

PUBLICATION

Spotlight on Section 501(c)(3) Organizations: Exempt Hospitals Allowed Automatic Filing Extension

March 1, 2011

On February 24, 2011, the Internal Revenue Service (IRS) issued Announcement 2011-20 which provides an automatic three-month extension for tax-exempt hospitals to file the Form 990 for the 2010 tax year. This automatic extension applies only to hospital organizations that are required to file Schedule H and that would otherwise be required to file before August 15, 2011. The IRS is encouraging recently formed hospitals that did not file Form 990 Schedule H for 2009, and who believe they are entitled to this announced extension, to file an Application for Extension to reduce the risk that they may incorrectly receive a penalty notice from the IRS, although such hospitals are not required to file a Form 8868 Application for Extension.

The extension was necessary to provide the IRS with sufficient time to implement changes to various forms and systems required of the Patient Protection and Affordable Care Act of 2010. As a result, the IRS will not accept any Form 990 from tax-exempt hospitals before July 1, 2011.

Should you have any questions regarding this Announcement by the IRS, or any other questions regarding tax exempt organizations, please contact any attorney in the Firm's Tax Department.