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The Thursday Report

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Re: But for the Humor This is a Solid Thursday Report - Come Heckle Us at Heckerling

Tax Law Poetry by the master of prose, Alan Gassman ;-)

Should You Convert Your Vacation Home to a Business Residence?-The Rules Advisers Need to Know by Brandon Ketron

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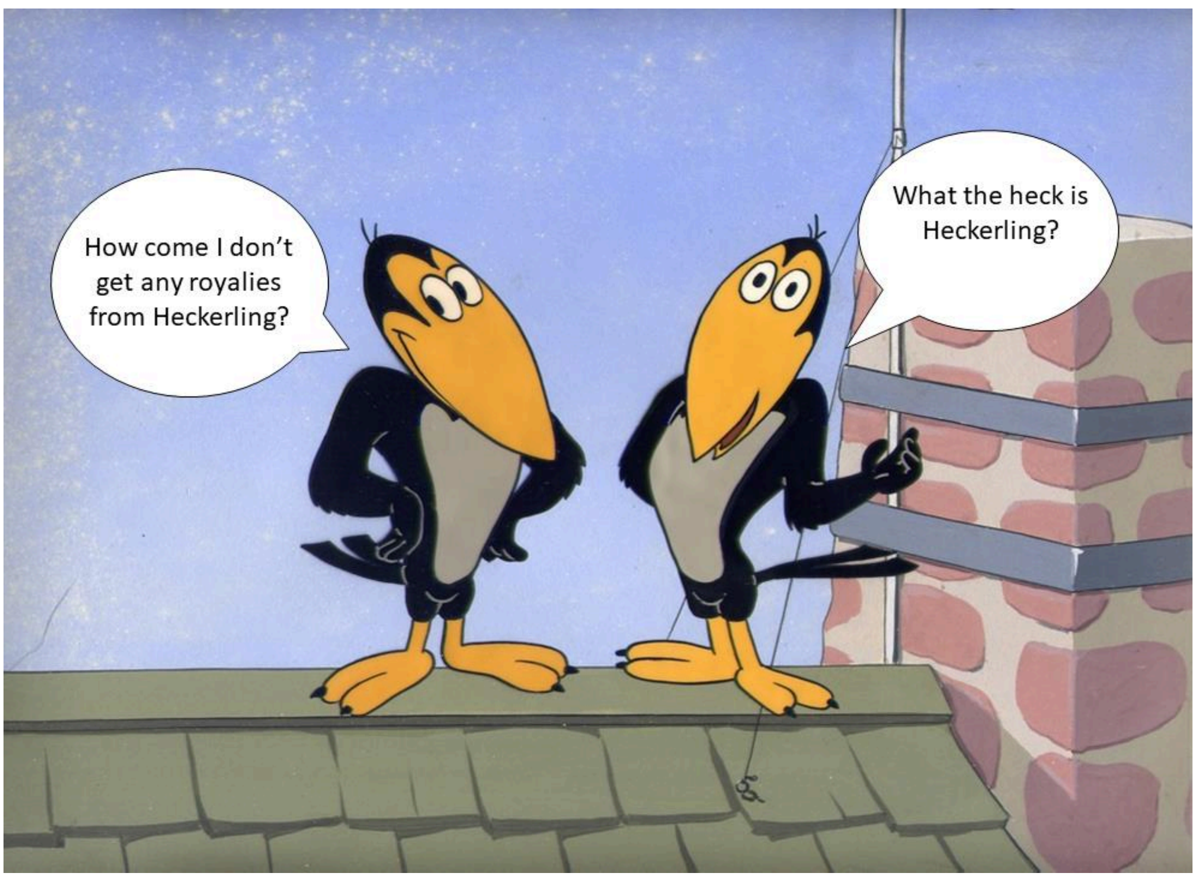
Alan Gassman Interviews David Kirk on 199A and Associated New Tax Law Issues – Click HERE for direct access.

Richard Connolly's World

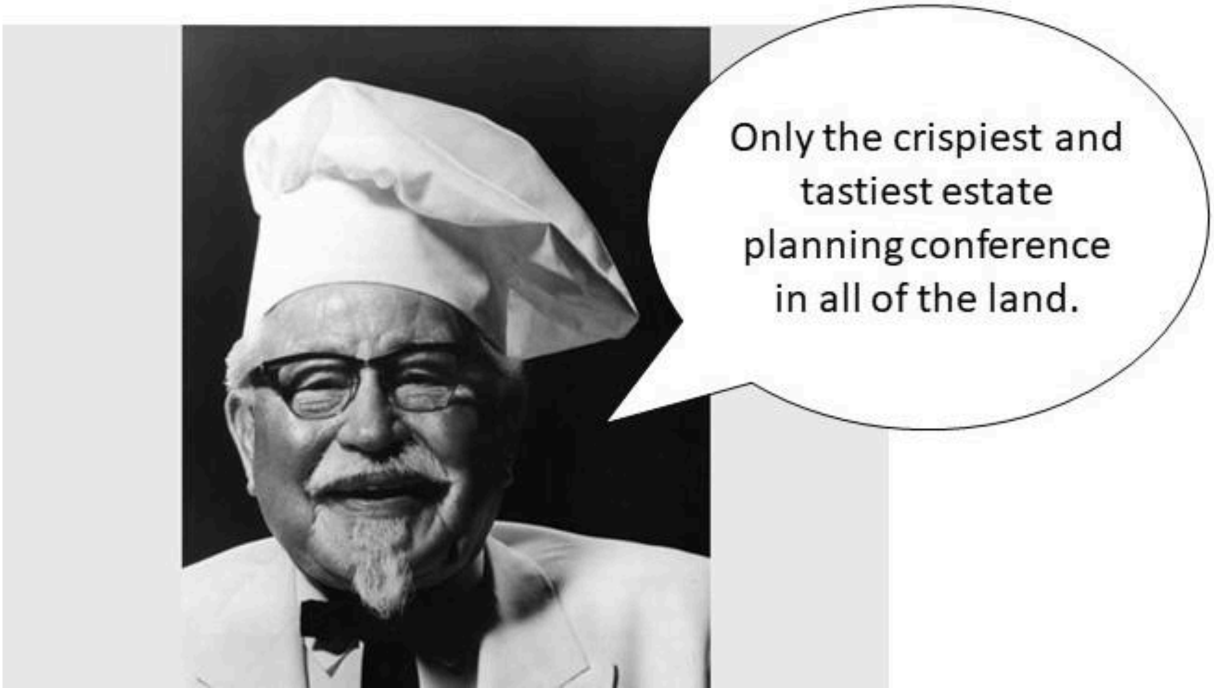
Excerpt from Tax Cuts and Jobs Act: Impact on Estate Planning and Ancillary Planning Areas by Martin Shenkman, Jonathan Blattmachr, & Joy Matak

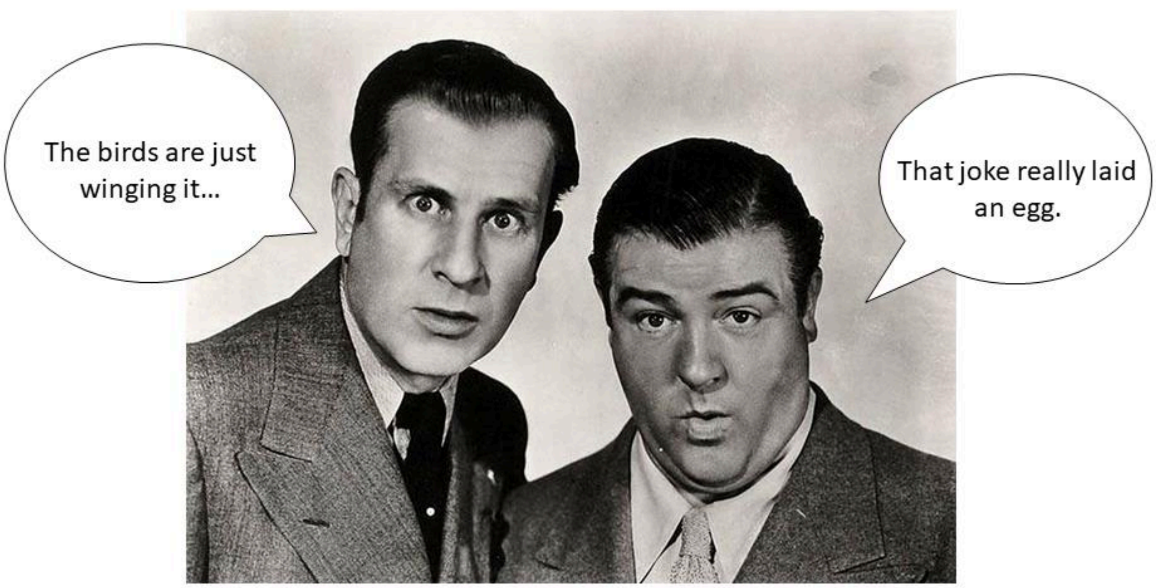
Humor! (Or Lack Thereof!)

