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Revised Standard Mileage Rate

Cross References

- Rev. Proc. 2010-51
- Notice 2024-08
- Notice 2025-05
- Notice 2026-10
- Announcement 2026-11

The IRS announced that it is revising the standard mileage rates for 2026. The revised rates are the results from recent increases in the price of fuel. The revised rates apply to mileage incurred on or after July 1, 2026. The rates set forth in Notice 2026-10 continue to apply to mileage incurred before July 1, 2026. Taxpayers are advised that they need to keep track of and compute their mileage separately for these two periods during 2026.

The following chart reflects the standard mileage rates for the two periods during 2026 compared to 2025.

	7/1/26 thru 12/31/26	1/1/26 thru 6/30/26	2025
Business rate per mile	76.0¢	72.5¢	70.0¢
Medical and moving rate per mile	23.5¢	20.5¢	21.0¢
Charitable rate per mile	14.0¢	14.0¢	14.0¢
Depreciation rate per mile	35.0¢	35.0¢	33.0¢

All other provisions from Notice 2026-10 remain the same.



IRS Encourages Taxpayers to Use Online Services

Cross References

- IR-2026-102

The Internal Revenue Service is encouraging taxpayers to explore the growing number of IRS.gov online tools that can help them quickly and securely take care of common tax tasks.

IRS.gov offers secure, self-service options that can help taxpayers, businesses, and tax professionals get tax information and take action online. These tools can help users access tax records, check refund status, make payments, manage payment plans, view notices, request an identity protection PIN, and handle authorization requests.

“IRS.gov gives taxpayers secure options to get information and take action when it is convenient for them,” said IRS Chief Executive Officer Frank J. Bisignano. “Online services make it easier for taxpayers, tax professionals, and businesses to resolve many common tax matters quickly. As a digital-first agency, we are committed to expanding our online tools to better serve the public.”

IRS Individual Online Account. Taxpayers can use IRS Individual Online Account at <https://www.irs.gov/payments/online-account-for-individuals> to securely access personal tax information and complete many tasks online. After signing in, taxpayers can:

- View balance information by tax year.
- Make a same-day payment or schedule payments up to 365 days in advance from a bank account.
- View payment history and pending or scheduled payments.
- View key tax return information, including adjusted gross income.
- Access transcripts and available information return documents, including Forms W-2 and certain Forms 1099.
- Check the status of a refund or amended return.
- View digital notices from the IRS.
- Get an identity protection PIN.
- View, approve, and electronically sign certain authorization requests from tax professionals.

Taxpayers can also use the refund tracker at <https://www.irs.gov/refunds> to check refund status without signing in. Refund information is generally available 24 hours after the IRS receives an electronically filed current-year return, three days after an electronically filed prior-year return, or four weeks after a paper return is mailed.

Business Tax Account. Eligible businesses can use Business Tax Account at <https://www.irs.gov/businesses/business-tax-account> to manage certain federal tax responsibilities online. Available features depend on the business structure and the user's role.

Through Business Tax Account, eligible users may be able to:

- View business information on file with the IRS.
- View account balances and payment history.
- Make federal tax deposits, balance due payments, and other payments.
- View tax transcripts, an employer identification number verification letter, and tax compliance reports.
- View certain IRS notices and letters.
- Manage account access for authorized users.

Business Tax Account is available to several business and organization types, including sole proprietors, partnerships, S corporations, C corporations, federal, state, and local governments, Indian tribal governments, and tax-exempt organizations. Some users may have limited access based on their role in the entity.

Tax Pro Account. Tax professionals can use Tax Pro Account at <https://www.irs.gov/tax-professionals/tax-pro-account> to manage certain authorization requests and authorized taxpayer relationships online.

Tax Pro Account allows eligible tax professionals to request power of attorney and tax information authorizations, view taxpayer information, check authorization request status, view active authorizations, and withdraw

authorizations. When both the tax professional and individual taxpayer use IRS online accounts, certain authorization requests can be handled electronically.

