

# HLB North American Tax Conference

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CERTIFIED PUBLIC ACCOUNTANTS

## “Efficient” “Fair” “Simple” reforms.....NOT

- [https://www.americanbar.org/content/dam/aba/publishing/tax\\_lawyer/vol71/713/mcmahon-griswold-lecture-tax-policy-elegy-ttl-spring18-p421-444.pdf](https://www.americanbar.org/content/dam/aba/publishing/tax_lawyer/vol71/713/mcmahon-griswold-lecture-tax-policy-elegy-ttl-spring18-p421-444.pdf)
- <https://www.americanbar.org/groups/taxation/publications/abataxtimes/home/18aug/18aug-pit-greenaway-interview-with-steve-roenthal/>

## Walls Rise

- Charity status and IRS Form 1023-EZ as unacceptably EZ  
<https://www.journalofaccountancy.com/news/2018/jan/irs-form-1023-ez-asks-mission-and-activities-201818130.html>
- “Disguised” donors-501(c)(4) entities as “social welfare”  
<https://www.politico.com/story/2018/08/04/campaigns-dark-money-groups-donors-anonymous-ruling-762440>
- IRS File Transcripts  
Customer File Number change...e.g. FAFSA/FEMA...any 10 digits  
<https://www.irs.gov/newsroom/coming-soon-a-new-tax-transcript-to-better-protect-taxpayer-data>  
<https://www.irs.gov/forms-pubs/about-form-4506-t>

## Walls Fall

- Tax on business income
  - *Sun Capital* issues...but is the business really a business?  
(Note new 2018 investment management fees limit)  
<https://www.chamberlainlaw.com/us-business-and-international-tax-developments/understanding-the-new-carried-interest-characterization-of>  
<https://www.thetaxadviser.com/issues/2018/jul/trade-business-include-activities-conducted-different-entity.html>  
<https://www.thetaxadviser.com/issues/2018/aug/lender-management-llc-investment-partnerships.html>

## Walls Fall (Cont.)

- Territorial limits....where is this business income earned?
  - 965 Transition/BEAT/951 GILTI
    - [https://www.ey.com/Publication/vwLUAssets/Report\\_on\\_recent\\_US\\_international\\_tax\\_developments\\_-\\_12\\_October\\_2018/\\$FILE/2018G\\_011453-18Gbl\\_Report%20on%20recent%20US%20international%20tax%20developments%20-%2012%20Oct%202018.pdf](https://www.ey.com/Publication/vwLUAssets/Report_on_recent_US_international_tax_developments_-_12_October_2018/$FILE/2018G_011453-18Gbl_Report%20on%20recent%20US%20international%20tax%20developments%20-%2012%20Oct%202018.pdf)
    - <https://www.ey.com/gl/en/services/tax/international-tax/alert--report-on-recent-us-international-tax-developments---19-october-2018>
    - [https://en.wikipedia.org/wiki/Base\\_erosion\\_and\\_profit\\_shifting](https://en.wikipedia.org/wiki/Base_erosion_and_profit_shifting)

### Wayfair/Quill

Narrowing focus on exactly where-

Physically/Cyberspace/Agents/fulfillment providers

## On the Other Side=?.....Scenarios

- Berlin example
- Space Force and space travel-territorial
- Shifting definitions of employment
  - 2020 is era of 50/50 split...prudent?
    - Litigation potential e.g. noncompetition agreements
    - Amending of 500k W-2 forms - side effects:
      - <https://www.ifebp.org/news/regulatoryupdates/Pages/ssa-update-2018.aspx>

## Still More Dust Ups and Settling

- Tax Reform 2.0 !!
- IRS
  - Reform 2.0 !  
<https://www.thetaxadviser.com/issues/2018/oct/momentum-tax-reform-irs-reorganization.html>
  - April 17 2018 system crash
  - Fraud level via refunds @ 21 BIG ones (?)

## Trade Wars

- <https://www.bostonglobe.com/business/2018/10/21/the-biggest-barrier-trump-plan-for-cutting-trade-deficit-trump/hyHv2knrmlGT8Ho6mtoHol/story.html>

## Regular TCJA

- [https://lawprofessors.typepad.com/trusts\\_estates\\_prof/2018/08/3-tax-breaks-that-may-be-better-in-the-long-run.html](https://lawprofessors.typepad.com/trusts_estates_prof/2018/08/3-tax-breaks-that-may-be-better-in-the-long-run.html)

## Other Open Issues – Federal Versus States Versus Foreign

- DHS-Sanctuary
- AG-Legalized Substances
- IRS-
  - (Blue State) December 2017 Tax Payments
  - Section 965
    - Individual shareholder level:
      - Nonresidents pre-post 2017-Federal (and states)
    - Continuing interested third parties:

<https://www.americanbar.org/content/dam/aba/administrative/taxation/policy/102918comments1.pdf>

## Other Open Issues – Federal Versus States Versus Foreign

- Depreciation  
October 31, 2018 posting-key business  
<https://www.irs.gov/newsroom/tax-cuts-and-jobs-act-a-comparison-for-businesses>  
Our friend Tony Nitti:  
<https://www.forbes.com/sites/anthonymitti/2018/01/02/tax-geek-tuesday-changes-to-depreciation-in-the-new-tax-law/#27c48ocf2c4b>
- FBAR/FATCA/Currency Alternatives  
<https://www.americanbar.org/content/dam/aba/administrative/taxation/policy/050218comments.pdf>  
<https://www.thetaxadviser.com/newsletters/2018/oct/offshore-account-holders-beware.html>
- AICIPA Advocacy 2018  
<https://www.aicpa.org/advocacy/tax/2018taxadvocacycommentletters.html>

Everything old is new again...e.g. late in the game moves – Decembers @ 1969 and forward

e.g. ....“Hey! Nice car! Does it come with turn signals!?”

## Love

143 and Madaket Millie

<https://www.wsj.com/articles/goodbye-swaggering-ceos-hello-mr-rogers-1541217661>

## Section 199A

- Safe? (199 wasn't)
- Lower penalty threshold for understatements
- A new author friend
- THANK YOU TONY NITTI!!!

[https://www.journalofaccountancy.com/issues/2018/nov/irs-sec-199a-business-deduction.html?utm\\_source=mn:taxinsider&utm\\_medium=email&utm\\_campaign=01Nov2018](https://www.journalofaccountancy.com/issues/2018/nov/irs-sec-199a-business-deduction.html?utm_source=mn:taxinsider&utm_medium=email&utm_campaign=01Nov2018)

<https://www.thetaxadviser.com/issues/2018/apr/understanding-sec-199A-business-income-deduction.html>

<https://www.wsj.com/articles/everything-you-need-to-know-about-the-new-tax-law-before-the-end-of-the-year-1541151030>

*10% will still in place...(+/-50/40 as now +/-40/30)*

# What and Where is the Cutting Edge?

- North?

Alaska Trusts – Trust Alaska

New Hampshire

Sales tax

*Town Fair Tire*

2019 change..... post -Wayfair fallout;

<https://www.avalara.com/us/en/blog/2018/08/new-hampshire-on-hunt-for-fraudulent-tax-bills.html>

<https://www.nheconomy.com/nosalestax>

Income taxes

Entity level (mostly)

Unitary @ 1981

- East?

United Kingdom

BEAN Counters? Triumphs and Tribulations

<https://www.ft.com/content/23e84476-6814-11e8-b6eb-4acfcfb08c11>

Finland

<https://www.nytimes.com/2018/11/01/world/europe/finland-national-jealousy-day.html>