We welcome questions, comments, suggestions, and compliments, whether true or not…



Heckle and Jeckle are post WWII animated cartoon characters created by Paul Terry…Blame them for how crazy most attorneys are.





Hail to the kings….Abbott & Costello

Quote of the Week

"Death is not the end. There remains the litigation over the estate."

– 19th Century author of The Devil's Dictionary, Ambrose Bierce

As the leading and largest conference for estate planning professionals, the Heckerling Institute on Estate Planning provides unparalleled educational and professional development opportunities for all members of the estate planning team. The program covers topics of timely interest to attorneys, trust officers, accountants, charitable giving professionals, insurance advisors, elder law specialists, wealth management professionals, educators and non-profit advisors. The Institute is also the home of the nation's largest exhibit hall dedicated entirely to the estate planning industry.

The 52nd Institute will provide you with the information and practical guidance you need to plan effectively in the current uncertain legal and economic environment. Our faculty of leading experts will explore today's most important tax and non-tax planning issues, including the planning implications of enacted or anticipated legislation.

Tax Law Poetry

by our resident master of prose,

Alan Gassman ;-)

To see this bit of comedy "gold" in our Humor section, click HERE

Should You Convert Your Vacation Home to a Business Residence?-The Rules Advisers Need to Know

by Brandon Ketron & Alan Gassman

With the passage of the new Tax Cuts and Jobs Act (TCJA), many taxpayers may consider converting personal residences to business or income producing property.

Under prior law, taxpayers could deduct interest paid on mortgages that were up to $1,000,000 of debt. Under the new TCJA, taxpayers are limited to interest paid on mortgages incurred after December 15, 2017 on up to only $750,000 of indebtedness.

Further, under the new TCJA the deduction for state and local income, sales and property taxes is capped at $10,000.

To avoid these limitations, vacation residences with mortgages can be converted to income producing property so that the interest limitation and the property tax limitation no longer apply and become deductible as a business expense.

If the taxpayer uses the residence for personal use for more than the greater of (1) 14 days or (2) 10% of the number of days the residence is rented during the year at "fair rental" value, then the taxpayer can only deduct expenses to the extent of gross income received from the residence.[1]

[1] IRC § 280A(d)

Rental of the property to a tenant related to the taxpayer counts as personal use even if the rental is for fair market value, unless the tenant uses the property as his or her principal residence.[2]

Therefore, taxpayers converting their personal home to a rental property will want to ensure that they do not use the residence for personal use, or rent part time to a related party, for more than the 14 day or 10% limit to avoid being subject to the loss disallowance rules of Internal Revenue Code Section 280A.[3]

Taxpayers cannot deduct the loss on the sale of a personal residence; however taxpayers are generally allowed to deduct the loss on the sale of a rental or income producing property.[4]

As a result, taxpayers with homes that have decreased in value may consider converting the home to a rental property prior to selling the home so that the loss will be deductible; however, there are special rules that apply in this situation that may prevent the taxpayer from being able to deduct the loss.

The first rule relates to taxpayer's burden to establish that the property has been converted from a personal property to a rental property. This is based on a facts and circumstances test and involves more than simply renting the property for a month prior to the sale.

For example, in the case of *Christensen v. Christensen* the taxpayers were not allowed to deduct a loss on the foreclosure of the home even though the taxpayers tried to rent the property for a few months prior to the foreclosure.

Further, in *Murphy v Commissioner*, the Tax Court held that a month-to-month lease at below fair market value was "entirely ancillary to efforts to dispose of the property." The Tax Court also stated that the rental was simply a "care taking arrangement pending the sale" and did not establish the necessary profit-motivated purpose for the conversion of the property to a rental property.

In other words, the taxpayer must rent the property at fair rental value for a sufficient period of time prior to the sale in order for the property to be considered a rental property. It is unclear what length of time the property must be rented in order to satisfy this test.

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[2] Treas. Reg. 1.280A-1(e)

[3] A detailed discussion of the limitations under Internal Revenue Code Section 280A are beyond the scope of this article. For more information on these rules see BNA Portfolio 547-3rd: Home Office, Vacation Home, and Home Rental Deductions.

[4] Treas. Reg. § 1.165-9(b)

The second rule relates to the calculation of gain or loss on the sale of the rental property. As a general rule, the taxpayer's gain is equal to his or her amount realized minus basis in the property.[5]

If rental property is converted from personal property and sold for a loss then the taxpayer's basis is equal to the lesser of (1) adjusted basis or (2) the fair market value of the property at the time of the conversion.[6]

If the property is sold for a gain then the taxpayer's basis is his or her adjusted basis in the property.[7]

As a result, the taxpayer is only able to deduct a loss if the property losses value after it has been converted to a rental property, and the taxpayer is prohibited from deducting any loss that is attributable to the time period that the property was held as personal property.

For example, assume that John purchased his home for $250,000 and converted the home to a rental property when the fair market value of the home was $240,000. If John were to sell the home for $235,000, then John's basis would be limited to the fair market value of the home at the time of the conversion ($240,000), and John would have a deductible loss of $5,000 ($235,000 amount realized - $240,000 basis). The $10,000 of loss attributable to the time that John held the property as a personal residence would be lost and not deductible.

If John were to sell the home for $260,000 then John would report a $10,000 gain ($260,000 Amount Realized - $250,000 Basis).

A conflict between the two rules arises if John were to sell the home for $245,000 after the conversion. Under this scenario if John followed the loss rules for calculating his basis then his basis would be equal to $240,000 and he would report a $5,000 gain. However, if John were to follow the gain rules for calculating basis, then his basis would be equal to $250,000 and he would report a $5,000 loss.

Since both calculations produce incorrect results, most commentators agree that the appropriate treatment is to report neither a gain nor a loss and explain the position via a disclosure statement on the return.

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[5]IRC § 1001.

[6] Treas. Reg. § 1.165-9(b)(2)

[7] IRC §1001

It is noteworthy that if the property is sold for a gain after the conversion of the property to income producing property, the taxpayer is no longer eligible for the exclusion of gain on the sale of a principal residence under Internal Revenue Code Section 121.

Therefore, if the taxpayer is considering converting his or her primary residence into a rental property, and the property has increased in value, the taxpayer may consider selling the property to a related entity. The taxpayer would then be able to exclude up to $500,000 of gain for taxpayers married filing jointly or $250,000 of gain for single filers on the sale.

For example, John purchased a home for $200,000 more than two years ago and the value of the home is now $250,000. John is considering purchasing a new home and renting his previous home until he is able to sell it. If John were to sell his prior home after the conversion of the home to rental property then John would owe tax on $50,000 of gain, assuming the home sold for $250,000. Instead, John could set up a LLC, that is not disregarded for income tax purposes, to purchase his prior home for the $250,000, rent the home under the LLC until it sold and would be able to exclude the $50,000 of gain on the sale. If the home eventually sold to a third party for $250,000 after renting the home then John would report no gain or loss from the sale because the LLC's basis in the property would be $250,000.

It is also noteworthy that the taxpayer's depreciable base for purposes of calculating depreciation on the converted property is also limited to the lesser of (1) adjusted basis or (2) the fair market value of the property at the time of the conversion.[8]

The same sale of the property to a related entity described above can also allow the taxpayer to use the current fair market value of the property as the depreciable base for purposes of calculating depreciation after conversion instead of the taxpayer's prior basis in the property.

The conversion of property to rental property can provide tax advantages that simply holding a property as personal property cannot; however, the above limitations and traps for the unwary need to be understood and navigated to achieve the proper result.

