



On December 4, 2015, the President signed into law P.L. 114-94, the "Fixing America's Surface Transportation Act" (FAST). The main thrust of the legislation is to provide funding for highways and mass transit improvements over the next five years. The Act contains certain important tax-related provisions that may affect you. The most pertinent changes are as follows:

Revocation or Denial of Passports

The FAST Act adds a new provision for taxpayers having a "seriously delinquent tax debt," which is debt exceeding \$50,000 and for which a notice of lien has been filed. This would be grounds for denial, revocation or limitation of a passport, effective Jan. 1, 2016, unless an exception applies. A seriously delinquent tax debt does *not* include a debt for which: (1) there is an agreement in place to repay the debt, (2) collection is suspended because of a collection due process hearing, or (3) because innocent spouse relief was requested or pending.

New Rules Mandating IRS Use of Private Debt Collectors

The IRS is authorized to enter into "qualified tax collection contracts" with private debt collection agencies. This provision permits the use of such companies to locate and contact taxpayers owing outstanding tax liabilities and arrange for payment thereof.

The new provision renders certain tax receivables ineligible for collection by private collectors, including, but not limited to, those that: (1) are subject to a pending or active offer-in-compromise or installment agreement, (2) are classified as an innocent spouse case, (3) involve taxpayers that are deceased, under age 18, or identity theft victims.

The Act also adds procedures and restrictions on the disclosure of return information to qualified tax collection contractors.

Repeal of Automatic Extension of Return Due Date for Certain Employee Benefit Plans

An employer that maintains a pension, annuity, stock bonus, profit-sharing or other funded deferred

compensation plan (or the administrator of the plan) is required to file Form 5500, an annual return containing information with respect to the plan's qualification, financial condition and operation of the plan.

Plan administrators who fail to file Form 5500 series annual returns/reports on a timely basis can be subject to penalties. However, an administrator or sponsor of such a plan can apply for an automatic extension of time for filing the return.

Under the new Act, for tax years beginning after December 31, 2015, the automatic extension period has been reduced from 3½ months to 2½ months. Thus, for calendar year filers, Form 5500 is now due October 15, formerly due November 15.