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Mary Girsch-Bock • Oct. 31, 2022



AICPA News is a round-up of recent announcements from the [American Institute of CPAs](#) (AICPA).

AICPA Submits Comments on Virtual Currency Question on Form 1040

The AICPA has submitted comments to the Internal Revenue Service (IRS) regarding the virtual currency question on the [2021 Form 1040](#), *U.S. Individual Income Tax Return* and [instructions](#) (and its variations including the 2021 [1040-SR](#), *U.S. Tax Return for Seniors*, and [1040-NR](#), *U.S. Nonresident Alien Income Tax Return*) and [draft 2022 Form 1040](#) (as of July 27, 2022). The AICPA is requesting that the question can

be clarified before the 2022 forms are finalized in order to provide greater certainty to

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3. Modify the virtual currency question for simplicity and clarity.
4. Include additional elements into the Form 1040 instructions for the virtual currency question.
5. Explain if a taxpayer needs to answer “yes” if a dependent had a virtual currency event but does not have a filing requirement.

“Taxpayers and their advisors want to comply with IRS guidance on virtual currency, but they lack adequate instructions to do so,” said Annette Nellen, Chair of the AICPA Virtual Currency Task Force, urging Congress to consider the AICPA recommendations.

AICPA Names Student Winner of Beta Alpha Psi Medal of Inspiration Award

The AICPA recently announced that Stephanie Ruiz, a recent University of Miami graduate, has been awarded the Beta Alpha Psi Medal of Inspiration Award.

The award, sponsored by the AICPA, is given to a Beta Alpha Psi student member who has experienced extreme hardships and demonstrated a notably high level of success despite that adversity. The award was presented during the Beta Alpha Psi Annual Meeting and includes a \$5,000 cash stipend.

Coming from a severely economically disadvantaged background, Stephanie determined early on that she would have to work hard to lift herself and her family to a more stable position. She made education one of her top priorities from a young age. By pursuing her academic studies and maximizing every available opportunity, Ruiz has earned this award that recognizes her high level of achievement, motivation and continued potential.“

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over the next 12 months, as optimism in the U.S. economy remains tamped down by inflation worries and repercussions from both the Russo-Ukraine war and an economic slowdown in China, according to the third-quarter [AICPA & CIMA Economic Outlook Survey](#). The survey polls chief executive officers, chief financial officers, controllers and other certified public accountants in U.S. companies.

Survey respondents now expect zero profit growth over the next 12 months, down from an anticipated rate of 0.7% last quarter and 2.5% a year ago. Revenue projections also fell, quarter over quarter, from an expected 3.4% growth rate over the next 12 months to 2.6%.

Only 18% of business executives expressed optimism about the U.S. economy's outlook over the next 12 months. That's the same level as last quarter, when the measure hit an 11-year low. Survey respondents' views on the economy have declined each quarter since midway through 2021, with the outlook for the global economy falling three percentage points this quarter.

Other key findings of the survey:

- On hiring, 34% of business executives said their organizations are looking to fill roles immediately, while another 19% said they had too few employees but are hesitant to hire. Five percent said they had too many employees.
- Inflation was the top concern of business executives for the fourth straight quarter. The other top two challenges were identical to last quarter: "Materials/Supplies/Equipment Costs" and "Availability of Skilled Personnel." "Stagnant/Declining Markets" edged into the top 10 for the first time in some time.
- The percentage of business executives who said their companies plan to expand fell three points from 53% to 49%, quarter over quarter. Notably, the number who said they expected their companies to contract rose from 14% to 25% since last quarter.

AICPA Comments on New International Reporting

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2. Partner attribute requirement

3. General presumption

Recommendations:

The AICPA recommends that the IRS provide guidance adding the Relevance Exception to each part of the Schedules. If the broader principle of the Relevance Exception was applied to each of the parts, it would alleviate the partnership requirement to report data that has no relevance to any of its partners and mitigate the costs of reporting unnecessary information.

2. Provide a permanent extension of the exception from filing Schedules K-2 and K-3 for certain domestic partnerships and S corporations as provide in Frequently Asked Question (FAQ) 15

Recommendations:

The AICPA recommends that the IRS issue guidance permanently extending the exception granted in FAQ 15, from filing Schedules K-2 and K-3, for certain domestic partnerships and S corporations.

Allow for a consolidated Form 8082 disclosure filing

Recommendation:

The AICPA recommends that the IRS update the instructions to Form 8082 to allow an upper-tier partnership (UTP) that did not receive Schedules K-1 or Schedules K-3 with respect to lower-tier partnerships to disclose all such partnerships in a single Form 8082.

3. Clarify and simplify the Foreign Tax Credit information reporting on partnership level on Schedules K-2 and K-3, Part II

Recommendations:

The AICPA recommends that the IRS minimize the administrative burden on taxpayers by:

1. Removing the requirement to report gross income by specific country in Part

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gain is determined by the partnership.

4. Clarifying in the Instructions or FAQs, as to the proper use and application of the additional codes on the Schedules K-2/K-3.

4. Allow summarized information on Schedule K-3 when reporting gain on sale of personal property

Recommendation

The AICPA recommends that the IRS provide guidance allowing a partnership to report summarized information by country with respect to Schedule K-3, Part I, Box 1, rather than require detailed transaction-by-transaction information.

AICPA Foundation announces 2022-2023 scholarship recipients

The AICPA Foundation has awarded more than \$1 million in scholarships, grants and fellowships to students for the 2022-2023 academic year.

The AICPA Foundation also granted fellowships to 23 minority doctoral students as part of [the AICPA Fellowship for Minority Doctoral Students](#), which aims to bolster racial and ethnic diversity and inclusiveness among accounting educators at colleges and universities.

The fellowship program provides \$12,000 to each student, renewable for up to an additional four years, assuming students continue to meet eligibility requirements.

The 2022-23 [Minority Doctoral Fellowship recipients](#), as well as the doctoral programs they are attending, are:

- **Asabe Adama Mairama Danpollo**, Cornell University
- **Paige Gwenise Harrell**, Emory University
- **Vanessa Vandamas**, Florida International University

- **Moniqua (Nikki) Chappell**, Florida State University

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Russell Ford, University of Florida

- **Jessica Thornton**, University of Illinois at Urbana-Champaign
- **Isaac Lord Yamoah**, University of Illinois at Urbana-Champaign
- **Monica Kabutey**, University of North Texas
- **Timothy (Tim) Edward Messenger**, University of Oregon
- **Raul Villamil-Otero**, University of South Florida
- **Jose (Nico) Nicolas Arguello**, University of Tennessee – Knoxville
- **Triza Nganga**, University of Texas – Arlington
- **Christiana Antwi-Obimpeh**, University of Texas – San Antonio
- **Devon Privette Jefferson**, Virginia Commonwealth University
- **Tendai Masaya**, Yale University

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