Demystifying the New Section 199A Deduction for Pass-Through Entities (part 2 of 2)

[8] Treas. Reg. § 1.167(g)-1

by Alan Gassman & Brandon Ketron

reprinted from Steve Leimberg's Income Tax Planning Email Newsletter – Archive Message #125 continued from part 1 published in the last Thursday Report..which can be viewed by clicking HERE

Taxpayers who will be above the threshold amount will want to analyze what the most efficient ratio of wages to non-wage income will be under this formula, which will be 28.57% of the flow through income if the 50% of W-2 wages limitation applies, or will vary at lower than 28.57% when the 25% of W-2 wages plus 2.5% of the unadjusted basis of qualified property limitation applies.

As the result of this, married taxpayers who have more than $415,000 of taxable income, or $207,500 for single filers, will have no Section 199A deduction from a flow through entity that does not pay wages to employees (from any source or from that income) and has no qualified property.

Many businesses may use independent contractors or outside service agencies and will need to switch to using employees and paying wages to allow their high earner owners to have the benefit of the 20% of net income deduction. This may adversely impact pension planning for the other employees, health care plan rules and costs, and many other aspects of an applicable business.

The qualified property test will allow taxpayers owning passive activity endeavors such as real estate and equipment leasing to have the benefit of the deduction. The rules define qualified property as tangible (physical) property of a character subject to the allowance for depreciation under Section 167 which is (1) held by, and available for use in the qualified trade or business at the close of the taxable year, (2) used at any point during the taxable year for the production of qualified business income, and (3) the depreciable period for the property has not ended before the close of the taxable year. In laymen's terms this means furniture, equipment, buildings, and other physical non inventory property that has not yet outlived its depreciable life.

It is noteworthy that "depreciable period" is defined as the time period ending upon the later of (1) ten years after the date the property is first placed into service or (2) the depreciable period that would apply to the property under Section 168 even if such property was acquired prior to its enactment in 1981. This means that property with a depreciable life under Section 168 of less than ten years can still be counted until the ten-year period expires. For example, vehicles, computers, equipment and other property that may have been fully expensed with bonus depreciation or a Section 179 deduction can still be counted for at least 10 years after acquisition. Real estate and improvements thereto, whether acquired prior to 1981 or thereafter, will be counted based upon the depreciable life as calculated under Section 168, which is 27.5 years for residential real property or 39 years for commercial buildings such as include warehouses, manufacturing, offices, shopping centers, supermarkets, retail, restaurants, hotels, motels, casinos, entertainment, auto dealerships, self-storage, hospitality and hospitals. As a result, the depreciable period for purposes of calculating the Section 199A may not be equal to the property's depreciable life for the purposes of calculating the deprecation deduction for tax and book purposes.

The statute authorizes the Secretary of the Treasury to issue Treasury Regulations to prescribed rules for the purposes of determining the depreciable period of assets acquired under 1031 exchanges or involuntary conversions. It is therefore unknown whether the asset will be considered to have been acquired when the exchanged property was originally acquired, although it is quite likely the acquisition date will be when the original "relinquished" asset was purchased.

Taxpayers with qualified trades or businesses that have significant qualified property will therefore be able to take lower salaries or even no salary, which would otherwise be subject to employment taxes and taxed at the taxpayer's individual income bracket. Once the property exceeds its depreciable life it will no longer be included, so taxpayers relying on this subsection will need to pay close attention to the length of time property has been in service in order to continue taking advantage of the Section 199A deduction.

A more detailed example to illustrate how to calculate the deduction for a taxpayer with income exceeding the $415,000 or $207,500 limit is as follows:

A and B a married couple filing jointly have the following items of income:

Taxable Income -	$1,000,000
Qualified Business Income -	$800,000
W-2 Wages -	$200,000

Net Capital Gain - $50,000

Qualified Property Basis - $100,000

The first calculation is to determine the Combined Qualified Business Income Amount. In this example, the Combined Qualified Business Income Amount will be $100,000 or 50% of the taxpayer's W-2 wages as calculated below:

The Combined Qualified Business Income Amount is equal to the lesser of:

1. $160,000 (20% of the taxpayer's qualified business income)

   $800,000 * 20% = $160,000

   OR

2. $100,000

   The greater of:

   A. 50% of the W-2 wages with respect to the qualified trade or business

   $200,000 * 50% = $100,000

   OR

   B. the sum of 25% of the W-2 wages with respect to the qualified trade or business plus 2.5% of the unadjusted basis immediately after the acquisition of all qualified property.

   $200,000 * 25% = $50,000

   $50,000 + ($100,000 * 2.5%) = $52,500

The taxpayer's deduction would be equal to the lesser of (1) the Combined Qualified Business Income Amount ($100,000) or (2) 20% of taxable income less any net capital gain (20% * (1,000,000 - $50,000) = $190,000. Therefore, in this example, the taxpayer's deduction under Section 199A would be equal to $100,000.

If the taxpayer's taxable income for taxpayer's married filing jointly is between $315,000 and $415,000 or between $157,500 and $207,500 for single filers then a phase in to the wages and qualified property test described above in calculating the Combined Qualified Business Income Amount applies.

If the greater of (1) 50% of W-2 wages with respect to the qualified trade or business or (2) the sum of 25% of the W-2 wages with respect to the qualified trade or business plus 2.5% of the unadjusted basis immediately after the acquisition of all qualified property (the "limitation amount") is more than 20% of the taxpayer's qualified business income then the phase out will not apply. and the taxpayer's Combined Qualified Business Income Amount will simply be equal to 20% of the taxpayer's qualified business income.

If the limitation amount is less than 20% of the taxpayer's qualified business income then the phase out applies. The taxpayer's Combined Qualified Business Income Amount will then be reduced by the amount that the taxpayer's taxable income exceeds $315,000 divided by $100,000 for taxpayers married filing jointly or by the amount the taxpayer's income exceeds $157,500 divided by $50,000 for single filers multiplied by the difference in 20% of the taxpayer's qualified business income and the limitation amount.

For example, if B, a single taxpayer, has taxable income of $167,500 with qualified business income of $100,000 and W-2 wages of $50,000 then the phase out will not apply because the limitation amount of 50% of B's W-2 wages (25,000) exceeds 20% of B's qualified taxable income ($20,000).

If B has qualified business income of $120,000 and W-2 wages of $40,000 then the phase out will apply because 20% of B's taxable income ($24,000) is greater than the limitation amount $20,000). Therefore B's Combined Qualified Business Income Amount will be reduced by $800 which is calculated as follows:

167,500 - 157,500 (Amount taxable income exceeds the threshold amount)

$50,000

= 20% (Applicable percentage)

20% * $4,000 (Difference between limitation amount and 20% of qualified business income)

= $800

B's Combined Qualified Business Income Amount is equal to $23,200, and B's deduction would be the lesser of (1) $23,200 or (2) 20% of taxable income less any net capital gain ($24,000). Therefore, B's deduction would be equal to $23,200.

RELATED RULES

A complete list and explanation of all aspects and considerations for these new rules are beyond the scope of this newsletter, but the following items are noteworthy for planning purposes:

1. The deduction will not reduce self-employment taxes resulting from the flow through income. For example, an individual taxpayer who earns $80,000 a year on his Schedule C tax return business will pay employment taxes on the entire $80,000, although he may pay income taxes on only $64,000 of such income.

2. A taxable loss from a flow through activity in 2018 or thereafter may result in a reduced deduction for future years. For example, if a Schedule C business had a $50,00 taxable loss in 2018 and $150,000 in income in 2019 then there may only be a $20,000 deduction under Section 199A for 2019.

3. The original Senate version of the bill did not include a provision allowing a Section 199A deduction for entities held by a trust or an estate. Thankfully, this was added in committee. Therefore, the Section 199A deduction will be available even if the qualified business is held through a trust or an estate. If the trust is a grantor trust then the grantor will calculate his deduction as described above. If the trust is a complex trust the deduction will be calculated at the trust level to the extent of income retained by the trust, and at the beneficiary level for each beneficiary who has received a distribution. The rules for the allocation to the trust or beneficiary can be found under Treas. Reg. § 1.199-5.

4. The deduction is only available to the extent that the income from the flow through activity is effectively connected with the conduct of a trade or business within the United States.

