WEBVTT

1

00:00:02.895 --> 00:00:03.765

Hello everyone.

2

00:00:04.115 --> 00:00:05.885

Welcome to your self-study course.

3

00:00:06.415 --> 00:00:09.085

Thank you for choosing my CPE one as your partner

4

00:00:09.185 --> 00:00:10.525

for continuing education.

5

00:00:11.105 --> 00:00:13.925

To avail your credit certificate, it is required for you

6

00:00:13.945 --> 00:00:15.325

to complete the entire video.

7

00:00:15.705 --> 00:00:17.565

Please do not fast forward the video,

8

00:00:18.035 --> 00:00:20.205

otherwise the system won't be able

9

00:00:20.205 --> 00:00:21.485

to capture your watch time.

10

00:00:21.945 --> 00:00:24.525

If you cannot go through the entire video in one go,

11

00:00:24.865 --> 00:00:26.245

you can always come back later

12

00:00:26.265 --> 00:00:27.845

and pick up from where you left off.

13

00:00:29.265 --> 00:00:31.405

Please note that you must answer all the

14

00:00:31.405 --> 00:00:32.765

review questions correctly.

15

00:00:34.145 --> 00:00:35.965

To access the final quiz, you'll need

16

00:00:35.965 --> 00:00:37.245

to watch the entire video.

17

00:00:38.565 --> 00:00:42.325

A minimum score of 70% on the final quiz is required

18

00:00:42.325 --> 00:00:43.565

to earn your certificate.

19

00:00:43.985 --> 00:00:45.685

The handout material is available

20

00:00:45.825 --> 00:00:47.845

for download in the designated section.

21

00:00:48.505 --> 00:00:51.085

If you have any technical questions, feel free

22

00:00:51.085 --> 00:00:53.925

to email us at support@myccp.com. Happy

23

00:00:54.165 --> 00:00:56.725

Learning, and thank you for choosing my CPE one.

24

00:01:03.105 --> 00:01:06.125

All right, thanks for joining us. My name is Jason Sison.

25

00:01:06.545 --> 00:01:11.125

I'm an enrolled agent and practice in the state of Iowa.

26

00:01:11.925 --> 00:01:15.245

I do about a hundred and well, last year was 165.

27

00:01:15.465 --> 00:01:19.005

Tax returns, probably be about the same this year.

28

00:01:19.205 --> 00:01:22.245

I also do a lot of teaching and presenting just like this.

29

00:01:22.555 --> 00:01:27.125

I've actually been doing this since 2012 now.

30

00:01:27.825 --> 00:01:32.285

So a, I'm a grizzled veteran, I guess, on the teaching

31

00:01:32.425 --> 00:01:33.965

and CPE front.

32

00:01:34.745 --> 00:01:36.965

So these are our monthly tax updates.

33

00:01:36.995 --> 00:01:39.485

I'll let Nick introduce himself in just a second.

34

00:01:39.705 --> 00:01:41.885

And he usually takes the first segment.

35

00:01:42.785 --> 00:01:46.725

Um, and this is a little different from the typical update

36

00:01:47.075 --> 00:01:49.205

that you might take, where it goes through, you know,

37

00:01:49.205 --> 00:01:52.205

what's new on the 10 40 or something like that.

38

00:01:52.755 --> 00:01:54.925

When we say update in this,

39

00:01:55.425 --> 00:01:58.485

it means what's new since the last time

40

00:01:59.065 --> 00:02:00.445

we did one of these updates.

41

00:02:00.545 --> 00:02:02.285

So what's new in the last month?

42

00:02:03.345 --> 00:02:07.245

And, uh, without any further ado from me, I'll stop talking

43

00:02:07.505 --> 00:02:09.125

and turn it over to Nick.

44

00:02:10.405 --> 00:02:12.375

Sure. My name is Nick Price.

45

00:02:12.555 --> 00:02:14.215

I'm here in, uh, Richmond, Virginia.

46

00:02:14.655 --> 00:02:16.375

Actually come from Buffalo, New York though.

