



This article presents general guidelines for Georgia nonprofit organizations as of the date written and should be not be construed as legal advice. Always consult an attorney to address your particular situation.

Providing Parking and MARTA NO LONGER Taxable as UBI!

The Taxpayer Certainty and Disaster Tax Relief Act of 2019 became law on December 20, 2019. This Act repeals the section of the Tax Cut and Jobs Act ("TCJA") that required §501(c)(3) organizations to pay unrelated business income tax on the costs of providing parking and MARTA passes to their employees. The repeal is retroactive to the original date of the TCJA, so no tax from 2018 to the present is owed.

Since the law was in effect in 2018 and 2019, many §501(c)(3) organizations had filed Form 990Ts and paid unrelated business income tax to the IRS for the costs of parking and MARTA passes. On January 21, 2020, the IRS provided guidance on its website regarding how §501(c)(3) organizations can obtain a refund for the taxes they paid in 2018 and/or 2019 by filing amended returns. See: <https://www.irs.gov/forms-pubs/how-to-claim-a-refund-or-credit-of-unrelated-business-income-tax-ubit-or-adjust-form-990-t-for-qualified-transportation-fringe-amounts>.

To claim a refund of the parking or MARTA tax reported on its Form 990-T for 2017 or 2018, the §501(c)(3) organization should file an amended Form 990-T and write "Amended Return" at the top. If the amended return is filed only to claim a refund of the Parking/MARTA tax, nonprofits should write "Amended Return – Section 512(a)(7) Repeal" at the top instead. §501(c)(3) organization should then complete the same Form 990 T as they originally did but excluding the parking/MARTA tax.

If a §501(c)(3) organization has paid estimated taxes for the current tax year and wants to claim a refund prior to filing a Form 990-T, it can file Form 4466, "Corporation Application for Quick Refund of Overpayment of Estimated Tax" but only if the amount paid is at least \$500 and at least 10% of the expected tax liability. Form 4466 must be filed after the tax year for which the estimated payment was made, but before the organization files its Form 990-T for the tax year and no later than the due date for the return, not including extensions.

Please contact your attorney or accountant with any questions.

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