

## TravelTax News January 2015

It has been awhile since our last newsletter. However, with congress at a stalemate and the ACA program (Obamacare) constantly getting a new face, "wait and see" was the modus operandi of 2014. As we roll into 2015, there are a number of items to take note of:

### We are ready for 2015!

Our updated workbooks are loaded and we are ready for your tax documents!

### Meet our new staff!

When you call our office, say hello to Brenda Berg and Vickie Erickson.

### The 2014 Travelers Conference was the best ever with over 400 travelers attending.

The next Travelers Conference will be held at the Rio in Las Vegas, September 13-15.

Visit [www.travelersconference.com](http://www.travelersconference.com) for more details.

### We are starting a blog!

Right now it's a crude sort of assembly but a place to put our random thoughts about current tax issues facing our clients. For now, we have posted a lengthy history on how TravelTax got started.

<https://traveltax.wordpress.com>

## **Individuals/Travelers**

The biggest change to your tax return this year will be the forms that ensure ACA compliance. The tax return will now serve as the portal to report coverage, pay coverage penalties, and claim prospective credits. Tax preparation fees will increase across the board as preparers are being put in the position of healthcare police.

The IRS write-up can be found at <http://www.irs.gov/Affordable-Care-Act/Health-Care-Tax-Tips2>

The IRS is warning of possible furloughs for IRS staff. The recent extenders legislation (see below) included another reduction in the IRS budget, one of the few government agencies to receive cuts.

### IRS Offers Select Taxpayers Identity Theft PINs

Select individuals will receive a Letter CP01F offering to establish an Identity theft PIN. Taxpayers in FL, GA and DC are the first states on the list. If you are concerned about identity theft, this may be a good second layer of protection. Details can be found at

<http://www.irs.gov/Individuals/Get-An-Identity-Protection-PIN>

## Teleconferences

Our free teleconferences addressing tax rules for travelers resume in January. These live, one hour teleconferences provide you with the basic tax rules for the mobile professional and give you an opportunity to ask questions. To register, simply send your name, phone number and two specific questions that you have to [info@traveltax.com](mailto:info@traveltax.com). Once we receive your registration we will send you the number to call, passcode and a handout to follow. The schedule for the sessions is as follows:

All times CST			
Thursday Jan 29	7 pm	Tuesday Feb 10	12 noon
Saturday Feb 14	10 am	Thursday Feb 26	7 pm

## General Tax News

Congress passed the “extender” bills just last week and without much publicity, it was signed by President Obama. The “extenders” comprise 55 tax provisions that have been renewed each year. They include deductions for sales taxes (important for taxpayers in states without an income tax), mortgage insurance premium deductions, educator’s deductions, charitable rollovers of IRAs, the mortgage forgiveness act and many others.

Getting transcripts of your returns, account and wage reports is now easier through the IRS’ online portal. Simply go to <http://www.irs.gov/Individuals/Get-Transcript> and the IRS will provide these documents in PDF format

IRS commissioner John Koskinen has said that the agency is not yet prepared to handle all the phone calls it expects when health reform hits millions of Americans’ tax returns next year. Speaking on a visit to the IRS’ Kansas City processing campus, Mr. Koskinen said: “People won’t be able to get through on the phone. We know people are going to call. Preparers are going to call.” The IRS will be responsible for collecting a tax penalty from those who don’t get health insurance coverage as required under Obamacare. The penalty for the 2014 tax return is \$95 for each adult or 1% of income if that is higher.

TIGTA Warns of Largest Ever Phone Fraud Scam Targeting Taxpayers. The Treasury Inspector General for Taxpayer Administration (TIGTA) has issued a warning to taxpayers to beware of phone calls from individuals claiming to represent the IRS in an effort to defraud them. TIGTA has received reports of over 20,000 contacts and has become aware of thousands of victims who have collectively paid over \$1 million as a result of the scam, in which individuals make unsolicited calls to taxpayers fraudulently claiming to be IRS officials

## State Tax Issues

California continues to mail letters to those who did not file a 2012/13 state income tax return, asking recipients to file returns or verify that they do not have a filing requirement. Those contacted by the FTB have 30 days to file a return or show why one is not due. For those who do not respond, the FTB will issue a tax assessment using IRS income records to estimate the amount of state tax due. The assessment will include interest, fees, and penalties that can total up to 50% of the tax amount. Each year, the FTB receives more than 400 million income records from third parties such as banks, employers, state departments, the Internal Revenue Service, and other sources. The FTB matches these income records against its records of tax returns filed. While this program mainly identifies wage earners and self-employed individuals who have not filed, it also detects other non-filers through information sources such as **occupational licenses**.

OH refunds may be delayed

OH is implementing enhanced ID theft procedures that could delay some refunds. Random taxpayers will be chose to supply additional information

## Canadian Cross Border Issues

We have added a new number for our Canadian clients: 613.800.7145. This is based in Ottawa

No More 8891s!. Taxpayers who hold RRSP and RRIFs no long have to file 8891s. The IRS is now taking the position that all taxpayers will elect to defer earnings in these plans till distribution. If one prefers to be taxed on current earnings, they can report the earnings. RRSP and RRIF holders will still have to report these accounts with their annual FBARs. Also, California has not changed its long standing approach to taxing the earnings in RRSPs

## For Fun

Want to watch New Yorkers argue of a tax law?

<http://www.nycourts.gov/ctapps/arguments/2014/Jan14/011614-26-Oral-Argument-Webcast.aspx>

Swedish pop group Abba admitted that they wore their garish costumes because it saved them money on their tax bill. The foursome exploited a Swedish law that allowed deductions for work clothes if their owners could prove they were not used for daily wear.

All the Best!

The Folks at TravelTax

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