

Weekly IRS Roundup March 6 – March 10, 2023

Article By:

Check out our summary of significant Internal Revenue Service (IRS) guidance and relevant tax matters for the week of March 6, 2023 – March 10, 2023.

March 6, 2023: The IRS released [Internal Revenue Bulletin 2023-10](#), which highlights the following:

- [Action on Decision 2023-1](#): The IRS announced that although it disagrees with the holding that Section 4611(b)(1)(A) imposes a tax on exports in violation of the Export Clause of the US Constitution (US Const. art. I, § 9, cl. 5), in the interest of sound tax administration, it will follow the decision in all circuits.
- [Notice 2023-17](#): This notice establishes a program to allocate amounts of environmental justice solar and wind capacity limitation (Capacity Limitation) to qualified facilities eligible for the energy investment credit as determined under Section 48. This notice also provides initial program guidance for potential applicants for allocations of calendar year 2023 Capacity Limitation.
- [Notice 2023-18](#): This notice establishes the Section 48C(e)(1) program to allocate \$10 billion in credits (\$4 billion of which may only be allocated to projects located in certain energy communities census tracts) and provides initial guidance. The goal of the program is to expand US manufacturing capacity and quality jobs for clean energy technologies (including production and recycling), reduce greenhouse gas emissions in the US industrial sector and secure domestic supply chains for critical materials (including specified critical minerals) that serve as inputs for clean energy technology production.
- [Notice 2023-20](#): This notice provides interim guidance for the determination of adjusted financial statement income as it relates to (1) variable contracts and similar contracts, (2) funds withheld from reinsurance and modified coinsurance agreements and (3) the basis of certain assets held by certain previously tax-exempt entities that received a “fresh start” basis adjustment.

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- [Revenue Ruling 2023-5](#): This revenue ruling provides the applicable federal rates for federal income tax purposes for March 2023. The short-term federal interest rate is 4.5%, the mid-term rate is 3.7% and the long-term rate is 3.74%.

March 6, 2023: The IRS [announced](#) that it will be open for special Saturday hours throughout tax season, during which taxpayers can receive face-to-face help from IRS employees without an appointment. The next Saturday openings will be April 8 and May 13.

March 6, 2023: The IRS released [Tax Tip 2023-28](#), which offers easy and convenient options for making federal tax payments.

March 7, 2023: The IRS released [Notice 2023-23](#), which provides guidance to financial institutions on reporting required minimum distributions (RMDs) for 2023 after the amendment to Section 401(a)(9) made by the Consolidated Appropriations Act. If an individual retirement account (IRA) owner has an RMD due for 2023, the financial institution that is the trustee, custodian or issuer maintaining the IRA must file a 2022 Form 5498 (IRA Contribution Information) by May 31, 2023, and indicate by a check in Box 11 that an RMD is required.

March 7, 2023: The IRS [renewed](#) its warning, urging people to carefully review the Employee Retention Credit (ERC) guidelines before trying to claim the credit. The IRS and tax professionals continue to see third parties aggressively promoting ERC schemes. The promoters charge large upfront fees or a fee that is contingent on the amount of the refund.

March 7, 2023: The IRS released [Tax Tip 2023-29](#), which includes a variety of tax resources and information designed to help members of the military community navigate their unique tax situations.

March 8, 2023: The IRS [announced](#) the successful expansion of digital scanning, with more than 120,000 paper Forms 940 scanned since the start of 2023. The effort will soon expand to Forms 1040 and Forms 941.

March 8, 2023: The IRS [announced](#) that it will accept supplemental applications for Low Income Taxpayer Clinic (LITC) matching grants from all qualified organizations. The application period will run from March 7 to April 18.

March 8, 2023: The IRS released [Tax Tip 2023-30](#), reminding taxpayers that an extension to file a tax return is not an extension to pay taxes. Taxpayers who owe taxes should pay them before the due date to avoid penalties and interest. Those who request a six-month extension to file their taxes have until October 16, 2023, to file their 2022 federal income tax return.

March 9, 2023: The US Senate [confirmed](#) Daniel Werfel as the next IRS Commissioner. The Senate voted 54-42, achieving bipartisan support for the nominee. Werfel previously served as acting commissioner from May to December 2013 during the Obama administration. He also previously served in the Office of Management and Budget. Werfel's new appointment will run until November 2027.

March 9, 2023: The IRS released [Revenue Procedure 2023-17](#), which provides indexing adjustments for the applicable dollar amounts under Sections 4980H(c)(1) and (b)(1). These indexed amounts are used to calculate the employer shared responsibility payments under Sections 4980H(a) and (b)(1), respectively.

March 9, 2023: The IRS [reminded](#) retirees who turned 72 last year that April 1 is the last day to begin receiving payments from IRAs. RMDs are normally made by the end of the year, but anyone who turned 72 during 2022 is covered by a special rule that allows IRA account owners and participants in workplace retirement plans to wait until April 1 to take their first RMD.

March 9, 2023: The IRS [reminded](#) taxpayers that they can avoid late filing and interest penalties by submitting their tax return and any payments due by April 18. The IRS offers several different options to help struggling taxpayers who can't pay by the deadline.

March 9, 2023: The IRS released [Notice 2023-24](#), which provides guidance under Section 45J relating to the credit for the production of electricity from advanced nuclear power facilities. The notice provides (1) guidance for computing the Section 45J credit; (2) the amount of the unutilized national megawatt capacity limitation; (3) the procedures for taxpayers to apply for allocations of, and that the IRS will use to allocate, the unutilized national megawatt capacity limitation solely with respect to facilities that the US Department of Energy previously certified as "advanced nuclear facilities" and (4) the procedures for a "qualified public entity" to elect to transfer the Section 45J credit to an "eligible project partner."

March 9, 2023: The IRS released [Tax Tip 2023-31](#) promoting IRS Free File, which can manage the income taxpayers receive outside of wages from an employer, such as self-employment, trade or business, including income from part-time businesses, hobby income and income from gig economy activities.

March 10, 2023: The IRS released [Revenue Procedure 2023-18](#), which addresses the procedures for applying to be a certified professional employer organization (CPEO), the requirements for a CPEO to remain certified and the procedures related to suspension and revocation of CPEO certification.

March 10, 2023: The IRS released its weekly list of [written determinations](#) (e.g., Private Letter Rulings, Technical Advice Memorandums and Chief Counsel Advice).

Upcoming Events: [Registration](#) for the 2023 IRS Nationwide Tax Forums is now open, and the events are returning to an in-person format for the first time since 2019. The IRS Nationwide Tax Forums are designed specifically for tax professionals (e.g., enrolled agents, certified public accountants, certified financial planners and Annual Filing Season Program participants) as well as uncredentialed tax professionals. The dates and locations are as follows:

- July 11-13: New Orleans, LA
- July 25-27: Atlanta, GA
- August 8-10: National Harbor, MD (Washington, DC area)
- August 22-24: San Diego, CA
- August 29-31: Orlando, FL

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