Shumaker

SEPTEMBER 1, 2026 | PUBLICATION

Client Alert: IRS Revising Form 990 to Focus on Abuse and Illegal Activity by Tax-Exempt Organizations

The Internal Revenue Service (IRS) has announced a renewed compliance strategy leaning on automation and analytics to focus on abuse and illegal activity from tax-exempt organizations. In doing so, the IRS is updating the annual nonprofit tax return, Form 990, by the next tax year, in order to bring more transparency to government contracts, grants, and fiscal sponsorship arrangements. The IRS is also easing compliance burdens in ways such as moving away from blanket settlement deals and instead working with individual taxpayers to resolve issues when the taxpayer may owe money, and reducing penalties and the timeline for the criminal voluntary disclosure program.

Shumaker's Nonprofit & Tax-Exempt Service Line continues to monitor these developments and their potential implications for tax-exempt entities. For additional information on how these changes may affect your organization, please contact Felix C. Pelzer or Hannah Campbell.

SERVICE LINE

Corporate, Tax & Transactions
Nonprofit & Tax-Exempt Organizations

RELATED PROFESSIONALS

Felix C. Pelzer
Hannah Clarke Campbell

MEDIA CONTACT

Wendy M. Byrne
wbyrne@shumaker.com

© 2026 Shumaker, Loop & Kendrick, LLP. All Rights Reserved. Privacy Policy/Disclaimer

Shumaker