Planning Considerations:

Increase Pension Contributions to Reduce Taxable Income

Where a taxpayer is over the income limit, salary could be reduced and mandatory pension contributions increased, and no part of the pension contribution will be included in income, so that the deduction can apply. Many taxpayers in small businesses that have 401(k) plans will install cross tested defined benefit or cash value plans that will enable the higher paid employees to put $200,000 or more a year into pension plans to enable them to be under the income limitation amounts. Elective profit sharing contributions count as wages under the statute, but conventional employer contributions do not.

Move Income Into a C Corporation or pay deductible expenses to other entities.

As another example of planning possibilities, what if a physician spouse with an S corporation medical practice decides to work less in a traditional medical practice where she was earning $415,000 a year and forms a C corporation to provide weight loss services after hours in the medical clinic building, based upon a reasonable investment in advertising, equipment and personnel. Because the physician spouse spends less time in the traditional practice S corporation income goes down by $50,000 a year. The C corporation pays the physician salary of $30,000 and has income at the corporate level of $20,000 taxed at the 37% bracket, which applies to professional companies under the new tax act (as it did before). While this causes $20,000 of income to be taxed at the 37% bracket, the couple may receive deductible medical insurance under a nondiscriminatory medical expense plan, disability insurance and certain other tax advantaged benefits from the C corporation, while saving $5,402 in taxes because of the 20% deduction (14,600 deduction * 37% tax bracket = $5,402 tax savings.

This can be even more beneficial if the stock of the C-Corporation qualifies as "qualified small business stock" which allows a taxpayer to exclude up to 100% of the gain on the sale of a "Qualified Small Business" under Section 1202. Planners must now juggle what activities will qualify for the Section 199A deduction, and what activities may qualify for Section 1202 treatment. It is noteworthy that Section 1202 treatment will not be available for the following trades or businesses:

1) Any trade or business involving the performance of services in the fields of health, law, engineering, architecture, accounting, actuarial science, performing arts, consulting, athletics, financial services, brokerage services, or any trade or business where the principal asset of such trade or business is the reputation or skill of one or more of its employees.

2) Any banking, insurance, financing, leasing, investing, or similar business.

3) Any farming business (including the business of raising and harvesting trees).

4) Any business involving the production or extraction of products of a character with respect to which a deduction is allowable under section 613 or 613A.

5) Any business of operating a hotel, motel, restaurant, or similar business.

It must also be remembered that a Section 1202 company cannot accumulate cash and marketable securities beyond what is needed for reasonable operating capital. Clients have to invest the profits in business related assets, and may not be considered a leasing company

Alternatively, many professional practices may contract with family members who own other entities to take over management and responsibilities that the professional was handling to reduce work load for the professional and allow for the payment of deductible expenses by the flow through entity to family members who may need the work and the money, and who may be in lower tax brackets.

Buy A New Piece of Equipment to Generate a Section 179 Deduction.

A single doctor earning $210,000 a year based upon $70,000 in salary and $140,000 in K-1 income would not be eligible for the deduction because his income exceeds the $207,500 threshold. The single doctor could replace equipment in his office that cost $60,000 and immediately expense such equipment using the new bonus depreciation rules or Section 179 deduction. The doctor's taxable income would then be equal to $150,000 consisting of $70,000 of salary and $80,000 in K-1 income, and the doctor would be eligible for the Section 199A deduction. The doctor could then take a $16,000 Section 199A deduction that would save $5,920 in taxes in addition to the tax savings realized by writing off the property purchased.

Consider Gifting or Selling Part of a Flow Through Entity to a Complex Trust for Children and Grandchildren.

If a taxpayer's taxable income exceeds the threshold amount, a portion of the income could be shifted to a separate taxpayer by using a complex trust.

For example, John, a married individual, receives $300,000 of flow through income from his wholly owned LLC that is a specified service trade or business. John also receives a salary of $125,000, therefore John's taxable income ($425,000) exceeds the threshold limitation and he is not eligible for the Section 199A deduction.

John could gift or sell 50% of the LLC to a complex trust for his wife and/or children. John would still receive his $125,000 salary, but now John's flow through income would only be $150,000. The remaining $150,000 of flow through income would be allocated to the complex trust assuming that the income was not distributed out to the beneficiaries. As a result, John now has taxable income of $275,000 ($125,000 salary + $150,000 flow through income) and can take a Section 199A deduction of $30,000.

Although the trust's income will be taxed at the highest bracket due to the compressed rate tables, it can also take a $30,000 Section 199A deduction on its $150,000 of flow through income. This results in the income being taxed at an effective tax rate of 29.6%, which is less than the 35% tax bracket John was in prior to the transfer of the LLC to the complex trust.

If the income is distributed to the beneficiaries of the trust, the income will be taxed at their individual tax brackets and they will also have the ability to take a Section 199A deduction. If John's wife is also a beneficiary of the trust distributions should be limited so that John and his wife's taxable income will not exceed the income limitation amount.

Gifts or sales may be to children, complex trusts, electing small business trusts, qualified subchapter S trusts, charities, charitable remainder trusts and other entities. Future writings of the authors will provide details on the advantages and disadvantages of gifting or selling ownership interests to one or more of the above specified entities.

A complex trust can also direct income to charities to have the equivalent of a charitable deduction under Section 642(c) without the itemized deduction and percentage of Adjusted Gross Income limitations applying.

Separate Specified Service Trades or Businesses from Non-Specified Service Trades Or Businesses.

If a taxpayer's taxable income exceeds the threshold amount, the taxpayer will want to consider separating service activities that will not be eligible for the deduction and activities that will be eligible for the deduction regardless of the taxpayer's taxable income into separate entities.

For example, it may be possible for a professional athlete or entertainer to convey its intellectual property rights that are separate and apart from the individual identity of the celebrity or applicable individual to a separate entity and to pay arm's-length royalties and marketing expenses to that entity, which may qualify as a flow through income eligible for the deduction.

Conclusion

Section 199A provides an outstanding opportunity for taxpayers to position themselves to pay less taxes while contributing to the economy. The many requirements and mathematical models required to qualify and quantify the deduction will require significant and immediate restructuring for a good many taxpayers. The statute contains many areas where further guidance will be necessary, and hopefully the Treasury Department will provide guidance in the near future on the key issues. In the meantime, advisors and their clients can take steps to maximize tax advantages while also remaining flexible to facilitate fine-tuning as the rules become more clear.

Most importantly, stay posted on future developments as the experts advance planning opportunities for clients in the normal progression of development when new laws are passed and human ingenuity is applied. Advisors may want to consider using a software which 1) quickly calculates the 199A pass-through deduction, and 2) also helps advisors model the more complex choice of entity question as to whether a particular client is "better off" being a C Corporation or a pass-through entity. For more information or to purchase simply click this link: leimbergservices.com/analyzers

The amazing Jonathan Blattmachr..aka America's best estate planner

Alan Gassman Interviews David Kirk on 199A and Associated New Tax Law Issues for LISI


David Kirk is uniquely qualified to lead the field on explanation and analysis of section 199a and other individual and business taxpayer provisions of the new Tax Act.

Known by many as one of the brightest and best qualified experts on these topics, David was an attorney for the Office of the Chief Counsel at the IRS and a chief draftsman of the Regulations under IRC Section 1411 (the Net Investment Income Tax). Readers will not want to miss what David has to say, or his very entertaining tone and sharp wit that gives us guidance and also the motivation and resilience needed to make sense of these new rules and apply them as best possible. If you are a professional in a tax-related field and have never heard of David Kirk, then hold onto your desk because you are in for a real treat and a lot of new knowledge.

Thanks to LISI commentators Alan Gassman and Brandon Ketron for their work on this LISI exclusive interview.

Alan: David, thanks for dusting off your cape and flying to our rescue. As a well-respected tax expert who lives and breathes 'what the Internal Revenue Code does for successful taxpayers and businesses', how does it feel to go through yet another large tax change that will impact 10's of thousands of taxpayers and businesses in so many surprising and impactful ways?

David: You know Alan, I keep thinking about the opening line of the Twilight Zone - 'You are traveling through another dimension, a dimension not only of sight and sound but of mind. A journey into a wondrous land of imagination.' But mine ends with 'Next stop, tax reform.'

Alan: That is certainly a telling observation. What are you telling your fellow tax professionals at Ernst and Young and elsewhere?

David: I am trying to be clear with clients and colleagues - that everybody just needs to be patient and learn and just be able to be comfortable with not knowing.