47

00:02:16.995 --> 00:02:18.815

Um, so throw that out.

48

00:02:18.815 --> 00:02:20.735

It's been a, a sad week for all of us.

49

00:02:20.795 --> 00:02:24.215

Uh, Buffalonians, uh, but, you know, we'll, we'll move on.

50

00:02:24.225 --> 00:02:27.575

We'll, prosper. And I, you know, I served my career

51

00:02:27.575 --> 00:02:30.575

with IRSI was an attorney there at National Office

52

00:02:30.675 --> 00:02:34.935

for a while and, uh, you know, left, came

53

00:02:34.935 --> 00:02:37.135

to the good guy side and became a CPA.

54

00:02:37.195 --> 00:02:39.575

Now at a, you know, a regional firm, I deal

55

00:02:39.575 --> 00:02:40.815

with emerging issues,

56

00:02:40.965 --> 00:02:44.575

complex tax transactions, all the fun stuff.

57

00:02:44.875 --> 00:02:46.455

And so that's what we're gonna get into.

58

00:02:46.755 --> 00:02:51.135

And, and I know, um, kind of breaking news ish, I guess,

59

00:02:51.315 --> 00:02:53.575

but one of the first things we're gonna talk about is some

60

00:02:53.575 --> 00:02:54.935

of the legislative updates.

61

00:02:55.905 --> 00:02:58.445

Um, and, and I think it's kind of interesting.

62

00:02:58.545 --> 00:03:00.085

So lemme get my pen out.

63

00:03:00.405 --> 00:03:01.965

I love that Jason taught me how to use this.

64

00:03:02.025 --> 00:03:03.405

And we're gonna do some math.

65

00:03:03.705 --> 00:03:08.445

So, coming into the house, we have this number,

66

00:03:09.185 --> 00:03:10.845

2 22 15.

67

00:03:11.805 --> 00:03:13.305

Now, in order for anything to pass,

68

00:03:13.485 --> 00:03:14.945

you need a simple majority.

69

00:03:15.325 --> 00:03:18.225

You need to get basically over that, you know,

70

00:03:18.225 --> 00:03:19.345

two 16th threshold.

71

00:03:20.185 --> 00:03:22.565

So when everything is all said

72

00:03:22.565 --> 00:03:27.525

and done, the amounts should end up being 2 22 15.

73

00:03:27.865 --> 00:03:29.685

Now, what ends up happening as of today,

74

00:03:30.305 --> 00:03:32.725

we had Matt Gates leave the house.

75

00:03:33.985 --> 00:03:37.605

Uh, we had Walts leave the house from the Republicans,

76

00:03:37.945 --> 00:03:42.605

and we have Nik leaving the house, uh, for the Republicans,

77

00:03:43.175 --> 00:03:48.085

which knocks that number down to two 15 to two 17.

78

00:03:49.225 --> 00:03:53.325

Now, that is the slimmest majority of any Congress ever.

79

00:03:53.905 --> 00:03:57.885

Uh, basically when the house gets to these numbers, um,

80

00:03:57.975 --> 00:03:59.685

right now it is at the two 18.

81

00:03:59.785 --> 00:04:02.445

The two 17 will be as soon as Step Nick does step down

82

00:04:02.445 --> 00:04:03.725

to take the cabinet position.

83

00:04:05.215 --> 00:04:07.555

But the 2 17, 2 15 is where we at

84

00:04:07.555 --> 00:04:08.995

for a little bit, probably until April.

85

00:04:09.165 --> 00:04:10.635

April is when the, uh,

86

00:04:10.635 --> 00:04:12.835

special election in Florida will happen.

87

00:04:14.135 --> 00:04:17.715

And that special election, you know, it,

88

00:04:17.855 --> 00:04:20.075

it probably will end up going to the Republicans,

89

00:04:20.075 --> 00:04:21.555

though they should regain those seats.

90

00:04:21.655 --> 00:04:24.955

Um, both seats were in very deep red territories.

91

00:04:25.735 --> 00:04:27.355

Uh, the last election cycle.

