Current Federal Tax Developments

Week of June 3, 2019

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ACCOUNTING
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CURRENT FEDERAL TAX DEVELOPMENTS
WEEK OF JUNE 3, 2019

Published in 2019 by Kaplan Financial Education.

Printed in the United States of America.

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Kaplan Financial Education

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Section: 170
Evangelizing Did Not Enable Taxpayer to Deduct Personal Expenses as Charitable Contributions

Citation: Oliveri v. Commissioner, TC Memo 2019-57, 5/28/19

A taxpayer who dedicated his life to evangelization, using normal interactions in life to open discussions regarding his religious beliefs to all around him, found that the Tax Court did not agree with his view that this made his various expenses incurred for meals, travel and other items were automatically deductible. (*Oliveri v. Commissioner*, TC Memo 2019-57, May 28, 2019)[1]

The opinion begins by describing what Mr Oliveri has done since retiring from the U.S. Air Force in 1986 after serving for more than 26 years:

> *Since 1987 petitioner has dedicated his life to being an evangelist. Petitioner seeks to spread the teachings of the Catholic Church through random interactions with members of the general public. He considers all of his contact with members of the public to be opportunities for evangelism. He wears a large and visible crucifix at all times which identifies his religious affiliation and commitment to evangelism. Petitioner evangelizes people he happens to see when he engages in otherwise personal activities, such as when he eats in restaurants, travels, and pilots private planes. He usually does not know in advance whom he will evangelize. Petitioner evangelizes and discusses his faith with friends, members of his extended family, and members of the religious organization that he founded, see infra, and the Catholic Church.*[2]

He formed the Brothers and Sisters of Divine Mercy (BSDM). Although the mission statement of the organization said it was responsible to "the Pontifical Council of the Laity, a dicastery of the Catholic Church" there was no record of any formal relationship between the Catholic Church and this organization. As well, he did not seek or obtain any approval for his activities from the Catholic Church, nor did he report on his activities to the Church.[3]

The taxpayer claimed a charitable deduction for expenses related to the various activities he engaged in. The IRS argued that even though the taxpayer may have used some of these activities to engage in evangelizing, the activities were generally personal in nature and, in any event, were not incurred at the direction of or under the supervision of any charitable organization.

The Tax Court generally agreed with the IRS in this case. The Court notes that for expenses that have both a personal and charitable component, the expense is deductible only if the

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[1] https://www.ustaxcourt.gov/USTCInOP/OpinionViewer.aspx?ID=11951, retrieved from U.S. Tax Court website may 29, 2019

[2] *Oliveri v. Commissioner*, TC Memo 2019-57, May 28, 2019, PDF of opinion from US Tax Court website, pp. 3-4

[3] *Ibid*, pp. 4-5

charity receives the primary benefit of the expenditure and the expense would not have been incurred absent the charitable use of the item.[4]

For travel and related expenses, the Tax Court notes additional restrictions apply:

> *Costs of traveling away from home (including transportation, meals, and lodging) are not deductible unless they qualify as expenses deductible, as relevant here, under section 170 and regulations thereunder. Sec. 1.262-1(b)(5), Income Tax Regs. A charitable deduction for unreimbursed travel expenses is denied where the taxpayer derives substantive personal pleasure while on trips. Saltzman v. Commissioner, 54 T.C. at 725. For purposes of rendering donated services, "while away from home" has the same meaning as in section 162(a)(2). Sec. 1.170A-1(g), Income Tax Regs. If the purpose of a trip is primarily personal, the travel expenses are not deductible even though the taxpayer performs charitable services while at the destination. See sec. 1.162-2(b), Income Tax Regs. Meals and other travel expenses are not deductible where there is a substantial direct personal benefit to the taxpayer. See Seed v. Commissioner, 57 T.C. at 275-276; Sheffels v. United States, 264 F. Supp. 85 (E.D. Wash. 1967), aff'd, 405 F.2d 924 (9th Cir. 1969); see also sec. 1.170A-1(g), Income Tax Regs.*[5]

Unfortunately for the taxpayer, the Court found that his expenses were generally incurred for personal reasons, and the evangelization took place if the conditions allowed for it. But the principal purposes of his expenditures were generally personal.

