



LEGAL UPDATE

Proposed Rule Would Expand IRS Electronic Filing Requirement

On July 23, 2021, the IRS published a [proposed rule](#) that would expand the requirement to file certain information returns electronically, including those under the Affordable Care Act's (ACA) reporting requirements in Internal Revenue Code Section 6055 and Section 6056.

The Proposed Rule

The proposed rule would establish lower thresholds for electronic filing of the following returns:

- **Form 1094 series; Forms 1095-B and 1095-C; Form 1099 series; Form 5498 series.** The proposed rule would require electronic filing for entities that file **100 or more** returns for due dates during calendar year 2022, and **10 or more** returns for subsequent calendar years. To calculate these thresholds, the proposed rule would require aggregation of most information returns.
- **Forms 5330 and 8955-SSA.** The proposed rule would require entities that file **at least 10 returns of any type** to file Form 5330 and Form 8955-SSA electronically. The Form 5330 proposal would take effect for tax years ending on or after the date final rules are published. The Form 8955-SSA proposal would take effect for plan years beginning on or after Jan. 1, 2022 (for filings due after July 31, 2022).
- **Form 5500.** For entities required to file Form 5500, the proposed rule would require entities that file **at least 10 returns of any type** to file Form 5500 electronically, effective for plan years beginning after Dec. 31, 2021 (for filings due after July 31, 2022).

This proposal would effectively eliminate paper filings for most employers. The proposed rule has not been finalized at this time and is not currently effective. Affected employers should monitor for further guidance, including any final regulations that may be issued.

Highlights

- The proposed rule would substantially expand the requirement for entities to file information returns electronically.
- The proposed expansion of the electronic filing requirement was authorized in amendments made by the Taxpayer First Act of 2019.
- Prior regulations to expand this requirement were not finalized and have been withdrawn.

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Provided to you by **Insure NW**

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