

# Trends to watch for in 2020 at the IRS

Payroll has moved to center stage at the IRS. *Changes to watch for this year:*

- Continuing fallout from the new W-4 and withholding methods.
- New information return e-filing threshold of 100 or more forms.
- New Form 1099-NEC.

If that's not enough to make your head spin, the IRS has also telegraphed its intention to do even more in its annual Priority Guidance Plan.

**So much to do, so little time.** Priority Guidance Plans run from July 1 through June 30. So this plan is a bit late. Nevertheless, the IRS has put 203 guidance projects on its plate for the coming six months. Most deal with implementing the Tax Cuts and Jobs Act:

- Guidance on the definition of "qualifying relative" for individual income tax purposes. Employees may account for tax dependents in Step 3 of the 2020 W-4.
- Regulations on deducting employees' meal expenses. This follows up on Notice 2018-76, which sets five criteria for corporate deductions for employees' meals.
- Regulations concerning qualified transportation fringe benefits and the disallowance of corporate deductions for employees' parking expenses.
- Regulations and other guidance regarding income and pension withholding, in light of the suspension of the personal exemption amount.

Other, non-TCJA guidance projects include the following:

- Guidance on student loan payments and 401(k) plans. This follows up on a 2018 private letter ruling allowing a 401(k) plan sponsor to contribute into its employees' 401(k) plans if they were paying off their student loans.
- Regulations on employer-provided convenience meals and *de minimis* meals under tax code Sections 119 and 132, respectively. The last time the IRS addressed convenience meals was 1985; the last time the IRS addressed *de minimis* meals was 1989.
- Guidance on contributions to and benefits from paid family and medical leave programs.

**A BIT MORE THAN IT CAN CHEW?** Not everything on this list will get done. The IRS, for example, may need to refocus its attention on new tax legislation. But it is useful as a road map for what the IRS wants to accomplish by June 30, 2020.