For instance, he incurred substantial expenses related to training flights, something he admitted he enjoyed—not surprising, given his long tenure with the U.S. Air Force. The Court found that the purpose of these flights was primarily personal, despite the fact that he would, as the occasion permitted, use the flights to allow him to evangelize people at small airports and in distant places who would not otherwise hear him preach.[6]

Similarly, the fact that he might initiate conversations regarding his religion with or give counseling to people in the restaurants he ate in, including the wait staff, did not convert the personal expense of obtaining a meal into a charitable contribution.[7]

The expenses in question must be incurred under the coordination, supervision or oversight by the qualified charitable organization. The Tax Court's opinion notes that the following factors are considered in determining if there are close enough ties to the religious organization:

- The strength of the taxpayer's affiliation with the exempt organization;
- The exempt organization's ability to initiate or request services from the taxpayer;
- The supervision of the taxpayer's work by the exempt organization; and
- The taxpayer's accountability to the exempt organization.

The test looks at whether the activities are properly coordinated with the exempt organization.[8]

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[4] *Ibid*, p. 22

[5] *Ibid*, p. 23

[6] *Ibid,* pp. 30-31

[7] *Ibid,* p. 33

[8] *Ibid,* p. 24

The opinion notes that the taxpayer's activities generally do not show sufficient coordination. His actions were mostly random and not conducted in coordination with either BSDM or the Catholic Church, so the expenses were to or for the use of those organizations.[9]

The taxpayer also did not have contemporaneous written acknowledgements regarding the expenditures for which a charitable deduction is being claimed. The opinion notes:

> *Charitable contributions of unreimbursed out-of-pocket expenses of less than $250 are governed by section 1.170A-13(a), Income Tax Regs. Van Dusen v. Commissioner, 136 T.C. at 531. No deduction is allowed under section 170(a) for a contribution of $250 or more unless the taxpayer substantiates the contribution with a contemporaneous written acknowledgment from the donee organization.9 Sec. 170(f)(8)(A); Van Dusen v. Commissioner, 136 T.C. at 536. A taxpayer who incurs unreimbursed expenditures incident to the rendition of services is treated as having obtained a contemporaneous written acknowledgment of those expenditures if the taxpayer (1) has adequate records to substantiate the amounts of the expenditures; and (2) obtains (a) a statement prepared by the donee organization containing a description of the services provided by the taxpayer, (b) a statement of whether the donee organization provides any goods or services in consideration, in whole or in part, for the unreimbursed expenditures, and (c) a description and good faith estimate of the value of those goods or services, and if the donee organization provides any intangible religious benefits, a statement to that effect. Sec. 1.170A-13(f)(10), Income Tax Regs.*[10]

This particular requirement is one that likely trips up a lot of taxpayers who incur expenses on behalf of a charity, since often they will retain only documentation of the expenditure but will not obtain the specific acknowledgement of the charity with regard to the donative purpose of the expenditure.

He also made numerous gifts to individuals of cash, as well as distributed books and videos he purchased to help spread his message. However, since these payments were not coordinated with an exempt organization, these transfers would not represent deductible expenses incurred for a charity.[11]

The taxpayer objected that the disallowance of these deductions were in violation of his First Amendment rights, arguing the IRS was characterizing it as not a religious activity. But the Tax Court noted that the IRS said no such thing. The opinion notes:

> *Petitioner contends that respondent is characterizing his evangelism as if it were not a religious activity and that respondent's characterization violates the First Amendment. Petitioner mischaracterizes respondent's position, which is that petitioner's expenses for evangelistic activities are not deductible as charitable contributions under section 170, not that they are not religious activities. Not all religious activities are services "to or for the use of" a religious organization for purposes of section 170. See, e.g., Churukian v. Commissioner, T.C. Memo. 1980-205. Contrary to petitioner's view, respondent's*

[9] *Ibid,* p. 26

[10] *Ibid,* pp. 27-28

[11] *Ibid*, pp. 35-36

> *contentions neither require inquiry into the sincerity of petitioner's religious beliefs nor cause entanglement with the "intricacies of petitioner's religious activity".*[12]

Nothing in the case suggests that the taxpayer was not sincere in his devotion to evangelizing his faith, nor that he didn't actively look for opportunities to communicate that faith when conducting various activities. But the tax law requires complying with specific rules to obtain any tax deduction for payments or expenses related to that activity, generally needing to have a connection with an organization that meets the requirements to be recognized as a tax exempt organization under IRC §501(c)(3).