92

00:04:28.055 --> 00:04:30.475

Now, I I throw that out, it's special elections.

93

00:04:30.575 --> 00:04:31.715

You never know what can happen.

94

00:04:31.925 --> 00:04:35.435

There was just one in, I wanna say it was Minnesota, um,

95

00:04:35.565 --> 00:04:40.515

where it was, um, during the presidential election when 60,

96

00:04:40.515 --> 00:04:41.595

70% Trump

97

00:04:41.695 --> 00:04:44.595

and it actually flipped a Democrat in the special election.

98

00:04:45.055 --> 00:04:46.235

So stuff like that happens.

99

00:04:46.615 --> 00:04:49.955

Um, and, you know, you could see those numbers dwindle

100

00:04:50.015 --> 00:04:51.195

or more, more likely,

101

00:04:51.195 --> 00:04:53.155

you're probably gonna see these keep up at

102

00:04:53.175 --> 00:04:54.395

the two 20 number.

103

00:04:55.055 --> 00:04:57.035

So they gotta get to 2 20, 2 15,

104

00:04:57.295 --> 00:05:00.075

and that is the magic one of losing five.

105

00:05:00.845 --> 00:05:02.055

When we look at Tax Cuts

106

00:05:02.055 --> 00:05:05.095

and Jobs Act, what we ended up seeing was about 13

107

00:05:05.375 --> 00:05:07.495

Republicans said, no, we don't want the Tax Cuts

108

00:05:07.495 --> 00:05:10.335

and Jobs Act, and they left.

109

00:05:10.755 --> 00:05:13.455

So past couple days, what went on was there was a meeting

110

00:05:13.515 --> 00:05:15.335

of the house, GOP, down in Florida,

111

00:05:16.275 --> 00:05:19.215

and they had a whole discussion about

112

00:05:19.215 --> 00:05:20.775

what they wanna get in the bill, what they don't

113

00:05:20.775 --> 00:05:21.815

wanna get in the bill and everything.

114

00:05:22.035 --> 00:05:24.455

Hoping after that meeting, they were gonna come out with a,

115

00:05:25.095 --> 00:05:27.455

a, a good proposal, a good idea of

116

00:05:27.455 --> 00:05:28.775

what they're gonna have in there.

117

00:05:29.595 --> 00:05:31.815

And at the end of the day, they didn't come up with

118

00:05:32.455 --> 00:05:33.535

a final plan yet.

119

00:05:33.535 --> 00:05:34.895

So we don't have a final tax bill,

120

00:05:35.755 --> 00:05:39.935

but what I do wanna kind of throw out here is the house ways

121

00:05:39.955 --> 00:05:43.655

and means we're able to put together some

122

00:05:43.715 --> 00:05:47.695

of their solutions, uh, what they want in a tax bill.

123

00:05:47.955 --> 00:05:52.415

And I think it's good for us to, uh, look at it. Now.

124

00:05:52.605 --> 00:05:56.055

It's a 50 page document, it's not all tax stuff.

125

00:05:56.055 --> 00:05:57.055

So if you go up to the beginning,

126

00:05:57.225 --> 00:05:58.565

you can kind of see the headings.

127

00:05:58.565 --> 00:05:59.845

It has stuff for health.

128

00:06:00.825 --> 00:06:02.965

Um, what I wanna do is I wanna kind

129

00:06:02.965 --> 00:06:04.245

of talk about some of the tax things.

130

00:06:04.505 --> 00:06:06.285

And remember when we're talking about these,

131

00:06:07.115 --> 00:06:10.995

always keep in mind that 2 20, 2 15, so you gotta remember

132

00:06:11.055 --> 00:06:12.355

who is it gonna make mad,

133

00:06:12.545 --> 00:06:15.435

because if it makes more than say three people mad,

134

00:06:15.575 --> 00:06:16.715

it could kill the bill.

135

00:06:17.015 --> 00:06:19.075

And that's one of the things that are in here.

136

00:06:19.075 --> 00:06:21.275

But some of the neater things, not neater,

137

00:06:21.275 --> 00:06:22.955

but more interesting things to talk about.

