

# Advocacy Update: 2021 in Review

By Robert Broome, CAE

Throughout 2021, NCACPA remained committed to its strategic focus on increased advocacy and awareness. We lobbied federal and state lawmakers on behalf of the accounting profession and endeavored to keep our members informed about existing and emerging issues.

If you would like to know more about our advocacy efforts, please contact NCACPA Director of Advocacy Robert Broome at [rbroome@ncacpa.org](mailto:rbroome@ncacpa.org).

Listed below is a snapshot of some of NCACPA's key advocacy activities and successes.

## FEBRUARY 2021

### SIMPLIFIED EXTRA CREDIT GRANT PROCESS

After a tax software glitch prevented certain taxpayers from automatically receiving the \$335 Extra Credit Grant in 2020, NCACPA worked with lawmakers and regulators on a solution that allowed practitioners to easily apply for the grant on behalf of their qualifying clients while avoiding time-consuming and costly preparation of amended returns. The bill received unanimous support in the General Assembly and became Session Law 2021-1. NCACPA later partnered with the NCDOR to create a user-friendly and accessible bulk upload process for tax professionals.

### URGING FEDERAL GUIDANCE ON PPP & ERTC INTERPLAY

NCACPA worked with Senator Richard Burr (R-NC) to help ensure that businesses could fully participate in the Paycheck Protection Program (PPP) and claim the Employee Retention Tax Credit (ERTC). Following our meeting with his legislative staff, Senator Burr co-signed a letter with Senator Maggie Hassan (D-NH) to encourage federal regulators to issue guidance making it clear that businesses can use PPP and ERTC assistance to keep workers on the payroll, so long as employers do not “double-dip” by receiving PPP forgiveness and claiming the ERTC for the same wages paid to employees. The following month, the IRS issued such guidance in Notice 2021-20.

### SECURING GUIDANCE CLARIFYING PPP ADDBACK TIMING

In response to a request from NCACPA, the NCDOR issued revised guidance to clarify when taxpayers should add back expenses paid using the proceeds of a forgiven PPP loan. The timing of the addback of expenses has been the subject of questions and concerns raised by NCACPA members on our Connect platform, especially after Congress passed legislation in December 2020 ensuring that such expenses would be deductible at the federal level.



## MARCH 2021

### CONGRESSIONAL DELEGATION UNANIMOUSLY SUPPORTS FILING DEADLINE EXTENSION

Hundreds of members used the NCACPA Advocacy Center to email federal lawmakers asking that the tax filing deadline be extended to June 15, 2021. In response, the North Carolina congressional delegation unanimously signed a letter to the IRS and Treasury Department in support of our request. Although the IRS extended the deadline to May 17 instead of June 15, NCACPA appreciated the delegation's bipartisan solidarity with the accounting profession.

## APRIL 2021

### INCOME TAX INTEREST WAIVER BECOMES LAW

A top legislative priority for NCACPA was signed into law by Governor Roy Cooper on April 27. Under HB 279 (Session Law 2021-16), North Carolina waived the interest that would have accrued on the underpayment of individual income taxes between April 15, 2021, and the extended filing deadline of May 17, 2021. The measure passed with bipartisan, unanimous support in the House and Senate.

## JUNE 2021

### NCACPA CHAMPIONS FUNDING FOR FINANCIAL LITERACY

In a letter to state lawmakers, NCACPA called for full funding of financial literacy instructor training in the state budget. NCACPA led the effort in 2019 to pass a law mandating the Economics and Personal Finance course for high school students, but a breakdown in budget negotiations that year meant that no state funds went to professional development for teachers of the course. The General Assembly would later approve an appropriation of more than \$1 million for this purpose in the 2021 Appropriations Act.



### NEW LAW OPENS DOOR TO TEACHING OPPORTUNITIES FOR ACCOUNTANTS

SB 582 (Session Law 2021-48) allows accountants and other professionals to contract with local boards of education to teach high school courses in their area of specialized knowledge or work experience. When the bill was debated, bill sponsor Senator Jim Burgin (R-Harnett) specifically mentioned the importance of making it easier for accountants to teach courses on financial literacy, economics, or mathematics. Burgin said his bill is a way for professionals to redefine the “second half” of their lives while giving something back to their communities.

## AUGUST 2021

### ADVOCATING FOR ACCOUNTING AS A STEM FIELD

In a letter to members of North Carolina's U.S. House delegation, NCACPA urged support of H.R. 3855, the Accounting STEM Pursuit Act. The bill would recognize accounting in the Science, Technology, Engineering, and Math (STEM) curriculum under the technology field. The bill would also allow for federal funding to be used to strengthen accounting education in K-12 schools, particularly by providing high-quality accounting programs and courses for students who are members of groups underrepresented in the accounting profession. As a result of our advocacy, Representatives Deborah Ross (D-NC-02) and Kathy Manning (D-NC-06) signed on as cosponsors.

## SEPTEMBER 2021

### SWIFT RESOLUTION FOR ERRONEOUS TAX NOTICES

After a Connect post highlighted the possibility that the Department of Revenue was erroneously issuing notices assessing a penalty for late filing, NCACPA reached out to the NCDOR about the issue. The NCDOR soon identified the technology glitch causing the erroneous notices and took steps internally to ensure that additional returns were not impacted. notices assessing a penalty for late filing, NCACPA reached out to the NCDOR about the issue. The NCDOR soon identified the technology glitch causing the erroneous notices and took steps internally to ensure that additional returns were not impacted.

## NOVEMBER 2021

### STATE ENACTS NCACPA POLICY PRIORITIES

Following months of negotiations, Governor Roy Cooper signed into law a compromise budget bill that included several policy priorities championed by NCACPA. The 2021 Appropriations Act (Session Law 2021-180) replaced the state's flat 10% late tax payment penalty with a graduated penalty of 2% per month up to an aggregate cap of 10%. The Act also corrected an unintended consequence of decoupling from Section 163(j) provisions in the federal CARES Act and included more than \$1 million in funding for financial literacy education.

## DECEMBER 2021

### SIMPLIFIED DOCUMENTATION FOR AMENDED RETURNS

In response to lobbying by NCACPA, the NCDOR published guidance that dramatically reduced the workload for tax professionals. The guidance stated that amended Schedule K-1s would not be required as documentation for amended returns of taxpayers impacted by retroactive PPP expense deductibility provisions in the 2021 Appropriations Act.

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Our success in 2021 would not have been possible without the time, talent, and toil of NCACPA members and volunteer leaders. To the Advocacy Advisory Council, the Tax Resource Group, our state and federal Key Persons, NC CPA Political Action Committee investors, and everyone who made their voice heard to legislators through our Advocacy Action Center...thank you!

If you would like to know more about our advocacy efforts, please contact NCACPA Director of advocacy Robert Broome at [rbroome@ncacpa.org](mailto:rbroome@ncacpa.org).