We can all take comfort that during the next potentially tumultuous 18 months, we are all in good company in riding the storm on this page-turning 2017 Christmas present given by our legislature.

Alan: Well said. I feel better already. I view this new law as a great opportunity to help our clients to avoid tax while also improving their estate, creditor protection and family planning. Clients want to know how the law impacts them right, now, but we need to try to educate them to the fact that it can take some time to get our arms around this.

What are your thoughts on the scope and impact of new Section 199A, which gives many "flow through entity" owners a tax deduction of up to 20% of qualifying income?

David: This is actually proceeding a lot like the original [section] 199, which was enacted October of 2004 to be effective for years, beginning after December 31, 2004. So, when people are looking for guidance on how things are all going to play out, I think looking at the original 199 may provide some clues.

I think you are going to see Notices coming out this spring. The reason for this is that the IRS does not like creating law in forms and instructions. So they are going to have to push out a Notice that will be a "reliance notice", which is the type of sub-regulatory guidance that can be issued quickly, and taxpayers can rely on without concern for penalties. They will also request comments. But what it will do is provide the basis for the changes to the forms and instructions that we will probably see in the fall.

Alan: Why in the fall?

David: We need them in the fall because the software vendors of the world need that much lead time to start programming all of the inner guts of their systems to handle the changes to interest expense, the changes to 199A, the loss limitation rule, and all these other fun things that have popped up at the last minute. They are going to have to do all of their programming for that because we need to be able to go live this time next year.

Alan: How detailed do you think the Notices in August will be?

David: I think they are probably going to hit straight down the fairway, but they are not going to tackle anything that is remotely complicated.

I mean, if you look back to some of the other major tax events; there has not been anything major like this since the Affordable Care Act, and arguably, Affordable Care Act is not really a tax event, but it was in that you had a billion dollars more in budget to the IRS, you had tens of thousands more employees, and you had a long runway. You do not have any of that right now. And so the idea of being able to push out guidance of this sort has to run through the Treasury Office of Tax Policy, which has been basically, to some extent, a speed bump because it is the narrowest point where everything has to go, along with going to Chief Council's office, and going through the commissioner's office, [both of which] are really relatively narrow paths. So if there are no pressing projects, for example the international repatriation tax, then this might fall back. Or, if they are going to be occupied on depreciation or occupied on interest, [something] thing is going to fall behind. I know that the IRS folks working on this corner of our world will try their best to push out items in a timely manner, but even though these items are of exceptional importance to our community, our project is probably is not going to be the voice that barks the loudest.

Just think about it. Corporate tax reform drove this whole thing, but it makes up a smaller population of returns filed and taxes paid. So, it wouldn't be surprising that our corner of the world is not going to be the most pressing guidance that the IRS has to deliver. Our community, the family tax community for lack of a better term, usually takes a back seat to corporate and international items.

Alan: How long did it take from start to finish to have Proposed Regulations under 1411, and then to go from proposed to final, and how long do you think this may take for 199A?

David: The first proposed regulations took two years, two weeks and two days to see the light of day. Final Regs took fifty weeks. But I don't think 1411 is the place to look. Look at the old section 199 – that will be more telling. The old 199 was enacted in October 2004, and effective January 1, 2005. It was just repealed for years after December 31, 2017. So it had a life of twelve years. Notice 2005-14, which was released within three months of the enactment of §199, provided interim guidance. Proposed Regulations were published in November 2005. The initial Regs were finalized in May 2006, and amended five times after that, with the final amendment being in August 2015. I expect that a similar timeline would be expected here.

And just for comparison, if we exclude proposed Regs, the current 199 Regs come in around 100 pages and the NIIT regs are just 40.

Alan: Are you finding many errors and issues in the new law that were not foreseen by the drafters?

David: It seems like we are finding an error, a quirk, or whatever you want to call it, almost every day. In many instances, we will need to correct the statutory language. But here's the rub - you cannot do technical corrections with fifty votes. You need sixty, which means the Democrats have to play along, and for some, that may be politically difficult.

Some of the items would not even necessarily be technical corrections by definition. Technical corrections would be something like correcting a mis-numbered Code Section. But other things that will have an actual economic impact or have a budget impact are not technically "technical corrections", but are going to be essential, or at least sorely missed.

Alan: I see. What specifically comes to mind as far as big technical corrections that are needed under this new law?

David: Here's an example; under 199A, you are allowed a 20% deduction for REIT dividends. These are non-qualified dividends coming out of a REIT. Okay, that's great, except what they forgot to do is amend the RIC rules and common trust fund rules to account for this new dividend 'character.' So, the way I read it, you will not get the 20% deduction if you own a REIT mutual fund or ETF. But if you owned all of the individual REITs themselves, you would get the deduction.

Quote stand out:

What they forgot to do is amend the RIC rules and common trust fund rules...so...you will not get the 20% deduction if you own a REIT mutual fund or ETF. But if you owned all of the individual REITs themselves, you would get the deduction.

But if you look what they did in the Bush tax cuts when they created qualified dividends, they had to go through the entire Code and make amendments to [section] 584 for common trust funds, and they had to do it in 854, for the mutual funds or ETFs, so that they could pass that qualified dividend character through. In this Bill, they didn't do that. So, is that a technical correction? I mean, that is a big revenue mark. So little things like that, we're finding them every day. And that is the difficult part.

The other thing, which is really going to be a major challenge, is the definitional rules. In the interest area, they allow you to be exempt from the 30% interest limitation if you are a real property trade or business, by cross-reference to the [section] 469(c)(7)(C). That has only been on the books since 1993, and they have not been able to define any of those eleven terms in the last 25 years. Is it time to start?

I was on a reg[ulation] project when I was in the IRS Counsel's office to define a "trade or business" under this provision, and it just collapsed under its own weight. Because it was too complicated and there was too much of arbitrary line drawing. But that was just for individuals. We were just trying to provide clarity to folks about what these eleven terms meant to help figure out whether the guy that installs windows in your house is a real estate professional or whether he needs to be a contractor to be able to put an addition on your house to be a real estate professional because windows-only were not enough. But now we are starting to get questions from publically traded corporations [asking] are they real estate businesses? Can they be exempt?

And so, it has taken a relatively obscure definition and now made it so that you have entities that have financial statement impacts on whether they can deduct things on the line. That is a big thing. And even under 199A they cross-referenced 1202 for the service businesses. Well, conveniently 1202 also came in in 1993 and, unfortunately, nothing has been defined in that aspect in 25 years. It is almost like they just went into Title 26, did a "find" for a definition somewhere, and just let the chips fall where they may without appreciating how tortured the existence of that provision has been over 25 years. Maybe that is not the best way to define something.

Alan: Let's cover something very interesting that we were talking about before this interview. How does the definition of athletics, or a trade or business whose principal asset is the skill of one or more of its employees, affect a sports team? Is there a common analysis here that can apply to other businesses?

David: Right, let's start off with sports teams. I was having a discussion the other day with someone about professional sports teams and whether they produce qualified business income or not. The definition of one of these service businesses is the "performance of services in the field of athletics", or any business with a reputation of skill of one or more of its owners or employees. So ask yourself, using my beloved Pittsburgh Steelers as an example, is Ben Roethlisberger providing services, and if so, to who? Or is it the skill or reputation of the employees? The employees being the entire team and coaching staff? Well, I mean, maybe the skill or reputation of the employees of the Steelers are better than the skill of the Cleveland Browns, but apparently not as good as Jacksonville last Saturday, although I am not really sure that is what they were getting at. Sorry Cleveland, it was just too easy. But you know, there are millions of dollars at issue.

Alan: It seems that sports teams may want to get into the business seminar and workshop business to allow business owners and professionals to attend programs and events for the primary purpose of enhancing skills and office team synergy at the ballpark or stadium where tickets to the events and food, drink and facilities are deductible at least in large part as non-entertainment expenses, and team income is based on business platform programs like this, and not just regular sports activities that will be taxed without benefit of the 199 deduction. Would that make sense?

David: You make a good point. The way I read 199A, it is a business by business test. So if you have a business of renting out the stadium for events – whether it be for concerts or corporate gatherings - I would think that would be tantamount to a rental activity. That would be different than athletics. But the key is whether you have a separate trade or business and, if so, what are your W-2 wages and any qualified property associated with it? Maybe you outsource the concessions and the stadium security – so maybe the only limit would be the undepreciated basis? I don't know. Additionally, I am not sure how many teams actually own their stadiums. I know some do, and I know that some are owned by the local government.

