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EO UPDATE: E-NEWS FOR CHARITIES & NONPROFITS

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Update on Mandatory Electronic Filing for Form 4720 by Private Foundations

Section 3101 of the Taxpayer First Act requires certain exempt organizations to file information and tax returns electronically for tax years beginning after July 1, 2019. Private foundations required to file Form 4720, Return of Certain Excise Taxes Under Chapters 41 and 42 of the Internal Revenue Code, are included in the electronic filing mandate. Pending conversion of Form 4720 to electronic format, the IRS continued to accept the 2019 tax-year version of this return on paper. While software for the electronic version of Form 4720 has been under development, the IRS also continued to accept the 2020 tax-year version of Form 4720 from private foundations on paper. See [Notice 2021-01, 2021-2 I.R.B. 315](#).

The 2020 Form 4720 and its instructions have been updated for e-filing. As of the beginning of June 2021, several providers have made software available to file Form 4720 electronically. Information about software providers supporting electronic filing of Form 4720 can be found on the [Exempt Organizations Modernized e-File \(MeF\) Providers page](#).

Any 2020, and any future year, Form 4720 filed by a private foundation with a due date on or after July 15, 2021, must be filed electronically and not on paper. A limited exception applies for 2020 Form 4720 returns with a due date on or after July 15 that are submitted on paper and bear a postmark date on or before June 16, 2021. Organizations other than private foundations that are required to file Form 4720 are encouraged, but not required, to file Form 4720 electronically.

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