

HLB North American Tax Conference

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Lessons via 2017 – games and gamesmanship – level playing fields?

- “Never nod”- DMT1040 - disclosures
- More unwritten rules...heads/tails/boundaries
- The real odds.... 99.8% as not enough

First quarter: “yes and no”

- GE # 12/13/14 > Boston - 24,000 pages
<https://www.journalofaccountancy.com/issues/2017/mar/pwc-to-add-ge-tax-team.html>
- IRS examinations/H.R. 3220
<http://eetax.org/images/EETAX/HR%203220%20Preserving%20Taxpayers%20Rights%20Act%20-%20Sec%20by%20Sec1.pdf>
- IRS collections
<https://www.irs.gov/newsroom/private-collection-of-some-overdue-federal-taxes-starts-in-april-those-affected-will-hear-first-from-irs-irs-will-still-handle-most-tax-debts>
- IRS security
- PTIN- email address- identification/Equifax/e-Services
https://www.thetaxadviser.com/news/2017/oct/irs-delays-re-launch-of-e-services-201717758.html?utm_source=mnl:taxinsider&utm_medium=email&utm_campaign=02Nov2017

First Quarter: “yes and no”

- Fake>De Facto - businesses/ statutes
- *Sun Capital* - see 2016 outline
- *Hylton* T.C. Memo 2016-234
- “Closed years” - statutes of limitations /new partnership audit rules
https://www.thetaxadviser.com/issues/2017/oct/sec-481-adjustment-end-run-around-statute-limitation.html?utm_source=mnl:taxinsider&utm_medium=email&utm_campaign=26Oct2017
<https://www.journalofaccountancy.com/issues/2017/oct/accounting-method-changes-make-closed-years-relevant.html>

Second Quarter: Responsibilities and regulations- the real rules?

- **FEDERAL- IRS**

OPR /Circular 230 critiques /PTIN systemic issues/FAFSA

https://www.americanbar.org/content/dam/aba/publishing/tax_lawyer/vol70/703/hawkins-griswold-lecture-ttl-spring17-p647-659.authcheckdam.pdf

FAQ and Q&A issues re disclaimer/traps for unwary

<https://taxpayeradvocate.irs.gov/news/irs-frequently-asked-questions-can-be-a-trap-for-the-unwary>

Mescalero

<https://taxpayeradvocate.irs.gov/news/the-irs-s-position-in-mescalero-apache-tribe-v-commissioner-raises-concerns-about-the-irs-s-commitment-to-taxpayer-rights>

Second Quarter

- **STATE/LOCAL**

Pending Federal changes/impacts

Mobile Workforce SITS legislation

<http://www.mobileworkforcecoalition.org/>

Quill related litigation

- **PEOs and CPEOs:**

<https://www.thetaxadviser.com/issues/2017/nov/liability-payment-employment-taxes-peo.html>

- **Collateral impacts**

R&D credit calculation flow through entity owner

Health Insurance coverage penalties – stacking regulations

International scaling- 185 countries

Third Quarter: INTERNATIONAL- the plot thickens

- ITIN procedures change- new CAA status
- CbC reporting update - Form 8975 @ June 2017
https://www.irs.gov/irb/2017-07_IRB#RP-2017-23
- 1120 Schedule UTP phase in likely example?
Currency regulations – status of “burdensome”
Exchanges begin @ June 2018
<https://www.irs.gov/pub/foia/ig/spder/lbi-04-1017-006.pdf>
- “Off the books” debts even higher?
<http://http.crfb.org/blogs/big-6-tax-framework-could-cost-22-trillion>
- USA Transparency/FATCA
<https://www.americanbar.org/content/dam/aba/events/taxation/taxiq/fall17/taxiq-17fall-usaftt-hidingtheball-hansen-slides.authcheckdam.pdf>

Third Quarter: INTERNATIONAL- the plot thickens

- “Dirty Dozen” supplement - LB&I “campaigns” @ November 2017
<https://www.irs.gov/businesses/large-business-and-international-launches-compliance-campaigns>
<https://www.thetaxadviser.com/issues/2017/jan/lbi-reorganization-affect-midmarket-taxpayerso.html>
- **Transfer Pricing**
TPPO-- treaties and transfer pricing operations practice area
1/2 of issues and 3/4 of \$\$ adjustments
2016 realignment/Publication 5125 of LB&I
<https://www.irs.gov/pub/irs-utl/p5125.pdf>
CCCTB goal of uniformity/OECD/BEPS
<http://www.oecd.org/tax/exchange-of-tax-information/country-by-country-reporting.htm>
EC versus Apple and definitions- international norm/ APA systems/overreaching

Fourth Quarter- “reform” is @ the goal line

- Daylight “robbery”?

<http://www.bostonglobe.com/opinion/2017/11/13/the-gop-tax-cut-daylight-robbery/oFF1Y8MFy7rH8eyEzWA7iM/story.html>

- States’ substitutes and interface tie-ins

2005 (and earlier) IRC preferences – MDOR example:

“As a general rule, Massachusetts does not adopt any federal personal income tax law changes incorporated into the Code after January 1, 2005. However, certain specific Massachusetts personal income tax provisions, as set forth in G.L. c. 62 § 1(c), automatically conform to the current Code. Provisions of the Code Massachusetts adopts on a current Code basis are (i) Roth IRAs, (ii) IRAs, (iii) the exclusion for gain on the sale of a principal residence, (iv) trade or business expenses, (v) travel expenses, (vi) meals and entertainment expenses, (vii) the maximum deferral amount of government employees’ deferred compensation plans, (viii) the deduction for health insurance costs of self-employed taxpayers, (ix) medical and dental expenses, (x) annuities, (xi) health savings accounts, (xii) employer-provided health insurance coverage, and (xiii) amounts received by an employee under a health and accident plan. See TIRs 98-8, 02-11, 07-4, and 09-21 for further details.”

Fourth Quarter- “reform” is @ the goal line

- ASC 606 impacts

ABA comments re transitions/ issues/ Forms 3115, etc. @ September 2017

Estate and Gift tax impacts

Carryover basis as revenue source to offset cost of phase out?

Federal versus state market value basis adjustments?

- “Be Glad?!”

https://www.nytimes.com/2017/11/17/your-money/tax-bills-accountants.html?em_pos=large&emc=edit_my_20171120&nl=your-money&nid=14162820&ref=headline&te=1