

HLB NATSG Conference

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Charles Metjian

Miller Wachman LLP, Boston MA

www.millerwachman.com

HLB USA- North American Tax Conference-December 2015.....since Cancun.....

I. Super Bowls of Money/Revenues—anything is possible

THE BIG 4 potential changes:

- A) Retirement plans (Marcia Wagner Esq.)
 - Oversized balance allowance/super tax
 - Simplification of overall menu choices

- B) Residence mortgage interest/taxes
 - Second residence limits
 - Elimination /reductions via lowering rates

- C) Municipal bonds interest income
 - Alt Min Tax - PAB
 - NIIT effects (TTA article below)

- D) Endowments/Charitable Donations

“Harvard endowment must perform better, chief says....the \$37.6 billion fund posted a gain of 5.8 percent for the year, but trailed returns from schools such as Stanford and MIT. CEO Stephen Blyth also said he wants to explore a new compensation model for the operation, which manages Harvard's endowment. The letter states that the endowment is at an all-time high in nominal dollars but remains below its 2008 peak in real dollars, or when adjusted for inflation.”

UBTI/PILOT/Charitable Contribution Deduction implications:

<http://www.bna.com/cornell-vs-congress-b57982062956/>

Other large angles for changes...Section 1031....ordinary and necessary meals

<http://boston.cbslocal.com/2015/08/18/b Bruins-jeremy-jacobs-irs-pregame-meal-tax/>

<http://www.canadiantaxlitigation.com/nhl-team-denied-deduction-for-road-meals>

II. Disruptor model companies/industries...”sharing economy”

Employee testing wars...easy as A & B & C (in 19 states):

- A. Free from control, direction etc.
- B. Outside employer’s business line...”essential”
- C. Customarily engaged in the business

Home sharing- Airbnb “will cooperate”and is now a “movement”

http://www.nytimes.com/2015/11/12/technology/airbnb-pledges-to-work-with-cities-and-pay-fair-share-of-taxes.html?emc=edit_dlbkam_20151112&nl=dealbook&nid=14162820&r=0

Ride sharing....Uber and Lyft

Brown Ferris case @ August- NLRB ruling – redefining arguments/guideposts.

Key issues are staffing agencies/subcontractors:

<http://www.employmentmattersblog.com/2015/11/nlrb-discusses-joint-employment-for-the-first-time-since-browning-ferris/>

Agencies/written agreements are no guarantee...avoid use of:

- Perks/business cards/benefits/schedules/tools/office space/full time hours/reimbursed expenses

Do get documentation:

- Workers Comp Insurance certificates
- Business cards

ABLE ACT- IRC Section 7705(c) – “professional employers” @ 1/1/2016 1 of 277 priority IRS projects:

<http://www.napeo.org/docs/SBEA%20Amendment%20in%20the%20ABLE%20Act.pdf>

THE HACK and related fallout- 100,000 victims? - IRS transcript system

AICPA related guidance:

- Verification standards - 33 pages @ October 22nd
- Identity theft resources:

<http://www.aicpa.org/InterestAreas/Tax/Resources/IRSProcedureAdministration/Pages/IDTheftInformationandTools.aspx>

FBAR penalties /OVDP update:

[https://www.irs.gov/uac/Newsroom/Offshore-Compliance-Programs-Generate-\\$8-Billion;-IRS-Urges-People-to-Take-Advantage-of-Voluntary-Disclosure-Programs](https://www.irs.gov/uac/Newsroom/Offshore-Compliance-Programs-Generate-$8-Billion;-IRS-Urges-People-to-Take-Advantage-of-Voluntary-Disclosure-Programs)

“Since OVDP began in 2009, there have been more than 54,000 disclosures. The IRS has collected more than \$8 billion from this initiative. The streamlined procedures, initiated in 2012, were developed to accommodate a wider group of U.S. taxpayers who have unreported foreign financial accounts but whose circumstances substantially differed from those taxpayers for whom the OVDP requirements were designed. More than 30,000 taxpayers have used streamlined procedures to come back into compliance with U.S. tax laws. Two-thirds of these have used the procedures since the IRS expanded the eligibility criteria in June 2014.”

