --> C[Ask all the right questions]
    C --> D[Keep records for three years]
  
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Form 8867- Paid Preparer Due Diligence Checklist

8867
Form 8867 (Rev. December 2021)
Department of the Treasury
Internal Revenue Service

Paid Preparer's Due Diligence Checklist
Check for Credit (CTC) Based on the Additional Child Tax Credit (ACTC) and
Credit for Other Dependents (ODC), and Head of Household (HOH) Filing Status
▶ To be completed by preparer and filed with Form 1040, 1040-SR, 1040-PR, 1040-PR-SS, or 1040-SS
▶ Go to www.irs.gov/Form8867 for instructions and the latest information.

OMB No. 1545-0074
Attachment
Reference No. **70**
Taxpayer identification number


Enter preparer's name and PTIN

Part I Due Diligence Requirements
Please check the appropriate box for the credit(s) and/or HOH filing status claimed on the return and complete the related Parts I-V for the benefit(s) claimed (check all that apply). EIC CTC/ACTC/ODC AOTC HOH

	Yes	No	N/A
1. Did you complete the return based on information for the applicable tax year provided by the taxpayer or reasonably obtained by you? (See instructions if relying on prior year earned income.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. If credits are claimed on the return, did you complete the applicable EIC and/or CTC/ACTC/ODC worksheets found in the Form 1040, 1040-SR, 1040-PR, 1040-PR-SS, or Schedule 8812 (Form 1040) instructions, and/or the AOTC worksheet found in the Form 8862 instructions, or your own worksheet(s) that provides the same information, and all related forms and schedules for each credit claimed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Did you satisfy the knowledge requirement? To meet the knowledge requirement, you must do both of the following: • Interview the taxpayer, ask questions, and contemporaneously document the taxpayer's responses to determine that the taxpayer is eligible to claim the credit(s) and/or HOH filing status. • Review information to determine that the taxpayer is eligible to claim the credit(s) and/or HOH filing status.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Did any information provided by the taxpayer or a third party for use in preparing the return, or information reasonably known to you, appear to be incorrect, incomplete, or inconsistent? (If "Yes," answer questions 4a and 4b. If "No," go to question 5.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4a. Did you make reasonable inquiries to determine the correct, complete, and consistent information?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4b. Did you contemporaneously document your inquiries? (Documentation should include the questions you asked, whom you asked, when you asked, the information that was provided, and the impact the information had on your preparation of the return.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Did you satisfy the record retention requirement? To meet the record retention requirement, you must keep a copy of your documentation referenced in question 4b, a copy of this Form 8867, a copy of any applicable worksheet(s), a record of how, when, and from whom the information used to prepare Form 8867 and any applicable worksheet(s) was obtained, and a copy of any document(s) provided by the taxpayer that you relied on to determine eligibility for the credit(s) and/or HOH filing status or to figure the amount(s) of the credit(s). List these documents provided by the taxpayer, if any, that you relied on:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Did you ask the taxpayer whether he/she could provide documentation to substantiate eligibility for the credit(s) and/or HOH filing status and the amount(s) of any credit(s) claimed on the return if his/her return is selected for audit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Did you ask the taxpayer if any of these credits were disallowed or reduced in a previous year? (If credits were disallowed or reduced, go to question 7a; if not, go to question 8.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7a. Did you complete the required specification Form 8867?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. If the taxpayer is reporting self-employment income, did you ask questions to prepare a complete and correct Schedule C (Form 1099)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 28142H Form 8867 (Rev. 12-2021)

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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)



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Resources

- Drafts of tax forms, instructions, and some publications are posted at **IRS.gov/DraftForms** before the final release is posted at **IRS.gov/LatestForms**.
- 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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