138

00:06:23.495 --> 00:06:25.275

Um, ending the employee retention credit.

139

00:06:25.695 --> 00:06:28.435

And this would actually, the proposal in this would

140

00:06:28.945 --> 00:06:32.475

deny any claim submitted after January 31st, 2024.

141

00:06:33.295 --> 00:06:36.115

Um, which, which we look at our calendars as the past.

142

00:06:36.695 --> 00:06:39.555

So basically any the past year, um,

143

00:06:39.755 --> 00:06:41.115

I guess under this provision would say,

144

00:06:41.115 --> 00:06:42.555

Hey, you're not gonna get those.

145

00:06:42.695 --> 00:06:44.555

Now, if those funds were released, would

146

00:06:44.555 --> 00:06:46.235

that require people to pay them back?

147

00:06:47.095 --> 00:06:50.395

Um, I don't know. It, we don't have the exact wording

148

00:06:50.415 --> 00:06:51.955

or language of how that would work.

149

00:06:52.055 --> 00:06:53.755

But again, something to keep in mind,

150

00:06:53.855 --> 00:06:56.995

and maybe if you did get a client who received funding

151

00:06:57.125 --> 00:07:00.155

after January applied, actually applied for funding

152

00:07:00.155 --> 00:07:02.555

after January 31st, 2024,

153

00:07:03.005 --> 00:07:04.635

maybe they wanna hold onto those funds.

154

00:07:05.195 --> 00:07:06.395

A lot of our clients received it

155

00:07:06.395 --> 00:07:08.555

after, even though they, uh, went back

156

00:07:08.655 --> 00:07:12.235

and they applied much earlier, then those should be safe.

157

00:07:12.255 --> 00:07:13.435

And I wouldn't worry about those.

158

00:07:14.385 --> 00:07:18.045

Um, SSNs for people giving the child tax credits, um,

159

00:07:18.155 --> 00:07:20.605

there's this endowment tax on universities

160

00:07:21.035 --> 00:07:22.885

that would go up to 14%.

161

00:07:23.545 --> 00:07:24.965

The next provision's interesting too,

162

00:07:24.965 --> 00:07:27.925

because this endowment tax originally was only meant

163

00:07:27.925 --> 00:07:31.165

to cover a couple colleges, and they actually toss in here.

164

00:07:31.385 --> 00:07:34.325

It only does about, uh, you know, a handful of, uh,

165

00:07:34.325 --> 00:07:36.125

schools that are there.

166

00:07:36.305 --> 00:07:38.925

And they would expand it to, um, 10

167

00:07:38.925 --> 00:07:41.165

to 12 additional schools that are out there.

168

00:07:41.425 --> 00:07:43.845

Uh, honestly, there's not many institutions.

169

00:07:43.845 --> 00:07:47.405

58, um, in 2022 is the number that it had.

170

00:07:47.465 --> 00:07:49.725

So a very small percentage of the schools

171

00:07:49.755 --> 00:07:52.165

that are out there, the ones that, you know,

172

00:07:52.165 --> 00:07:54.365

we're talking about our numbers are these.

173

00:07:54.435 --> 00:07:57.525

Next three is the repeal and salt deduction.

174

00:07:57.525 --> 00:07:59.085

So getting rid of salt altogether.

175

00:07:59.305 --> 00:08:00.845

No more state in local income taxes,

176

00:08:01.625 --> 00:08:03.885

making it the $10,000 permanent,

177

00:08:03.905 --> 00:08:08.245

but expanding its married couples, uh, for 20,000 instead

178

00:08:08.245 --> 00:08:12.805

of 10, and then a 15 or $30,000 cap.

179

00:08:13.665 --> 00:08:15.965

Now, I can tell you probably repealing the salt deduction is

180

00:08:15.965 --> 00:08:19.765

off the table, because right now I believe there is 13

181

00:08:20.925 --> 00:08:22.525

Republicans in California alone.