The same basic requirement applies to any action that would seem to advance the purposes that can serve as the basis for an organization to obtain §501(c)(3) status. The fact that an action is of a religious nature does not change the basic requirements to conduct the activities in coordinated fashion with an eligible §501(c)(3) organization.

Section: 170
DC Circuit Agrees With Tax Court That Failure to Disclose Basis of Contributed Property Results in Denial of a $33 Million Contribution Deduction

Citation: Jeff Blau, et al v. Commissioner, USCA DC, Case No. 17-1266, 5/24/19

Courts prefer to decide issues on narrow grounds if they can, and a failure in completing Form 8283, which Forbes online contributor called an error that "would be a review comment that a senior accountant with three years experience would have given an associate,"[13] was the issue the Tax Court had focused on to deny a $33 million deduction to a partnership in the 2017 case of *RERI Holdings I LLC v. Commissioner*, 149 TC No. 1.

The Sixth Circuit did not come to the rescue of the taxpayer in this case, agreeing with the Tax Court that the failure to include basis information on the tax return was sufficient to allow a denial of the entire deduction. (*Jeff Blau, et al v. Commissioner*, USCA DC, Case No. 17-1266)[14]

The key issue in question is the taxpayer's compliance with Reg. §1.170A-13(c)(2) that requires a taxpayer making a contribution of property other than publicly traded securities to:

- Obtain a qualified appraisal;
- Attach a completed appraisal summary, *including the basis of the property*, on Form 8283; and

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[12] *Ibid,* p. 40

[13] Peter J. Reilly, "Denial Of $33M Deduction That Yielded $2M To University Of Michigan Upheld On Appeal," Forbes website, 5/26/18, https://www.forbes.com/sites/peterjreilly/2019/05/26/denial-of-33m-deduction-that-yielded-2m-to-university-of-michigan-upheld-on-appeal/#25d4f8da4ebe (website retrieved May 29, 2019)

[14] https://www.cadc.uscourts.gov/internet/opinions.nsf/24259E66C2EAE51F85258404004EBA72/$file/17-1266.pdf, retrieved on May 29, 2019

- Maintain records containing various specified items of information.

This case was covered when it was originally decided by the Tax Court on the Current Federal Tax Developments website and a detailed analysis of that holding is found in that article.[15] As was noted in that article, there were a number of issues with the contribution.

But the fact that the Tax Court latched onto was the failure of the partnership to enter an amount in on Form 8283 for the basis of the property donated. In this case, that basis would have been $2.95 million, while a deduction was later claimed for a donation of the property of over $33 million.[16]

As a condition of the donation, the University of Michigan agreed that it would hold onto the interest for two years before disposing of it. At the end of that time the University sold the property in question—for $1,940,000 to a partnership that was owned in part by one of the donating partnership's members.[17] Suffice it to say that, while the parties conceded the sale by the University was not at fair market value,[18] it certainly seems that the $33,000,000 value was a bit on the aggressive side.

But, as was noted, the Tax Court and Sixth Circuit found that the failure to disclose the basis in this situation doomed the deduction even if that $33,000,000 value could be justified. While panel refused to go as far as the IRS requested and rule that any failure to disclose required information is fatal (that is, a showing of substantial compliance wouldn't be enough to excuse the failure and allow the deduction), it ruled that in this case the partnership would fail even if there is a substantial compliance defense.[19]

As the panel notes:

> *We conclude that, even if a taxpayer can fulfill the requirements of § 1.170A-13 through substantial compliance, RERI failed substantially to comply because it did not disclose its basis in the donated property; accordingly, we assume but do not decide that substantial compliance suffices. As we read the Tax Court's decision, a taxpayer must supply its basis (or an explanation for failing to do so) in order to "provide[] sufficient information to permit the Commissioner to evaluate the reported contributions, as intended by Congress." 149 T.C. at 16. If that is correct, and we think it is despite RERI's several*

[15] Ed Zollars, "Failure to Report Basis of Property Donated Fatal to Charitable Contribution," Current Federal Tax Developments website, July 5, 2017, https://www.currentfederaltaxdevelopments.com/blog/2017/7/5/failure-to-report-basis-of-property-donated-fatal-to-charitable-contribution?rq=RERI, retrieved from website May 29, 2019

[16] *Ibid*

[17] *Jeff Blau, et al v. Commissioner*, USCA DC, Case No. 17-1266 Court posted PDF of opinion, May 24, 2019, p. 5

