

TAXPRO BUZZ

Current blog posts, articles and other online items of interest to tax professionals.
Compiled by Robert D Flach - the internet's "[Wandering Tax Pro](#)"

JULY 15, 2016

ATTENTION TAX
PROFESSIONALS -

CHECK OUT THE EDITORIALS
HERE AND EMAIL
rdftaxpro@yahoo.com WITH
YOUR THOUGHTS AND
COMMENTS

THE TAX PROFESSIONAL

CHECK OUT MY BOOKS,
GUIDES, REPORTS,
NEWSLETTERS, REPRINT
RIGHTS, AND OTHER
GOODIES FOR TAX PROS -

RESOURCES FOR TAX PROFESSIONALS

AND FEEL FREE TO SHARE
WITH COLLEAGUES AND
CO-WORKERS.

CHECK OUT UNIQUE
NEWLETTER FOR NJ STATE
TAXPAUERS

THE NJ-1040 LETTER

+ Jason Dinesen of DINESEN TAX TIMES discusses de minimis personal usage of office space in his 4th of July post "[From the Archives: Rare Home Office Deduction Win in Tax Court](#)".

+ Check out "[Accounting Today July 2016 Digital Edition](#)".

+ The IRS has released [Information Letter 2016-0036](#) on the tax treatment of crowdfunding.

The "Checkpoint Newstand" analysis of the letter tells us -

"In the Information Letter, IRS concluded that generally, money received without an offsetting liability (such as a repayment obligation), that is neither a capital contribution to an entity in exchange for a capital interest in the entity nor a gift, is includible in income. The facts and circumstances of a particular situation must be considered to determine whether the money received in that situation is income.

What that means is that crowdfunding revenues generally are includible in income if they are not:

- 1. Loans that must be repaid;*
- 2. Capital contributed to an entity in exchange for an equity interest in the entity; or*
- 3. Gifts made out of detached generosity and without any "quid pro quo". However, a voluntary transfer without a "quid pro quo" isn't necessarily a gift for federal income tax purposes.*

In addition, crowdfunding revenues must generally be included in income to the extent they are received for services rendered or are gains from the sale of property."

Go [here](#) to subscribe to the week-day daily Thomson Reuters Tax & Accounting News Checkpoint Daily Newsstand Email.

+ It seems that the infamous "47%" is not 44%. The Tax Policy center's TAX VOX blog gives us "[A Closer Look At Those Who Pay No Income Or Payroll Taxes](#)".

- + From the IRS - [Tax Professionals: Protect Your Clients; Protect Yourself from Identity Theft](#).
- + And "[Tax Relief for Victims of Severe Storms, Flooding, Landslides and Mudslides in West Virginia](#)".
- + And from the National Taxpayer Advocate - "[FY 2017 Objectives Report To Congress](#)".
- + Have you heard? Beginning June 30 and running through August 30, the Alabama Department of Revenue (ADOR) is offering an amnesty program for delinquent state and state-administered local taxes for a 3-year look-back period of from January 1, 2012 through December 31, 2014.

Click [here](#) for more information.

- + Michael Cohn from ACCOUNTING TODAY reports that a new "[Group Plans to Audit the IRS](#)" -

"A self-styled tax watchdog group has launched an effort to independently audit the Internal Revenue Service, with the help of taxpayers.

The Tax Revolution Institute—a Washington, D.C.-based nonprofit that says it promote 'justice and integrity in the tax system'—has created a new website, [AuditIRS.com](#), where it hopes to collect personal experiences from taxpayers about their encounters with the IRS.

The group plans to conduct an 'audit' of the IRS's treatment of individual taxpayers and small businesses and the agency's own employees, work culture and finances. It will also examine the taxpayer advice given by the IRS along with IRS policies and enforcement."

And –

"The Tax Revolution Institute is asking any taxpayers, business owners, government employees to submit information about their experiences with the IRS, either positive or negative, to [AuditIRS.com](#). The group said it will never publish any personally identifying information, unless it is invited to do so by the person who provided it." Presumably they also want to hear from tax professionals.

- + Are you aware of the existence of the "[First Time Abate: The 'Get Out of Tax Penalties Free' Card](#)"? Paul Mancinone and Alison Walsh explain this special apparently little-known IRS penalty abatement program at ACCOUNTING TODAY.

I have used this program successfully a couple of times during the past few years.

According to the article –

"In 2012, the Treasury Inspector General for Tax Administration pointed out that the IRS failed to inform about 1.45 million taxpayers that they qualified for this relief, resulting in \$181 million in waivable penalties. TIGTA recommended the IRS ensure taxpayers are aware of this potential waiver. However, from what we see, this has not been the case. Most practitioners, as well as the vast majority of taxpayers, are not familiar with this most welcome opportunity."

- + [Internal Revenue Bulletin: 2016-21](#) deals with "final and temporary regulations that clarify the employment tax treatment of partners in a partnership that owns a disregarded entity." The issue here is partners in an entity taxed as a partnership getting W-2s – which is wrong. I haven't seen this lately, but in the past have seen CPAs making this mistake.

Send your comments, any TAX PRO BUZZ you want to share with your colleagues to Robert D Flach at rdftaxpro@yahoo.com with "Tax Pro Buzz Comment" in the "subject line.