BEPS:

“There is a moral imperative here, but it falls on the shoulders of Congress, not on corporations”

“While rarely, if ever, paid in full, the 35 percent statutory corporate tax rate in the United States is higher than in other countries. Most important, the United States taxes the worldwide income of its domestic companies, while many major

countries do not. Even though there are ways around that requirement, it is tempting for American companies to move their tax homes elsewhere.”

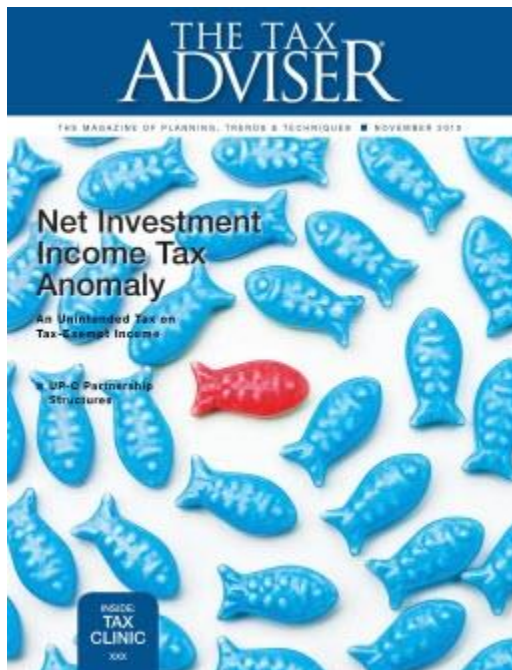
“What is fascinating about the company’s accounting achievements — if you can conceive of accounting as fascinating — is that Pfizer has been deftly exploiting tax anomalies for years, yet it is evidently convinced that it can do even better with a foreign tax address.”

http://www.nytimes.com/2015/11/15/your-money/a-tax-cutting-move-that-pfizer-can-hardly-resist.html?partner=rss&emc=rss&_r=0

(BIG THREE DISRUPTORS @ DOWNTOWN BOSTON –Seidman-Charles- Harry)

Bitcoin / Crowdfunding - open issues/treatments (federal and state)

III. Nitsy liabilities



Effects of flow through status with garden variety FLP/IDGT structures

Municipals exempt income and related expenses/allocations (TTA article above)

Decedent's estate income and status attribution:

- Form 8582 instructions re “active” for <2 years post DOD
- Impact of related estate and trust Section 645 elections
<http://www.american.edu/kogod/taxcenter/upload/2015-04-13-Tax-Notes-Williamson.pdf>

Mandated Health Insurance:

https://en.wikipedia.org/wiki/Health_insurance_mandate#Criticism_of_individual_mandate

1. Massachusetts state mandate /base model “Romneycare” @ 2005- Staples
2. Key breakpoints re Section 4980H for employers with USA employees:
 - 100 employees- 1/1/14
 - Enforcement 1/1/15
 - 50-99 employees – 1/1/16

Form 1040 “What’s New”

Health care: individual responsibility. You must either:

Indicate on line 61 that you, your spouse (if filing jointly), and your dependents had health care coverage throughout 2014,

Claim an exemption from the health care coverage requirement for some or all of 2014 and attach Form 8965, or

Make a shared responsibility payment if, for any month in 2014, you, your spouse (if filing jointly), or your dependents did not have coverage and do not qualify for a coverage exemption. See the instructions for line 61 and Form 8965 for more information.

Remote Transactions Parity Act - 9,000 jurisdictions:

\$1 mill “small reseller” could be higher and lower and zero.

<http://www.natlawreview.com/print/article/internet-sales-tax-remote-transactions-parity-act-introduced-us-house>

Repair Regs Redux –

Form 3115 - Withum kudos

<http://partners-network.com/2015/02/05/irs-form-3115-sin-and-travesty/>

Pending key guidance topics –Tenants LI, Partial dispositions