[18] *Ibid*

[19] *Ibid,* p. 10

> *arguments to the contrary, then we need not choose between the Tax Court's standard for substantial compliance and the IRS's more exacting one.*[20]

The panel agreed with the Tax Court's view that even though the basis is not necessary to compute the allowable deduction, the disclosure rules of the law and regulations exist not merely to allow computation of the deduction, but also to bring to the IRS's attention situations that look unusual, as this one clearly would have:

> *RERI fails to recognize that the purpose of the substantiation requirements is not merely to collect the information necessary to compute the value of donated property. The requirements have the broader purposes of assisting the IRS in detecting and deterring inflated valuations. Because the cost or other basis in property typically corresponds with its FMV at the time the taxpayer acquired it, an unusually large difference between the claimed deduction and the basis alerts the IRS to a potential over-valuation, particularly if the acquisition date, which must also be reported, is not much earlier than the date of the donation. In addition, as the Tax Court recognized, there are circumstances under which the basis affects the amount of the deduction allowed. 149 T.C. at 17 n.11 (citing § 170(e)(1)(A), under which the amount of a deduction must be reduced by "the amount of gain which would not have been long-term capital gain," had the property "been sold . . . at its fair market value"). It is therefore unsurprising that the DRA expressly lists "the cost basis . . . of the contributed property" as information to be provided in substantiation of a charitable deduction. Though the Congress left it to the discretion of the Secretary of the Treasury to impose additional reporting requirements, the Congress specifically identified the basis and the date of acquisition as the bare minimum that a taxpayer must provide. We should be very reluctant to set to naught what the Congress deemed essential.*[21]

The panel notes that, in this case, the difference between the basis of the donated property and the claimed deduction took the matter beyond merely hypothesizing that that giving the basis would have put the IRS on notice that the value reported might be in excess of the actual fair value.[22]

The panel also rejected the partnership's view that the IRS should have viewed the blank entry as a zero basis which should have put the IRS on notice of the potential valuation issue. As the panel notes:

> *RERI contends in the alternative that the omission of a number in a tax filing is typically construed as a zero, and that a zero provides the same red flag as does an unusually low basis. The point would have some force had the Secretary not provided for the donor to substitute an explanatory statement if it is "unable" to provide information on the cost basis. § 1.170A-13(c)(4)(iv)(C)(1). Because a taxpayer may lack information about its basis, the IRS reasonably chose not automatically to treat a blank box as a zero. RERI did not lack information about its basis or have any other excuse for its failure to report its basis.*[23]

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[20] *Ibid*

[21] *Ibid*, p. 11

[22] *Ibid,* p. 11

[23] *Ibid,* p. 12

Finding that they couldn't get a deduction due to a failure to document it property, the panel was able to nicely avoid entirely having to dig into the messy issue of whether the appraisal submitted met the requirements of a qualified appraisal under Reg. §1.170A-13(c)(3).[24]

This case illustrates that care must be taken to comply with all requirements, even ones that may seem "not important" and that don't directly impact the calculation of tax. Peter Reilly, in the column cited at the beginning of this blog, notes that this confirms one of his laws of tax planning: read the instructions. And, as he continued:

> *The Tax Court went with zero deduction, but not based on the sham theory. On its own, the Tax Court came up with failure to substantiate based on that missing number on Form 8283. There is something really satisfying with that result. All these smart people with complicated math stuff planning the deal and attacking it and the Tax Court blows it up with what would be a review comment that a senior accountant with three years experience would have given an associate. RTI. (Read the instructions).*[25]

Section: 1001
Win Some, Lose Some: Basis of Property Sold Reduced Due to Lack of Documentation, But Sales Price was Lender's Bid in Foreclosure Sale

Citation: Breland v. Commissioner, TC Memo 2019-59, 5/29/19

In the case of *Breland v. Commissioner*, TC Memo 2019-59[26] (May 29, 2019) two different issues were decided by the Tax Court:

- Did the taxpayers properly substantiate the basis of property sold by producing only a Form 8824 from a prior return when the property was obtained as part of a like-kind exchange?
- What was the actual sales price and cancellation of debt resulting from the foreclosure sale of the taxpayer's properties?