182

00:08:23.105 --> 00:08:25.325

Um, add on top of that Illinois

183

00:08:25.325 --> 00:08:27.605

and New York, which are all high tax states,

184

00:08:27.985 --> 00:08:30.845

you're gonna get those people, they have a SALT caucus, um,

185

00:08:30.845 --> 00:08:32.765

that are gonna get together and say no to that

186

00:08:32.765 --> 00:08:35.765

because you know that that almost has to be dead on arrival.

187

00:08:36.005 --> 00:08:40.565

I, I find it very hard to see the salt being repealed fully.

188

00:08:41.345 --> 00:08:44.885

Now, maybe the 15, $30,000 cap will be there.

189

00:08:45.665 --> 00:08:47.725

And either way, I think the interesting thing

190

00:08:47.725 --> 00:08:50.085

for us on the state side is most

191

00:08:50.085 --> 00:08:53.045

of the states tie back their salt cap

192

00:08:53.105 --> 00:08:55.445

and the, the PTE regime to the salt cap.

193

00:08:55.945 --> 00:08:58.845

So the salt cap is gone. PTE is gone too.

194

00:08:59.425 --> 00:09:01.485

Now, they also throw out this provision down here

195

00:09:02.185 --> 00:09:03.925

is eliminating the state

196

00:09:03.945 --> 00:09:07.685

and local tax portion, uh, of the business, sorry, one more

197

00:09:07.685 --> 00:09:09.205

below that, below for the businesses.

198

00:09:09.665 --> 00:09:13.565

So that's way to prevent salt, um,

199

00:09:13.805 --> 00:09:17.525

PTE from actually, you know, circumventing the salt cap.

200

00:09:18.455 --> 00:09:20.275

So it's interesting, they, they're, they're like, oh, hey,

201

00:09:20.335 --> 00:09:22.035

all these people are doing these PTEs.

202

00:09:22.465 --> 00:09:23.835

Well, let's just get rid of the salt

203

00:09:23.835 --> 00:09:24.955

deduction for businesses.

204

00:09:24.955 --> 00:09:27.035

And that'll make everything a lot easier for everyone.

205

00:09:27.815 --> 00:09:28.955

So that, that's

206

00:09:28.955 --> 00:09:30.675

what I think definitely need to be on the lookout for.

207

00:09:30.915 --> 00:09:33.395

I have a lot of clients on the business side that pay a lot

208

00:09:33.395 --> 00:09:35.275

of state taxes, and that would significantly

209

00:09:35.795 --> 00:09:37.715

increase their, uh, tax bill.

210

00:09:38.305 --> 00:09:39.525

Uh, the other one too, again,

211

00:09:39.525 --> 00:09:41.955

when we're talking about numbers, uh,

212

00:09:41.955 --> 00:09:45.475

eliminating the income, um, sales tax deduction portion,

213

00:09:45.475 --> 00:09:47.245

assault, the only people

214

00:09:47.245 --> 00:09:49.085

that really use this ones are people in

215

00:09:49.085 --> 00:09:50.245

no income tax states.

216

00:09:50.785 --> 00:09:52.685

And we throw out Florida, uh,

217

00:09:52.685 --> 00:09:54.925

Florida has been more Republican of a state,

218

00:09:55.465 --> 00:09:58.005

so I highly doubt if this is in there,

219

00:09:58.105 --> 00:10:00.325

you're gonna see the Florida Republicans

220

00:10:00.325 --> 00:10:01.405

say, oh yeah, we want this.

221

00:10:01.665 --> 00:10:04.805

Um, same with the other no tax states, which tend to be, uh,

222

00:10:04.835 --> 00:10:07.125

more conservative, uh, as well,

223

00:10:07.125 --> 00:10:08.765

like a Wyoming or place like that.

224

00:10:09.105 --> 00:10:10.925

So it's another one while it's in here.

225

00:10:10.955 --> 00:10:13.565

It's probably one that's not gonna be very viable.

226

00:10:13.905 --> 00:10:15.045

Uh, when they look at it,

227

00:10:16.525 --> 00:10:18.095

they have eliminating the entire

228

00:10:18.125 --> 00:10:19.655

home mortgage interest deduction.

