



March 20, 2020

The Honorable Steven T. Mnuchin
Secretary
U.S. Department of the Treasury

The Honorable Charles P. Rettig
Commissioner
Internal Revenue Service

Dear Secretary Mnuchin and Commissioner Rettig,

I am writing on behalf of the National Association of College and University Business Officers and the undersigned higher education associations, to strongly urge you to clarify the inclusion of exempt organizations, including colleges and universities, in the measures set forth in [Notice 2020-17: Relief for Taxpayers Affected by Ongoing Coronavirus Disease 2019 Pandemic](#), and in the March 20 announcement of the 90-day filing extension for corporations and individuals. We also write in support of the March 16 recommendations of the Internal Revenue Service Advisory Council (IRSAC), in particular its recommendation for relief for accidental residents.

Collectively, our associations represent more than 2,100 higher education institutions that are currently investing time, energy, and financial resources to protect the health, well-being, and educational continuity of our nation's postsecondary students during this crisis. Universities also operate hospitals and healthcare facilities that are providing COVID-19 testing and treatment in their communities.

Colleges and universities, like many exempt organizations, file unrelated business income tax returns on Form 990-T and pay unrelated business income tax. Additionally, private institutions file annual information returns on the Form 990. Under the Tax Cuts and Jobs Act, certain colleges and universities pay excise taxes on compensation as well as net investment income, reported and paid annually on the Form 4720. Final guidance is not yet available that addresses the calculation and payment of any of these taxes.

The 90-day postponement of payment relief commensurate with Notice 2020-17 should be applied to exempt taxpayers and filers, as they are experiencing the same obstructions and challenges to timely filing and payment as individuals and corporate taxpayers.

On top of the current pandemic-related obstacles and pressures, proposed regulations have yet to be published governing the new ways institutions are required to calculate unrelated business income and final rules have yet to be promulgated on the excise taxes on compensation and net investment income. ***We therefore strongly urge you to grant a 90-day filing and payment extension for exempt organizations, in accordance with their fiscal year filing dates and extension dates.***

IRSAC raised another important issue that we would like to reiterate: Many non-U.S. persons will continue to be stranded in the United States because of coronavirus-related travel restrictions. Due to the substantial presence test, visiting scholars and students who are unable to travel to their home countries could incidentally be considered tax residents in the United States. We strongly urge you to offer relief to persons who are unable to return to their countries due to circumstances relating to COVID-19.

We thank for your consideration of these recommendations as you continue to develop guidance in response to the ongoing crisis and welcome communication between our organizations as you work on provisions affecting colleges and universities. Please contact Mary Bachinger, director, tax policy, at 202-861-2581, mbachinger@nacubo.org.

Sincerely,



Susan Whealler Johnston
President and Chief Executive Officer

cc:

David J. Kautter, Assistant Secretary of Tax Policy, U.S. Department of Treasury
John Lipold, Branch Chief, IRS Office of National Public Liaison, IRSAC Designated Federal Official

On behalf of:

American Association of Collegiate Registrars and Admissions Officers
American Association of State Colleges and Universities
American Council on Education
Association of American Universities
Association of Governing Boards of Universities and Colleges
Association of Jesuit Colleges and Universities
Association of Public and Land-Grant Universities
Council for Advancement and Support of Education
Council for Christian Colleges and Universities
Council for Higher Education Accreditation
CUPA-HR: College and University Professional Association
Hispanic Association of Colleges and Universities
National Association of Independent Colleges and Universities
NASPA: Student Affairs Administrators in Higher Education