

## Portion of Form 990 Schedule H Optional for Tax-Exempt Hospitals for Tax Year 2010

Announcement 2011-37

This announcement advises tax-exempt organizations that operate one or more hospital facilities (“hospital organizations”) that Part V, Section B (“Part V.B”) of Schedule H, *Hospitals*, of the 2010 Form 990, *Return of Organization Exempt From Income Tax*, is optional for the 2010 tax year. Hospital organizations that are required to file the 2010 Form 990 are not required to complete Part V.B, but they are required to complete all other sections of the 2010 Schedule H, including Sections A and C of Part V. In addition, a hospital organization must attach its most recent audited financial statements to its 2010 Form 990 if its tax year began after March 23, 2010, regardless of whether it completes Part V.B. See I.R.C. § 6033(b)(15)(B); Instructions for Form 990, Part IV, line 20b.

The Internal Revenue Service (IRS) has decided to make the entire Part V.B optional for the 2010 tax year to give the hospital community more time to familiarize itself with the types of information the IRS will be collecting related to compliance with section 9007 of the Patient Protection and Affordable Care Act (“Affordable Care Act”), Pub. L. No. 111-148, 124 Stat. 119 (March 23, 2010) and to address any ambiguities arising from the extensive revisions of the form and instructions. Part V.B includes questions related to the additional requirements enacted by Section 9007 of the Affordable Care Act, such as questions regarding a hospital facility’s community health needs assessment (Lines 1 through 7, optional for tax years beginning on or before March 23, 2012), financial assistance policy (Lines 8 through 13), billing and collections (Lines 14 through 18) and charges for medical care (lines 19 through 21). The IRS continues to invite comments on how to improve the clarity and reduce the burden of reporting the information related to these additional requirements on the Form 990 and Schedule H. (For details on how to submit comments regarding the Form 990, see Instructions for 2010 Form 990, p. 46.)

No penalties under section 6652(c)(1)(A)(ii) of the Internal Revenue Code (Code) will be assessed for failure to include information required to be shown on a Form 990 because any line or lines of Part V.B is left incomplete. If an affected hospital organization receives a section 6652(c)(1)(A)(ii) penalty notice from the IRS solely for not completing any line or lines of Part V.B for the tax year 2010, the hospital organization should call the telephone number on the penalty notice to request that the IRS abate the penalty. Section 6652(c)(1)(A)(ii) penalties still apply to the failure to complete the other sections of the Schedule H or the Form 990.

This announcement does not affect the effective dates of section 501(r) or any other provision added to the Code by section 9007 of the Affordable Care Act.

Announcement 2011-20, which directs hospital organizations not to file the 2010 Form 990 before July 1, 2011, and grants hospital organizations with return due dates prior to August 15, 2011, an automatic three-month extension of time to file a Form 990 for 2010, is still in effect.

For further information regarding this announcement, please contact Steve Clarke at (202) 283-9474 (not a toll-free number).