229

00:10:19.655 --> 00:10:21.175

If you remember back in TCJA

230

00:10:21.645 --> 00:10:23.215

that was actually in the original bill.

231

00:10:23.245 --> 00:10:24.255

They were gonna get rid of it.

232

00:10:24.255 --> 00:10:26.975

There's a lot of pushback from the housing lobbyists saying

233

00:10:26.975 --> 00:10:29.495

that would actually crush the housing industry.

234

00:10:30.155 --> 00:10:33.495

Uh, so they scaled it back to 750,000 instead

235

00:10:33.495 --> 00:10:34.815

of getting rid of it altogether.

236

00:10:35.045 --> 00:10:37.135

They're also proposing 500,000.

237

00:10:37.155 --> 00:10:39.695

So I think, you know, two proposals to change, it kind

238

00:10:39.695 --> 00:10:42.055

of points more that hey, you might see a change.

239

00:10:42.595 --> 00:10:46.325

So maybe you wanna look at grandfathering debt if you can,

240

00:10:46.585 --> 00:10:48.045

if that's how the provisional work.

241

00:10:48.865 --> 00:10:51.015

We were not too sure getting rid

242

00:10:51.015 --> 00:10:53.895

of the non-for-profit status of hospitals.

243

00:10:54.115 --> 00:10:56.295

Uh, a little bit lower. You're gonna see they wanna get rid

244

00:10:56.295 --> 00:10:59.255

of the, uh, no income taxes for credit unions.

245

00:11:00.085 --> 00:11:03.105

Uh, a couple bonds muni bond exempt would no longer be there

246

00:11:03.215 --> 00:11:04.705

eliminating head of household,

247

00:11:04.935 --> 00:11:07.905

eliminating American Opportunity credit, getting rid

248

00:11:07.905 --> 00:11:11.425

of the lifetime learning credit, uh, replacing ah, HSAs

249

00:11:11.425 --> 00:11:15.145

with a $9,100 Roth style, uh, account,

250

00:11:15.965 --> 00:11:17.175

getting rid of meal

251

00:11:17.235 --> 00:11:19.935

and lodging per diems that are non-taxable,

252

00:11:19.935 --> 00:11:23.575

making those taxed, eliminating, uh, charitable deductions

253

00:11:23.575 --> 00:11:26.255

for health orgs, getting rid of, uh,

254

00:11:26.255 --> 00:11:27.615

the child independent care credit.

255

00:11:27.615 --> 00:11:30.935

Another one, I don't think you're gonna see much, um, buy-in

256

00:11:31.445 --> 00:11:33.575

from either side on that, just

257

00:11:33.575 --> 00:11:35.255

because that's one, especially with

258

00:11:35.255 --> 00:11:37.175

how expensive childcare is.

259

00:11:37.395 --> 00:11:39.175

It seems like that's almost a no go.

260

00:11:39.965 --> 00:11:43.665

Um, scholarship fellowship, income becoming taxable,

261

00:11:43.765 --> 00:11:46.385

that's a huge one, especially since most of it, you know,

262

00:11:46.385 --> 00:11:48.705

they'd have to switch up on how those withholdings are done.

263

00:11:49.735 --> 00:11:52.235

Uh, if you have,

264

00:11:52.295 --> 00:11:54.845

if an employer has an onsite gym,

265

00:11:55.315 --> 00:11:58.325

that would now be a taxable fringe benefit if

266

00:11:58.325 --> 00:11:59.485

that part of it goes.

267

00:11:59.825 --> 00:12:02.005

So another interesting provision, how, how

268

00:12:02.005 --> 00:12:03.125

that would work would be hard.

269

00:12:03.665 --> 00:12:05.965

We actually have to track how many times they use the gym

270

00:12:06.185 --> 00:12:08.965

or would you just charge all your employees a, a monthly fee

271

00:12:08.965 --> 00:12:11.885

for it and add as taxable income if they don't use it.

