



International Union of Operating Engineers

AFFILIATED WITH THE AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

July 27, 2015

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Mr. Andrew R. Davis
Chief of the Division
of Interpretations and Standards
Office of Labor-Management Standards
200 Constitution Avenue NW, Room N-200
Washington, DC 20210

Dear Mr. Davis:

This letter shall constitute comments on the Proposal of the Office of Labor-Management Standards to require all LM filings including LM-3 and LM-4 to be submitted electronically. We oppose this requirement for the reasons stated below.

The International Union of Operating Engineers (IUOE) is an International Union representing about 380,000 members in the United States and Canada. The IUOE primarily represents operating engineers, who work as heavy equipment operators, mechanics and surveyors in the construction industry, and stationary engineers who work in operations and maintenance in building and industrial complexes, and in the service industries. The IUOE also represents nurses and other health care workers, a significant number of public employees engaged in a variety of occupations, as well as various workers in the petrochemical industry. The 118 local unions affiliated with the IUOE range in size from more than 30,000 members to a number of very small Locals of less than 100. It is estimated that there are about a dozen Locals that have revenues of less than \$250,000 that are able to file LM-3 reports with the Department of Labor or that have revenue of less than \$10,000 that allows for the simplified LM-4 filing.

The DOL existing DOL mandate for E-filing of LM-2's for Locals with cash receipts of over \$250,000 is appropriate because these locals have the resources, staff and expertise to comply without an undue burden. The same is not true for Locals that qualify for LM-3 or LM-4 status. These small locals often prefer not to file electronically because they are not comfortable with information technology and lack the expertise and resources to adapt easily or readily to this technology. In most instances, these small locals are governed by officers who work full time with union business conducted after-hours often out of their homes. It would be an administrative burden to mandate electronic filing given these circumstances. We further note that the proposed hardship exception is not continuing in nature, it just postpones the inevitable.

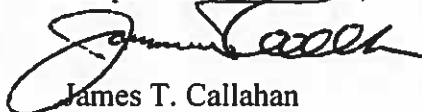
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Other agencies do not mandate electronic filing for all filers. Attached is an IRS summary showing that not-for-profit form 990 has to be e-filed only for organizations with \$10 million or more in assets. Partnerships have to e-file Form 1065 only if they have more than 100 partners. The point is that the IRS recognizes that very small entities may experience hardships with e-filing requirements (computer access, obtaining PIN's, technical expertise) and while encouraging e-filing does not mandate it for organizations under a certain size. OLMS should do the same. It should hold off on a one size fits all approach and recognize that there are a handful of small locals for most Internationals that would benefit from outreach and training before an across-the-board mandate was contemplated or adopted. Locals that file LM-3's and 4's should be encouraged to file electronically but not required to do so.

Respectfully submitted,



James T. Callahan
General President

JTC:as
Attachment

cc: Brian A. Powers, General Counsel

For Corporation Returns use the ShortPeriodReason1120SInd or ShortPeriodReason1120FInd fields to provide the regulatory citation or reason for the Short Period Return”.

Use ShortPeriodReason1041Ind in the Form 1041 schema to identify the reason for the short period return.

1.4.8 Taxpayers Required to e-File Original and Amended Returns.

IRS requires that certain taxpayers file their returns electronically:

- **Forms 1065/1065-B** - Section 1224, of the Taxpayer Relief Act of 1997, requires partnerships with more than 100 partners (Schedules K-1) to file their return on magnetic media (electronically as prescribed by the IRS Commissioner). This law became effective for partnership returns with taxable years ending on or after December 31, 2000.
- **Forms 1120/1120S/1120-F** - Treasury Decision (T.D.) 9363 requires corporations that have assets of \$10 million or more and file at least 250 returns annually to electronically file Forms 1120 and 1120S for Tax Years ending on or after December 31, 2006, and this requirement extends to foreign corporations filing Form 1120-F who have Tax Years ending on or after December 31, 2008, have assets of \$10 million or more and who file at least 250 returns annually.
- **Form 990** - T.D. 9363 requires exempt organizations with \$10 million or more in total assets to electronically file their Form 990 if the organization files at least 250 returns in a calendar year, including income, excise, employment tax and information returns for Tax Years ending on or after December 31, 2006.
- **Form 990-PF** - T.D. 9363 requires private foundations and non-exempt charitable trusts to file Form 990-PF electronically regardless of their asset size, if they file at least 250 returns annually for Tax Years ending on or after December 31, 2006.
- **Form 990-N (e-Postcard)** - Section 6033(i)(1) of the Protection Act of 2006, Public Law 109– 208, 120 Stat. 1090 (2006) (PPA 2006), and T.D. 9454 requires that, effective for tax periods beginning after 2006, every organization exempt from taxation under section 501(a) that is not required to file a return described in § 1.6033– 2(a)(2), other than an organization described in section 401(a) or 501(d), shall submit annually, an electronic notification to the IRS. The notification will provide evidence of the continuing basis for the organization’s exemption from the filing requirements under section 6033(a)(1).
- **Form 2290** - The American Jobs Creation Act requires taxpayers who register 25 or more vehicles for any taxable period to electronically file their Form 2290 tax return. Though this requirement became effective July 1, 2005, excise e-file was not available until August 2007.

The IRS developed special guidance to assist corporations, partnerships and exempt organizations with the transition from filing a paper return to electronic filing.

This guidance applies to corporations and exempt organizations required to e-file under final regulations (T.D. 9363, 12-03-2007).