Alan: So there will probably be a lot of changes in business entities and functions this year, but things may need to go back when we get more defined rules.

David: Interestingly, I think [Congress] expected that because there is a provision in there that says that if you claim the 199A deduction, your threshold for substantial understatement of tax gets cut in half. So they went in and amended Section 6662. Traditionally, one of the ways to be assessed a substantial understatement of tax penalty is when the tax on your return is understated by greater than 10%. They cut it to 5%. And so imagine an individual, an executive in a company that has whatever stuff going on, big W-2s, big houses, boats, planes, and whatever it is. [He] has $10,000 of REIT dividends because he owns it in his brokerage account and he claims a deduction for $2,000 on his return. His entire return has now been tainted and now the [section] 6662 would penalty kick in with a 5% difference in tax.

Alan: That can have a significant impact!

David: Absolutely. I am concerned, for example, about the guy that is doing his own return at his kitchen table with off-the-shelf consumer software. He is going to get a 1099 from his brokerage account with a REIT dividend on it. He is going to plug it in from the 1099-DIV into the box on a computer screen. The software will give him a 20% deduction and off he goes. Do you think he has any idea that he is changing his threshold for penalty based on the claiming of that thing, or is the software just going to do it? That is kind of wacky.

*****This fascinating interview will be continued in our next edition*****

Richard Connolly's World

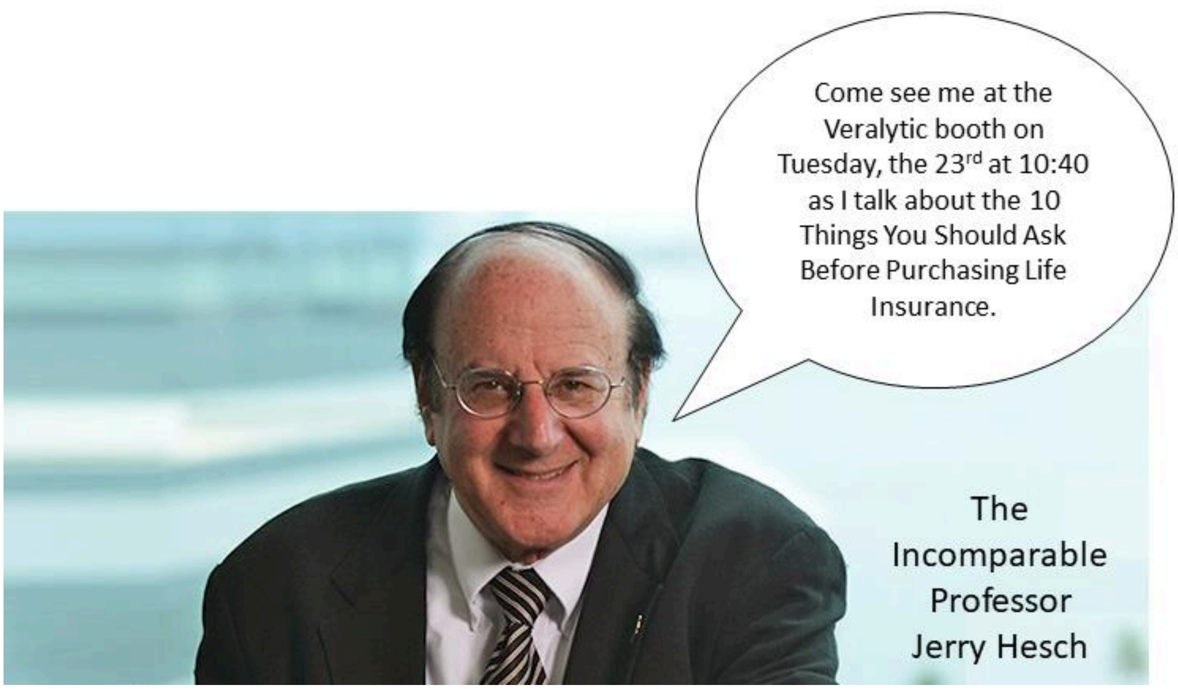
Insurance advisor Richard Connolly of Ward & Connolly in Columbus, Ohio often shares pertinent articles found in well-known publications such as *The Wall Street Journal*, *Barron's*, and *The New York Times*. Each issue, we feature some of Richard's recommendations with links to the articles.

The attached article from Bloomberg reports:

Before the ink was dry on the Republican tax bill signed into law late last month, experts predicted that state governments would try to shield their residents from tax hikes they'll suffer from a sharp reduction in state and local deductions.

In California, Senate President Pro Tem Kevin de León plans to introduce legislation this week that would allow residents to donate to a state entity called the California Excellence Fund in lieu of paying taxes - a move intended to sidestep the new federal cap.

To View the Full Article Click Here



Excerpt from Tax Cuts and Jobs Act: Impact on Estate Planning and Ancillary Planning Areas

by Martin Shenkman, Jonathan Blattmachr, & Joy Matak

Previously published in Leimberg Information Services, Inc. (LISI) on December 22, 2017

Introduction

On Dec. 20, 2017, the House of Representatives passed as the and Senate had done a few days earlier passed legislation called the "Tax Cuts and Jobs Act,". Although it has been delivered to President Trump, he likely will not sign it into law until the beginning of 2018 even though most of the provisions are effective for tax years beginning after December 31, 2017. In other words, the President and his party have been able to deliver sweeping provisions that affect almost every aspect of tax, estate and other planning, far more than what anyone anticipated, in just about 7 weeks! That truncated time frame no doubt will result in a myriad of implications and nuances to the final legislation that were either not considered adequately and which will leave practitioners faced with unanticipated complications.

Tax reform has created a number of practices and client-related recommendations that are worthy of immediate action, or at least, consideration, before year end. Many of these have received considerable media attention already (e.g. pre-paying certain expenses, or not). But the longer-term planning implications can be profound, even if not year-end sensitive.

Comprehensive Reform – but with expiration dates

Since the Republicans have a slim 52-seat majority in the Senate and none of the Democrats in the Senate have signaled support for the Conference Agreement. As a result, the permanence of the Conference Agreement is limited because of the so-called Byrd provision which requires 60 votes (a filibuster-proof majority) to enact any law beyond 10 years. For this reason, many of the provisions in the Conference Agreement will sunset after 2027. Moreover, a detailed below, many of the changes directly affecting individuals will expire, on account of budget considerations, after 2025. Which provisions that are targeted to sunset, and those that are not, has important planning implications. These will be discussed below. But it is not only the sunsets that practitioners will have to grapple with in advising clients but also the potential for changes to the law by a future administration, a possibility that cannot be ignored, but which cannot be quantified.

Some of the changes to the tax code envisioned by the Conference Agreement could wreak havoc on decisions which have already been made by taxpayers while simultaneously making it difficult for those same taxpayers to determine how best to proceed. This issue is exacerbated by the fact that so many of the individual provisions in the Conference Agreement, as just indicated, are intended to be temporary. So, while the Conference Agreement presents significant transfer tax planning opportunities, individuals need to be wary that the uncertainty of the law could create unintended consequences and should be done only with thoughtful guidance from qualified professionals.

Simplification Achieved?

Fuggedaboutit. As tax reform wound its way through the process, legislators seemed to drop altogether the stated goal of simplifying the tax code. The theatrical display of the President kissing a postcard during the rollout of the House proposal back in early November has long since faded from memory as reform morphed into a complex web of new constructs that will likely keep tax attorneys and accountants very busy for years to come. The Conference Agreement that will be delivered to the President's desk sets forth seven individual tax brackets, creates tax preferences and tax breaks, and appears to impose additional complexity for most higher earning and wealthier taxpayers.

The new rules on the income taxation of income from certain pass through entities appear to be incredibly complex, creating new concepts and planning implications. These rules might have a significant impact on how closely held business entities are structured, trust ownership of interests in those businesses, perhaps even when people choose to retire. However, it must be kept in mind that these changes are scheduled to expire and possibly could be changed by a change in the power structure in Washington, DC.

