Route To:
☐ Partners ☐ Staff
☐ Managers ☐ File

LIST OF SUBSTANTIVE CHANGES AND ADDITIONS

PPC'S TAX ELECTIONS DESKBOOK

Twenty-eighth Edition (October 2022)

Highlights of this Edition

The following are some of the important new features of the 2022 Edition of *PPC's Tax Elections Deskbook*:

- **Updated Elections.** Numerous elections throughout the *Deskbook* have been updated for judicial decisions, Treasury and IRS guidance, and 2022 rates and amounts.
- **Treating a Subsidiary as a Qualified Subchapter S Subsidiary (QSub).** The election to request relief for an ineffective QSub has been updated for recent IRS guidance, which provides when S corporations may request relief without requesting a private letter ruling.
- **Spreading a Gift to a Qualified Tuition Program in Excess of the Annual Exclusion over a Five-year Period.** The election to transfer the deceased spousal unused exclusion is updated for Rev. Proc. 2022-32 which supersedes Rev. Proc. 2017-34 to allow an extended time of five years to elect portability without a private letter ruling.

In addition to these featured items, your *Deskbook* includes the following update items detailed below.

Chapter	Substantive Changes and Additions	Reference
CHAPTER 2 Individuals	1. The election to include a child's income on a parent's return has been updated for 2022 amounts	2A
	2. The election to exclude interest from U.S savings bonds used for educational expenses has been updated for 2022 amounts	2O
	3. The election to exclude foreign earned income and housing costs has been updated for 2022 amounts.	2Z
CHAPTER 4 S Corporations and Shareholders	1. The election to request relief for an ineffective Qualified Subchapter S Subsidiary (QSub) has been updated for recent IRS guidance, which provides when S corporations may request relief without requesting a private letter ruling.	4B
	2. The election to obtain IRS waiver of the effects of an invalid or late S election has been updated for recent IRS guidance on when S corporations may request relief utilizing a private letter ruling request.	4M
CHAPTER 9 Retirement Plans and Distributions	1. The election for a SIMPLE IRA plan sponsor to make nonelective contributions has been updated for 2022 amounts.	9M

CHAPTER 10 Self-employment and Payroll Taxes	1.	The election to use the nonfarm option to increase self-employment income has been updated for 2022 amounts.	10A
	2.	The election to use the farm option to increase self-employment income has been updated for 2022 amounts.	10B
CHAPTER 11 Estate, Gift, and Generation-skipping Transfer Taxes	1.	The election to spread a gift to a qualified tuition program over a five-year period is updated for the cost-of-living increase in the annual gift tax exclusion.	11B
	2.	The election to transfer the deceased spousal unused exclusion is updated for Rev. Proc. 2022-32 which supersedes Rev. Proc. 2017-34 to allow an extended time of five years to elect portability without a private letter ruling. Previously this was two years.	11D
	3.	The election for gift splitting by spouses is updated for the cost-of-living increase in the annual gift tax exclusion.	11M
	4.	The election to defer the payment of tax attributable to a closely held business is updated for the cost-of-living increase in the amount eligible for the 2% rate.	11AA
CHAPTER 12 Tax Accounting Periods and Methods	1.	The election for reporting OID using the cash method has been updated for 2022 amounts.	12AD
CHAPTER 13 Income Items and Exclusions	1.	The election to value employer-provided autos under a special valuation method has been updated for 2022 amounts.	13A
CHAPTER 15 Deductions and Losses	1.	The election to use the standard mileage rate instead of actual expenses has been updated for 2022 amounts	15K
CHAPTER 16 Depreciation and Amortization	1.	The election for expensing depreciable property under Sec. 179 has been updated for 2022 amounts.	16M
CHAPTER 19 Deductions and Losses	1.	The election to treat combat pay as earned income for the earned income credit has been updated for 2022 amounts	19C