272

00:12:12.355 --> 00:12:14.925

Just 'cause you have a gym on site. Who knows?

273

00:12:15.505 --> 00:12:19.245

Uh, it's kinda like the, uh, the, the parking, uh, deduction

274

00:12:19.275 --> 00:12:20.685

that is no longer available.

275

00:12:20.945 --> 00:12:22.285

And I feel like that's one that a lot

276

00:12:22.285 --> 00:12:25.695

of practitioners just kind of ignore though, getting rid

277

00:12:25.695 --> 00:12:27.055

of the student loan deduction.

278

00:12:27.355 --> 00:12:30.335

Um, again, for interest, not huge there.

279

00:12:31.275 --> 00:12:33.015

Um, couple things with unions

280

00:12:33.015 --> 00:12:37.625

and DEI, uh, getting rid

281

00:12:37.625 --> 00:12:40.865

of the tax on tips tax on overtime, both things

282

00:12:40.865 --> 00:12:42.865

that were in the, in Trump's campaign.

283

00:12:43.455 --> 00:12:45.785

Exempting Americans abroad from income tax.

284

00:12:45.805 --> 00:12:47.225

And, and I like in the write up here too,

285

00:12:47.895 --> 00:12:51.185

it's unclear on this proposal whether the person wanted to

286

00:12:52.035 --> 00:12:55.345

raise the limit of the foreign earned income exclusion

287

00:12:55.685 --> 00:12:57.825

or just make all income earned from people

288

00:12:57.825 --> 00:12:59.545

outside the United States exempt.

289

00:13:00.185 --> 00:13:01.425

I mean, I'm sure there's people out there

290

00:13:01.425 --> 00:13:02.945

that would if lovely to the US

291

00:13:02.945 --> 00:13:04.385

and just have all their income exempt.

292

00:13:04.965 --> 00:13:06.465

Um, so that that's out there.

293

00:13:07.015 --> 00:13:10.225

Then we also have the auto loan interest deduction.

294

00:13:10.405 --> 00:13:12.105

So being able to get a deduction

295

00:13:12.325 --> 00:13:13.865

for your auto loan interest.

296

00:13:13.865 --> 00:13:15.705

Another, I mean, it's kind of weird to throw

297

00:13:15.705 --> 00:13:17.745

that in there if you're trying to scale back the

298

00:13:18.065 --> 00:13:19.225

mortgage interest deduction.

299

00:13:19.285 --> 00:13:22.455

But, uh, getting rid of the corporate A MT,

300

00:13:22.455 --> 00:13:23.535

we don't get into that 'cause you have

301

00:13:23.535 --> 00:13:25.935

to have a billion dollars in income for that to apply.

302

00:13:26.475 --> 00:13:28.455

Uh, getting rid of the, the, the estate tax,

303

00:13:28.455 --> 00:13:29.895

they tossed that tax in there.

304

00:13:30.395 --> 00:13:32.695

Uh, canceling amortization of RD expenses.

305

00:13:32.725 --> 00:13:34.455

This is something everyone on every side

306

00:13:34.455 --> 00:13:35.735

of the aisle has been asking for

307

00:13:35.755 --> 00:13:38.815

and just cannot get into any kind of bill, uh,

308

00:13:38.815 --> 00:13:41.935

corporate tax rate, either 20% or 15%.

309

00:13:42.235 --> 00:13:43.335

So another drop there.

310

00:13:44.395 --> 00:13:46.415

And, you know, those are really the main ones.

311

00:13:46.515 --> 00:13:48.055

Uh, all the, all the tax ones I,

312

00:13:48.175 --> 00:13:49.655

I found kind of interesting in here.

313

00:13:50.365 --> 00:13:52.425

And you can go through, there's a couple other ones I think

314

00:13:52.525 --> 00:13:54.065

our clients are gonna care about.

315

00:13:54.765 --> 00:13:56.465

Um, you know, all depending on

316

00:13:56.465 --> 00:13:58.625

what your client base is lot on Medicaid.