Other IRS.gov tools. IRS.gov also offers helpful online tools and resources, including:

- Get Transcript at <https://www.irs.gov/individuals/get-transcript> to access personal tax records, including transcripts of past tax returns, tax account information, wage and income statements, and verification of non-filing letters.
- Direct Pay with Bank Account at <https://www.irs.gov/payments/direct-pay-with-bank-account> to make secure tax payments directly from a bank account.
- Payment Plan at <https://www.irs.gov/payments/online-payment-agreement-application> to apply for or manage a payment plan when taxpayers cannot pay in full.
- Tax Withholding Estimator at <https://www.irs.gov/individuals/tax-withholding-estimator> to help employees and pension recipients estimate federal income tax withholding.
- Interactive Tax Assistant at <https://www.irs.gov/help/ita> to find answers to many tax law questions.
- IRS2Go Mobile App at <https://www.irs.gov/help/app> to check refund status, make a payment, find free tax preparation assistance, and sign up for tax tips.

Protect personal information. The IRS reminds taxpayers to use only IRS.gov to access IRS online services. The IRS does not initiate contact with taxpayers by email, text messages, or social media to request personal or financial information.

Taxpayers should not share usernames, passwords, or other account information with anyone. Taxpayers who receive a suspicious message claiming to be from the IRS should not click links, open attachments, or respond.



Refundable Credits Not Allowed for Non-Qualified Aliens

Cross References

- REG-119882-25, August 20, 2026

The IRS has issued proposed regulations that would provide that the refunded portion of certain refundable federal income tax credits available to individuals is a “federal public benefit” under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). As a result, aliens who are not “qualified aliens” under PRWORA would be ineligible to receive the refunded portion of these refundable credits.

The proposed regulations would generally affect taxpayers claiming the following federal income tax credits: the Adoption Tax Credit, the American Opportunity Tax Credit, the Child Tax Credit, and the Earned Income Credit. As required by PRWORA, the proposed regulations also provide notice to the public and notify recipients of proposed changes regarding eligibility for the refunded portion of such federal income tax credits under PRWORA.

The proposed regulations clarify that to receive the credits, taxpayers must be a U.S. citizen, U.S. national, or “qualified alien,” which includes people with green cards, asylum recipients, refugees, and survivors of trafficking, and domestic violence. The proposed regulations will impact some immigrants in the country legally under certain visas as well as Deferred Action for Childhood Arrivals recipients. Qualified alien status is determined as of the date the taxpayer files the federal income tax return first claiming the affected credit. The proposed regulations would apply to tax years ending on or after the date the regulations are published as final regulations.

The proposed regulations would provide that only the refunded portion of an affected refundable tax credit is a federal public benefit. Accordingly, if the taxpayer is eligible for the affected refundable tax credit, the proposed regulations would bar receipt only of the portion of the sum of those affected refundable tax credits that exceed the income tax liability of the taxpayer.

New Schedule 3-A, Federal Public Benefit

Cross References

- Schedule 3-A (Form 1040), *Federal Public Benefit*
- <https://www.irs.gov/pub/irs-dft/f1040s3a--dft.pdf>

The IRS has released a draft version of new Schedule 3-A, *Federal Public Benefit*. The new form is required for taxpayers claiming the Earned Income Credit (EIC), the Additional Child Tax Credit (ACTC), the refundable portion of the American Opportunity Credit, or the refundable portion of the Adoption Credit.

The purpose of the form is to allow taxpayers to self-certify their eligibility for these refundable credits, which the IRS recently has determined to be “federal public benefits” under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. (REG-119882-25)

Federal public benefits are allowed only for taxpayers who are U.S. citizens, U.S. nationals, or qualified aliens. The new form allows taxpayers to declare and verify their immigration status or qualification requirements

to receive federal public benefits. Filers claiming federal public benefits must sign a formal declaration under penalty of perjury. Signing a federal tax return that includes a completed Schedule 3-A (Form 1040) fulfills this requirement. Failure to include it with the tax return can result in the immediate disallowance of the associated refundable credits.

Automatic Exemption from Penalty (AEP)

Cross References

- <https://www.irs.gov/payments/administrative-penalty-relief>

The IRS has announced a new Automatic Exemption from Penalty (AEP) provision. AEP begins in the summer of 2026. Under AEP, if a taxpayer files or pays late in the current year but has timely filed returns and paid tax due for the three prior years (or 12 consecutive quarters for quarterly filers), the taxpayer will not be assessed a penalty. The following return series are eligible for AEP consideration.