The first question involved the basis of one of the pieces of property sold in the foreclosure sale. That property had been acquired in a like-kind exchange the taxpayers took part in back in 2003, six years before the sale. The Form 8824, submitted with the taxpayer's return showed the basis of the properties received in the exchange (there had been three of them). The taxpayers reported that the basis had been allocated among the properties in question based on their relative fair market values, with the lot in question (lot 52) being assigned $618,767. After

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[24] *Ibid,* p. 13

[25] Peter J. Reilly, "Denial Of $33M Deduction That Yielded $2M To University Of Michigan Upheld On Appeal," Forbes website, 5/26/18, https://www.forbes.com/sites/peterjreilly/2019/05/26/denial-of-33m-deduction-that-yielded-2m-to-university-of-michigan-upheld-on-appeal/#25d4f8da4ebe (website retrieved May 29, 2019)

[26] https://www.ustaxcourt.gov/USTCInOP/OpinionViewer.aspx?ID=11958, May 29, 2019

adjusting for liabilities assumed and satisfied in the transaction, the basis following the transaction was purported to be $988,938.[27]

That property was then sold as part of another §1031 exchange in 2004, purchasing two properties and filing yet another Form 8824 reporting the like-kind exchanges. Using the numbers from the 2003 calculations, along with the information on debts again and allocating the basis to properties received, coming up with a new basis.[28]

On the sale, the IRS is challenging the basis in the lot received in 2004 to the extent it depended on the basis of the property that was sold as part of the 2003 exchange, a portion of which basis carried over to 2004 exchange (the "Jubilee Point" property). The evidence the taxpayer presented for evidence of that basis was solely depreciation schedules from the 2003 income tax return. They had no settlement statement or deed and the taxpayers admitted that the 2003 income tax return had not been audited by the IRS (so the IRS had already reviewed the original transaction).[29]

The Tax Court found that the taxpayers had not properly documented the basis being carried forward from the Jubilee Point property and thus limited the taxpayer's basis in the property received to the cash they paid and the indebtedness they took on when the property was acquired.[30]

The important take-away from this part of the decision is the need to have records going back to any transaction that continues to have an impact on assets currently held. Even though the taxpayers had disposed of the Jubilee Point property six years before the foreclosure sale in question, the two §1031 exchanges meant that the basis of that property was still something that had to be proved for the taxpayers to claim that amount as part of the basis of the property sold—and the taxpayers could not do that.

But thing worked out better for the taxpayers, and worse for the IRS, on the second issue. At the time the properties were foreclosed, the taxpayers owed $10,764,262. When the foreclosure sale was held, the only bidder for the property was, as is often the case, the lender. The lender's bid was $7,203,750.[31]

In a foreclosure sale, the sales price when the debt is in excess of the value of the property depends on whether the debt is a recourse or nonrecourse debt. As the opinion explains, if a debt is nonrecourse, then the sales price is the balance of the debt at foreclosure in that case. When the debt is recourse, as it was in this case, the sales price is the fair value of the property. For the remainder of the debt, if it is forgiven then it's cancellation of debt income. If the debt is not forgiven at the time of the foreclosure sale, then it remains as a debt of the taxpayer and

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[27] *Breland,* PDF of court decision, pp. 3-4

[28] *Ibid*, p. 4

[29] *Ibid,* p. 12

[30] *Ibid,* p. 12-13

[31] *Ibid,* p. 5

will only be cancellation of debt income if the entire balance of the loan is not eventually paid back.[32]

The IRS argued that the price paid by the lender was not the true fair market value, since there was not a willing seller and no appraisal of the property was undertaken before the foreclosure sale. However, the Tax Court noted that, under Reg. §1.166-6(b)(2), the bid price is presumed to be the fair market value absent clear and convincing evidence to the contrary. The Court points out that nonexistence of an appraisal is actually a problem for the IRS—because there is no clear and convincing evidence of a true fair value to overcome the presumption that the bank's bid price is the fair value.[33]

The IRS contends that if that bid price is to be treated as the fair value, then the remaining balance of the note must discharge of indebtedness income which would be taxable as ordinary income. However, the Tax Court notes that the bank did file a proof of claim in the bankruptcy proceeding the taxpayers later filed. In this case, the Tax Court found that the preponderance of evidence suggest that the balance of the loan survived the foreclosure sale, and thus there was not a simultaneous cancellation of indebtedness, triggering ordinary income, at that time.[34]