TAX PROFESSIONAL RESOURCES:

TAX PROFESSIONAL FORMS, SCHEDULES, AND WORKSHEETS - I have been preparing 1040s since 1972. Over the years I have developed a collection of forms, schedules and worksheets that have proven very helpful in my practice. Some forms are given to clients to help them provide me with the information I need to prepare their returns. Some are used as "memos" to the client's copy and my office file copy to back-up items reported on the returns. Others are used as attachments to the returns. Please be aware that this is copyrighted material and is for your internal use only.

ROBERT D FLACH'S THE SCHEDULE C LETTER - A newsletter of tax planning and preparation advice, information, and resources for self-employed sole proprietors reporting income and expenses on Schedule C. A great resource for someone thinking about starting a sideline business as well as the veteran small businessperson. Published every-other month, also included in each issue will be unique forms, logs and worksheets.

WON'T YOU TAKE THIS ADVICE I HAND YOU LIKE A BROTHER - My best timeless tax advice based on over 40 years of preparing 1040s for taxpayers in all walks of life.

THE NJ-1040 LETTER - A unique newsletter of tax planning and preparation advice, information, and resources written exclusively for the New Jersey State taxpayer. Published 6-times a year - July, October, January, February, March, and April.

REPRINT RIGHTS:

BUSINESS EXPENSE GUIDE – Detailed information on what is and is not deductible and the rules for when and how to claim deductions for business expenses, including several worksheets for keeping track of business expenses.

CHARITABLE CONTRIBUTIONS GUIDE – Detailed information on what is and is not deductible and the rules for claiming a deduction for your charitable giving, including several worksheets for keeping track of deductible charitable contributions.

GUIDE TO EDUCATION TAX BENEFITS – A detailed listing of the various tax credits, deductions, and exclusions available to help fund your or your dependents' college and graduate school education.

ITEMIZED DEDUCTIONS GUIDE – A listing and explanation of the expenses you can claim as Itemized Deductions on Schedule A.

MEDICAL EXPENSE GUIDE - A detailed listing of what you can deduct as a medical expense on Schedule A - if you are lucky, or unlucky, enough to have enough expenses to exceed the AGI exclusion - plus several worksheets to help you keep track of your deductions.

MORTGAGE INTEREST GUIDE – A discussion of what you can deduct as mortgage interest on Schedule A, who can claim the deduction, types of mortgage debt, limitations on deductible mortgage interest, refinancing, and points, and with worksheets, and complete instructions and detailed examples, for keeping track of acquisition debt and home equity debt.

POSITIVELY TAXES – A TAX-DEDUCTIBLE VACATION – This report explains in detail how to make your next vacation tax deductible by attending a job or business related conference or convention, and includes worksheets to help you keep track of your deductible expenses.

POSITIVELY TAXES – MINIMIZING REPORTED GAMBLING WINNINGS - It has always been important for frequent gamblers to keep detailed “contemporaneous” records of gambling activity to minimize the tax cost of winnings, but recent developments have made this even more vital. This report explains the basics of the taxation of gambling activity and how keeping a gambling log for your casino visits can save you tons of taxes and includes valuable worksheets.

POSITIVELY TAXES – REDUCING ADJUSTED GROSS INCOME - The most important number on your tax return is your Adjusted Gross Income (AGI). This report explains why and discusses how to reduce your 2016 AGI during the year and when preparing your Form 1040.

POSITIVELY TAXES – TAX ASPECTS OF DIVORCE – It is vital that individuals involved in a divorce proceeding have the agreement carefully reviewed by a tax professional before it is finalized. Tax consequences, both current and future, must be considered and factored into many aspects of the divorce agreement and property settlement. This report provides basic information on the tax treatment of various divorce-related topics and discusses some of the tax considerations related to divorce decisions.

TAX GUIDE FOR NEW HOMEOWNERS - A detailed discussion of the various tax benefits available to homeowners, with worksheets to help you keep track of your home-related deductions.

ROBERT D FLACH’S THE SCHEDULE C LETTER, WON’T YOU TAKE THIS ADVICE etc, and THE NJ-1040 LETTER will be delivered as a pdf email attachment. The forms, schedules, and worksheets compilation and the guides and reports for which reprint rights are purchased will be delivered as word email attachments so you can personalize them.

ABOUT THE AUTHOR:

Robert D Flach has been preparing 1040s for individuals in all walks of life since 1972.

He has been writing the popular tax blog THE WANDERING TAX PRO since the summer of 2001. He is the creator and author of the websites THE TAX PROFESSIONAL and FIND A TAX PROFESSIONAL, and is the founder of TAX PROFESSIONALS FOR TAX REFORM.

He has been a member of the National Association of Tax Professionals for over 30 years, and often writes for the Association’s TAXPRO JOURNAL as well as the newsletter of the New Jersey state chapter, and has also written guest posts for a variety of tax and personal finance blogs. He has created and compiled several packages of forms, schedules and worksheets and special books, reports, and guides on tax planning and preparation for the average taxpayer.

Robert is available to write articles and columns for websites and portals and print or email newsletters, on general tax topics, or specifically for your individual audience. You can find samples of his tax writings online at <http://robertdflach.blogspot.com>.

TAX PLANNING AND PREPARATION RESOURCES
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_____	Positively Taxes: Tax Deductible vacation - print edition	2.00	_____
_____	Positively Taxes: Tax Aspects of Divorce - print edition	2.00	_____

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