As another example, the elimination of the tax deduction for alimony for the payor on new divorce agreements executed after December 31, 2018, as well as not including alimony as income to the payee, appears on the surface to simplify tax planning and compliance. However, this provision could have dramatic impact on every divorce currently in process, and will change the landscape for all future divorces – but only until the provisions sunset in 2025 – in ways that may not be readily determined or determinable.

The tax implications of divorce agreements have been part of the complex negotiations between feuding spouses for a very long time. Many times, the ex-spouse who receives alimony has been able to negotiate an increased payment because the same will reduce the tax liability of the ex-spouse paying alimony. Will the elimination of the alimony tax deduction reduce the bargaining power of the ex-spouse receiving the alimony payments? The philosophy behind providing an above-the-line deduction to those paying alimony was that it made sense to shift the income tax liability to the payee spouse. After all, the income is being shifted; divorcing parties are not likely to share income with each other. Why are we changing this fundamental premise of divorce law? It has been speculated that, although payor spouses do claim a deduction in most cases for alimony paid, many payee spouses do not report the alimony payments in gross income as required by Section 71 of the Internal Revenue Code of 1986 as amended. (Section references are all to such Code unless otherwise noted.)

Since this provision sunsets as of the end of 2025, it is unclear what will happen after that point to all of the property settlement agreements that are executed while the alimony deduction was eliminated. Will there be an opportunity for the parties to get back to the negotiating table? What is the public policy in favor of disrupting matrimonial agreements this way? Will it create new issues that everyone must digest and evaluate on how property settlement components of a divorce need to be negotiated relative to alimony payments? How will judges synthesize the new dynamics when handling matrimonial cases?

Thus, every divorce agreement, prenuptial agreement and post-nuptial agreement ideally should address the consequences of the new law, be completed prior to the effective date of the new provision if that is preferable, and contemplate the possible change or sunset of the provision. The reality is that given the contentious nature of many of these agreements and the costs involved, that may not be practical. The results could be problematic for many.

Unfortunately, the wide-ranging implications to matrimonial agreements is but one of many traditional arrangements that could be disrupted by the tax law changes.

Will the Conference Agreement Cut Taxes?

Although President Trump referred to the Conference Agreement as the “Cut, Cut, Cut bill,” it does not appear that the Conference Agreement will in fact provide a tax reduction for all taxpayers.

No doubt many taxpayers will have their tax bills lowered. But others, especially wealthier taxpayers, may not find that the results overall are favorable. Worse for some, the determination as to the tax impact will not be easy to evaluate. The impact might also be quite disparate. For example:

The State and Local income, sales and property tax deductions (the "SALT deductions") will be limited to a combined $10,000 per year. For wealthy taxpayers, especially those with large homes and vacation homes in high tax states, this change could be quite costly. In contrast, a wealthy taxpayer in a low tax state may be affected to a much lower extent. This highlights a complexity of the new legislation – the impact will vary depending on the taxpayer's circumstances.· The Conference Agreement provides that the limitation on the SALT deductions would be effective for tax years beginning after December 31, 2016 in an effort to prevent taxpayers from prepaying their 2018 state and local taxes before the end of this year and then taking a deduction for the payment on their 2017 income tax returns. The limitation on the SALT deduction expires after 2025. · The maximum tax rate is 37%, offering little or no savings for some wealthier taxpayers, and for others, a tax increase (e.g. based on the loss of deductions), especially when the many other changes in the Conference Agreement are factored into the analysis.

Those most likely to be hurt by the Conference Agreement are moderately wealthy taxpayers who live in high tax states but do not have estates large enough to benefit from the increased transfer tax exemption. These taxpayers currently benefit significantly from large SALT deductions on their federal income tax returns. They itemize their deductions in an amount greater than the doubled standard deduction contemplated by the Conference Agreement. By reducing the deduction for state and local income, real estate and sales tax to $10,000 in the aggregate, the Conference Agreement may cause a significant tax increase for these taxpayers (although that conclusion may also depend in part on the impact the AMT had on prior deductions).

There will be those in a "sweet spot" of net worth who might benefit significantly from the increase in the exemption. Those with very ultra-high net worth may not benefit in a significant way from what, relative to their estates, is an insignificant increase in the exemption, and who face loss of deductions. This Is particularly so given that the current Act does not provide for the ultimate repeal of the federal estate tax. Again, the tax implications to wealthy taxpayers may in fact vary considerably depending on the circumstances.

How Will the Conference Agreement Really Affect Revenue?

The Conference Agreement will be passed and signed into law before a complete fiscal impact estimate can be issued. In any event, it appears questionable how provisions, such as the impact of the pass-through entity maximum tax rate, could be fiscally scored when the implications are so complex and uncertain. By way of example, the change resulting in the taxation of certain employee awards had been scored by the House version of the Conference Agreement to generate over $3 billion in 10 years. Is that realistic? Other estimates seem potentially unrealistic as well.

The increase in the transfer tax exemption has been scored as reducing revenues by $172.2 billion. It seems incredible that this change would be enacted given the other potential costs of the Conference Agreement and the fiscal and societal issues facing America now. There is no indication how this figure was estimated. Is this merely a tally of lost estate and gift taxes or does it also include a reasonable evaluation of the likely potentially significant decline in capital gains tax revenue? All but the very ultra-high net worth clients should be able to reduce paying capital gains tax by maximizing the wide range of basis maximization planning techniques practitioners have been discussing for the past several years. And that type of planning will no doubt accelerate as a result of the changes. If the capital gain tax loss is not realistically factored into the scoring, the impact of this change on the federal fisc over time will grow dramatically costlier.

The inflation adjustments in the tax laws appear to be modified to index for inflation using a so-called "chained CPI" instead of CPI to lessen future increases.

Another accommodation to the economic realities of the tax cut proposals, the political talk of tax reductions being retroactive to the beginning of 2017 has been dropped and most changes only take effect in 2018, some thereafter, and some with a sunset. This was to present the Conference Agreement as having less of a negative impact on the budget.

Do the Estate Tax Changes Really Help "Small" Business?

The rationale for the doubling of the federal estate tax exemption (not to mention the inflation kicker as well) was stated in the Summary to the House bill as follows: "By repealing the estate and generation-skipping taxes, a small business would no longer be penalized for growing to the point of being taxed upon the death of its owner, thus incentivizing the owner to continue to invest in more capital and hire more employees." Has any entrepreneur ever consciously not grown their business because of a perceived penalty of the estate tax impact on that business on their future death? The premise of this rationale is so questionable that the purported positive economic impact seems implausible. How can the phrase "small business" be used with figures of the magnitude of $10 million plus? The statement implies that "small businesses" are wiped out by the estate tax which ignores the current planning left in place, the ability to defer estate tax under IRC Sec. 6166 and a range of other provisions. For some closely held businesses, the complexity of the new pass-through entity rules, and the complexity of other changes, may pose a far greater hardship then the estate tax ever did.

To read the rest of this amazing article, please click HERE

Marty Shenkman

Humor! (Or lack thereof!)

199(A) Poetry…they said it couldn't be done

Hooray hooray for 199A.

It may make 20% of your taxes from flow through income go away.

The definition of flow through income is a trade or business, so not very passive.

And it may be worth converting passive things to active for savings that can be massive.

Every person and couple and entity other than a C Corporations can get this deduction.

Unless one of two exceptions causes loss or reduction.

One exception is if the owner taking the deduction has high income- about $315,000 if married or $157,500 if single, and phased out up to $415,000 if married and $162,500 if single.

The other has to do with defined businesses and professions who are listed below or sometimes intermingled.

If you are a high earner, then there needs to be enough wages and maybe qualified property under a 50% test or the 25% test under the flow through entity, which will be explained below.

And this requirement applies for high earners whether the flow through business is listed or not, when a high earner is involved is the plot.

If the entity activity is listed, then middle earner taxpayers will be unaffected.

But high earners and phase out earners will be limited or get no benefit, regardless of wages, qualified property, or other factors that may be expected.

Thanks to all pioneers for blazing the trail

And as you find out more please send me an email

To celebrate Alan's discussion on Nevada vs. Florida trust law at the Heckerling Premier Trust booth, we have re-released the world famous West Virginia video…click HERE to view it again for the very first time.

A selection of great Buddy Hackett and Joey Bishop appearances.