Thus, the Tax Court concludes that the taxpayers had a net capital loss on the foreclosure sales which was less than they had originally reported, but significantly more than the IRS asserted.[35]

Section: 3402
IRS Releases New Draft W-4 for 2020, After Failing to Develop Form That Took TCJA Into Account for 2019

Citation: IR-2019-98 and Draft Form W-4, 5/31/19

After the IRS's first attempt at revising Form W-4 to take into account the changes in Tax Cuts and Jobs Act was withdrawn after facing criticism the resulting form was too complex, the IRS has returned with another draft Form W-4.[36] The new draft form will try again to take into account the substantial changes found in the Tax Cuts and Jobs Act in a concise form to help employees arrive at a proper amount of withholding. ("IRS, Treasury unveil proposed W-4 design for 2020," IR-2019-98, IRS website, May 31, 2019)[37]

The new W-4 does away with the concept of withholding allowances entirely, since personal exemptions no longer a "central feature of the tax code" in the words of the news release.

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[32] *Ibid,* pp. 7-8

[33] *Ibid*, p. 9

[34] *Ibid*, p. 10-11

[35] *Ibid*, p. 13

[36] https://www.irs.gov/pub/irs-dft/fw4--dft.pdf, site accessed May 31, 2019 (this draft will likely be removed when the IRS revises the draft which is expected to happen in July 2019)

[37] https://www.irs.gov/newsroom/irs-treasury-unveil-proposed-w-4-design-for-2020, site accessed May 31, 2019.

Rather the form will attempt to provide information that the employer will use to arrive at a withholding number.

The proposed single page form comes along with a page of instructions, a page containing two worksheets, and a page containing tables that are used to compute adjustments when there are multiple jobs held by the taxpayer(s). The most common situation that will lead to the use of tables on page 4 is when each spouse in a married couple has a job that will lead to a W-2 at year end.

Taxpayers are taken through a four-step process on the Form W-4. The form begins with the taxpayer's personal information and their expected filing status. If a taxpayer only expects to report wage income from a single job, does not expect to itemize, claim dependents or have additional income/deductions they want to factor in the withholding they simply sign the form after checking the expected filing status.

If there is more than one job that will report income on a Form W-2, the taxpayer is lead to Step 2. That steps gives the employee a number of options:

- Use the calculator at www.irs.gov/W4App which the employee is told will arrive at the most accurate withholding;
- Use Worksheet 1 on page 3 of the W-4 document. That will produce an additional withholding amount that the taxpayer will enter on line 4c; or
- If there are only two jobs, check a box in Step 2. This box should be checked on the Form W-4 for both jobs. The form warns that this will likely lead to having excess tax withheld, but will also mean the taxpayers likely won't have too little tax withheld (at least based on the two jobs).

Step 3 is only to be completed for one job in the household, with the best results occurring if this portion is filled in for the highest paying job. The taxpayer enters the amount of other income he/she wants to have taxes withheld for on line 4a. For deductions, the taxpayer is directed to Worksheet 2 on page 3. That worksheet principally helps determine if the taxpayer will end up being able to itemize, as well as adjusting for any deductions allowed even where the taxpayer does not itemize (such as deductible IRA contributions).

Finally, as was noted earlier, line 4c contains any additional withholding the taxpayer is requesting, either due to the two job calculation on Worksheet 1 or because the taxpayer otherwise has determined there should be additional withholding.

What we do not know at this point is how employers will take the information provided on those lines and use them to arrive at a withholding amount from the employee's paycheck. The IRS news release indicates the agency "anticipates the related instructions for employers will be released in the next few weeks for comment as well."[38]

The release indicates the IRS expects to release a "near final" second draft of the 2020 in mid-to-late July, with final form scheduled to be issued in November. The IRS is accepting comments on this draft for 30 days to make additional improvements on this draft to arrive at the planned July second draft.

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[38] *Ibid*

At the same time as the draft was issued, the IRS published a list of 20 frequently asked questions regarding the draft form on its website.[39] The FAQ is an attempt to provide employees with answers to the questions they are likely to raise when they begin to try and use the form. It also offers some explanation of what happens when employees use the various options available on the form.

[39] "FAQs on the early release of the 2020 Form W-4," IRS website, https://www.irs.gov/newsroom/faqs-on-the-early-release-of-the-2020-form-w-4, web page retrieved May 31, 2019