- Forms 1040, 1065, 1120
- Forms 940, 941, 943, 944, 945
- Form CT-1

AEP relief begins with this tax year and quarterly returns.

- 2025 tax year returns, and subsequent
- 2026 quarterly returns, and subsequent

Taxpayers will know if they get this relief because they will receive a letter explaining that even though they filed late, paid the tax late, or didn’t make the deposit timely, the applicable penalties were not assessed due to the taxpayer’s history of timely compliance. If a taxpayer receives a notice showing an assessed penalty but believes they should have qualified for this relief, contact the IRS.

How AEP works. AEP is applied when an original return completes processing.

If a taxpayer files an eligible, original return late, or pays the tax late, and IRS records show a history of timely compliance over the prior three years (or 12 consecutive quarters):

- The IRS won’t assess penalties for failure to file, failure to pay, or failure to make a deposit.
- The IRS will send the taxpayer a notice explaining AEP relief was applied.
- The taxpayer does not need to contact the IRS or respond to the notice.

Taxpayers are liable for payment of any unpaid tax, interest, or other penalty assessment not subject to AEP relief.

Penalties eligible for relief. The following penalties are eligible for relief, regardless of amount, under the new AEP.

Failure to file:

- Tax returns – IRC section 6651(a)(1)
- Partnership returns – IRC section 6698(a)(1)
- S corporation returns – IRC section 6699(a)(1)

Failure to pay:

- When the tax shown on the return is not paid by the due date – IRC section 6651(a)(2)
- When the tax is required to be shown on a return, but was not, and that tax was not paid by the date stated in the notice or demand for payment – IRC section 6651(a)(3)

Failure to deposit: When the tax was not deposited in the correct amount, within the prescribed time period, and/or in the required manner – IRC section 6656

How to qualify for the relief. A taxpayer must have a timely compliance history. This means:

- The same return type, as the original return, was timely filed for the prior three years (or 12 consecutive quarters),
- Either no penalty (except the estimated tax penalty) was assessed or a penalty was assessed, but later abated for reasonable cause or IRS error, and
- The taxpayer meets the additional criteria listed below for business returns.

Additional requirements for business taxpayers. In addition to the above:

- The IRS did not waive the failure to deposit penalty four or more times during the prior three years (or 12 consecutive quarters), and
- The failure to deposit penalty was not charged for Electronic Federal Tax Payment System (EFTPS) avoidance.

Not eligible for the relief. A taxpayer cannot receive this relief for:

- Returns filed once or infrequently (i.e., event-based filing requirements)
- The daily delinquency penalty (DDP), or
- Information reporting dependent on another filing.



FinCEN Permanently Ends Beneficial Ownership Reporting

Cross References

- <https://home.treasury.gov/news/press-releases/>

The U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) has issued a final rule that permanently removes the requirement for U.S. companies and U.S. persons to report beneficial ownership information to FinCEN under the Corporate Transparency Act. The final rule became effective on August 14, 2026. FinCEN has also announced that it will delete previously reported information by U.S. persons, now exempt from the reporting requirements, from the beneficial ownership information database.

"Today's action is a victory for common sense and American small businesses," said Secretary of the Treasury Scott Bessent. "President Trump promised to cut red tape, and this final rule delivers. Treasury is eliminating a burdensome reporting requirement for millions of law-abiding business owners without compromising our national security."

The final rule:

- Adopts the exemptions set out in the interim final rule issued in March 2025, making the rollback of beneficial ownership reporting by U.S. companies permanent,
- Exempts U.S. persons who have obtained FinCEN IDs from any obligation to update or correct the information they originally provided to FinCEN to obtain their FinCEN IDs,
- Eliminates the requirement for foreign companies to report U.S. person "company applicants" (i.e., the individuals who helped those foreign companies register to do business in the United States),
- Exempts foreign pooled investment vehicles registered in the United States from reporting the beneficial ownership information of a U.S. person in control of the investment vehicle, and
- Confirms that FinCEN will delete information about any individuals (company applicants, beneficial owners, or recipients of a FinCEN ID) that FinCEN reasonably believes is a U.S. person (e.g., the information is linked to a U.S. passport or U.S. driver's license).

Under the final rule, foreign entities that are reporting companies will still be required to report beneficial ownership information for foreign individuals.