Buddy Hackett and Joey Bishop appeared on various television shows together often in the 60's…and they never failed to impress…enjoy

https://www.youtube.com/watch?v=5UuuWWDvDmk

https://www.youtube.com/watch?v=pB9yrWKXMlc

Upcoming Seminars and Webinars

Calendar of Events

Newly announced events are shown in RED

A Leimberg Information Services Webinar Presentation

CREATIVE PLANNING WITH FLOW THROUGH ENTITIES, INCLUDING 199(A) NEW IDEAS

Join Alan Gassman, Ken Crotty, Chris Denicolo, and Brandon Ketron for a webinar focused on creative planning with flow through entities. This will include a discussion of the impact the Section 199A deduction and the many planning opportunities and pitfalls that planners must consider and implement for their clients. It will include detailed advisor guidance and client explanation charts, letters, and trust, installment sale, and S corporation document provisions that planners can use to implement many of the ideas that will be shared.

The discussion and materials will include:

1. Road maps for a complete concise understanding of Section 199A and Flow Through Entity Planning.
2. Checklists and flow charts to identify and handle various categories of situations that may arise.
3. Resolving confusion over whether wages can be paid by non corporate entities, fiscal year planning, multi tier structures and other tramps for the unwary.
4. The effect that the Section 199A deduction and other recent tax law changes will have on various common and not so common situations, with planning strategies and discussion.
5. A comparison of C-Corp vs. 1202 Corp vs Flow Through Entity Taxation - When is one better than the other?
6. Planning ideas that impact income measurement, deduction limitations, estate tax exposure, basis planning, and creditor protection planning in the new world of Flow Through Entities.
7. Expected IRS guidance and needed flexibility to rearrange situations when the rules are more thoroughly described and changed.

To register, please click HERE

Thursday, February 1st, 2018, 3:00 P.M.—4:00 P.M. EST

A Leimberg Information Services Webinar Presentation

There are no professional advancement credits (CPE, CLE, etc.) offered for viewing this webinar.

There is such a thing as a free lunch!

See Jerry Hesch & Alan Gassman at The Veralytic Booth at Heckerling

ESTATEVIEW 11.2 SOFTWARE DEMONSTRATION.

Please join Jerry Hesch and Alan Gassman as they demo their newly updated EstateView 11.2 Software and offer a special discount!

Monday, January 22, 2018

12:35 PM – 1:00 PM

Alan Gassman Presenting at The Interactive Legal Booth at Heckerling

Illustrating Estate Tax Savings Using EstateView software (with free samples!)

Please join Alan Gassman at the Interactive Legal booth at Heckerling as he discusses, displays, and explains the ease of use of EstateView estate planning software. (With Free Gifts!)

Tuesday, January 23, 2018

10:40 AM – 10:55 AM

Alan Gassman Presenting at The Premier Trust Booth at Heckerling

Prominent Differences Between Florida and Nevada Trust Law—More Than The Obvious

Please join Alan Gassman at the Premier Trust booth at Heckerling as he discusses the not-so-obvious differences between trust law in Florida and Nevada.

Wednesday, January 24, 2018

10:40 AM – 10:55 AM

FICPA-Sandspur

Monday, February 19, 6:00 PM—8:00 PM

2501 Fowler Ave, Tampa, FL 33612

Alan will be presenting

"Trusts from A to Z" & "Demystifying the New 199(A) Deduction"

(6:00 PM—7:00 PM) (7:00 PM—8:00 PM)

The 199(A) deduction for pass through entities can be confusing. Alan and

his team have spent countless hours digging through the new tax law to help demystify the new rules and show you how to avoid common pitfalls as well as helping decide what structure is best for your clients.

Clearwater Bar Small Firm Section

Friday, February 23, 12:00 PM—1:00 PM

2680 Gulf to Bay Blvd, Clearwater, FL 33759

Alan will be presenting **"Hiring a Rock Star Employee on Your Budget"**

Any firm is only a strong as its employees. Even the best minds need help to be successful. Alan will show you how to get the best possible people on your budget to help ensure your firm's success regardless of size.

Contact Agassman@gassmanpa.com for more information on either of these educational events.

EVENT	DATE/TIME	LOCATION	DESCRIPTION	REGISTRATION	FLYER
42nd Annual Alexander L. Paskay Memorial Bankruptcy Seminar	Thursday, January 18th – 19th, 2018	Epicurean Hotel, Tampa, FL	Gassman, Crotty & Denicolo, P.A. will be a sponsor and encourage everyone interested to attend.	Click HERE	
Heckerling Institute on Estate Planning	Tuesday, January 23, 2018, 10:40AM – 11:10AM	Interactive Legal Booth	Illustrating Tax Savings Using EstateView Software		Click HERE
Heckerling Institute on Estate Planning	Wednesday, January 24, 2018, 10:40AM – 10:55AM	Premier Trust Booth	Prominent Differences Between Florida and Nevada Trust Law		Click HERE
Heckerling Institute on Estate Planning	Monday, January 22, 2018, 12:35PM-1:00PM	Veralytic Booth	EstateView 11.2 Demo with Jerry Hesch		Click HERE
Maui Mastermind	Sunday, January 28, 2018	San Diego	Asset Protection- 10 Tips Every Business Owner Needs to Think About.	Contact: Agassman@gassmanpa.com	
5th Annual Estate Planning Symposium	Tuesday, February 6th, 2018	University of Miami	Sponsored by The Estate Planning Council of Greater Miami Asset Protection for Business Owners and Their Entities	Contact: Jason@gassmanpa.com	
Representing the Physician Seminar	Friday, February 16, 2018	Embassy Suites- 1100 SE 17th St, Ft. Lauderdale, FL	Dentists are Different - Practical, Business, Regulatory and Common Forms and Language Used in the Representation of Dentists and Dental Practices	Contact: Agassman@gassmanpa.com	

FICPA-Sandspur	Monday, February 19, 2018	TGIFriday's -2501 East Fowler Avenue Tampa	"Trusts from A to Z" & "De-mystifying the New 199(A) Deduction"	Contact: Agassman@gassmanpa.com	
Clearwater Bar Small Firm Section	Friday, February 23, 12Pm – 1PM	Carrabba's 2680 Gulf to Bay Blvd, Clearwater, FL 33759	"Hiring a Rockstar Employee in Your Budget"	Contact: Agassman@gassmanpa.com	
Estate Planning Council of Northeast Florida	Tuesday, March 20, 2018	Jacksonville, FL	Dynamic Planning Strategies For The Successful Client	Contact: Jason@gassmanpa.com	
Professional Acceleration Workshop	Friday, April 6, 2018. 11AM-5PM	Stetson Law School—Gulfport Campus 1401 61st Street South St. Petersburg, FL 33707	Reach Your Personal Goals, Increase Productivity and Accelerate Your Career.	Contact: Jason@gassmanpa.com	Click Here
Ave Maria Estate Planning Conference-With Jonathan Gopman	Friday, April 27, 2018	Ritz Carlton Beach Resort-Naples, FL	"Asset Protection for the Everyday Estate Planning Lawyer: a nuts to bolts review of asset protection techniques from simple to complex"- **presented by Alan and Jonathan Gopman.**	Contact: Jason@gassmanpa.com	Click Here
Florida Bar Annual Wealth Protection Conference	Friday, May 4, 2018	Tampa Airport Marriott	Creditor Protection Planning for Business and Investment Entities and Their Owners - Including 7 Strategies you Didn't Know About	Contact: Agassman@gassmanpa.com	
2018 MER Continuing Education Program Talks For Physicians	Thursday, May, 2018	Nassau, Bahamas - Atlantis Paradise Island Resort	1. Lawsuits 101 2. Ten Biggest Mistakes That Physicians Make in Their Investment and Business Planning 3. 50 Ways to Leave Your Overhead & Increase Personal Productivity.	Contact: Jason@gassmanpa.com	
MER Primary Care Conference	Thursday, July 5-8, 2018	Yellowstone, Wyoming	Alan will be speaking at the Medical Education Resources (MER) event	Contact: Jason@gassmanpa.com	

MER Primary Care Conference	November 8-11, 2018	JW Marriott Los Cabos Beach Resort & Spa	1. Lawsuits 101 2. Ten Biggest Mistakes That Physicians Make in Their Investment and Business Planning 3. Essential Creditor Protection & Retirement Planning Considerations. 4. 50 Ways to Leave Your Overhead & Increase Personal Productivity.	Contact: Agassman@gassmanpa.com	