317

00:13:59.085 --> 00:14:02.425

Um, school I think is an important one for a lot

318

00:14:02.425 --> 00:14:05.945

of my higher worth cl uh, higher net worth clients.

319

00:14:06.725 --> 00:14:09.465

And when you get into it, uh,

320

00:14:09.465 --> 00:14:11.425

a couple things they would do is actually repeal

321

00:14:11.435 --> 00:14:12.625

Biden Save plan.

322

00:14:13.245 --> 00:14:16.145

Uh, they would actually look at redoing, uh,

323

00:14:16.145 --> 00:14:17.425

public student loan forgiveness.

324

00:14:17.725 --> 00:14:20.305

So reforming how public student loan forgiveness works

325

00:14:20.965 --> 00:14:24.425

and being able to get your student loans discharged in that.

326

00:14:25.765 --> 00:14:26.765

Um,

327

00:14:27.755 --> 00:14:30.535

Hey Nick, someone sent a chat in wanting

328

00:14:30.535 --> 00:14:33.695

to know if you can, could you throw the link out when you

329

00:14:33.695 --> 00:14:35.335

get a chance, like when you're done talking

330

00:14:35.435 --> 00:14:37.175

or whatever, throw the link out in the

331

00:14:37.175 --> 00:14:38.495

chat for everybody. Yeah,

332

00:14:38.885 --> 00:14:40.135

I'll toss it out there for everyone too.

333

00:14:40.675 --> 00:14:42.415

Uh, the other one too that was in here

334

00:14:42.415 --> 00:14:46.415

that I just wanna throw out for our, um, clients is the,

335

00:14:46.525 --> 00:14:49.375

this one sunsetting the grad and Parent Plus Loans.

336

00:14:50.575 --> 00:14:54.345

Now that's a huge one for a lot of, you know, our clients

337

00:14:54.345 --> 00:14:56.545

that have kids going in, uh, getting rid

338

00:14:56.545 --> 00:14:58.705

of interest capitalization is a huge one for people

339

00:14:58.735 --> 00:15:00.665

with student loans that are are public.

340

00:15:01.405 --> 00:15:03.345

Um, but yeah, you can read through the rest.

341

00:15:03.445 --> 00:15:06.025

I'm gonna toss it in the chat now just so I everyone can,

342

00:15:06.085 --> 00:15:09.585

you know, read it on their own, uh, time

343

00:15:10.125 --> 00:15:11.345

and look at it.

344

00:15:11.485 --> 00:15:14.145

Let me do that. Everyone in the meeting.

345

00:15:15.085 --> 00:15:16.265

Uh, it should be in the link now.

346

00:15:16.265 --> 00:15:18.545

If you guys wanna read it too, instead of me just regurg

347

00:15:18.775 --> 00:15:20.385

that regurgitating what's on there.

348

00:15:21.005 --> 00:15:23.385

So, yeah. Uh, now does this mean

349

00:15:23.385 --> 00:15:24.665

everything in here will be in a bill?

350

00:15:24.845 --> 00:15:26.265

No. Does it mean things that aren't

351

00:15:26.265 --> 00:15:27.305

in here will be in a bill?

352

00:15:28.025 --> 00:15:29.505

Probably, we'll probably get some other stuff here.

353

00:15:29.855 --> 00:15:31.505

This is just kind of their starting point

354

00:15:31.615 --> 00:15:33.905

that we think on negotiations and,

355

00:15:34.165 --> 00:15:37.465

and working through trying to get over the,

356

00:15:37.495 --> 00:15:40.025

this 2 22 15 issue.

357

00:15:40.525 --> 00:15:43.065

Um, especially when we have our decreases there.

358

00:15:43.765 --> 00:15:48.665

So April is when this seat and this seat will be filled.

359

00:15:49.525 --> 00:15:51.625

Um, the two 17 seat is,

360

00:15:52.125 --> 00:15:54.545

that's gotta be filled within I think 60 days

361

00:15:55.285 --> 00:15:56.465

of her resigning.

362

00:15:56.465 --> 00:16:00.245

They have to call for the election. So that won't be there.

363

00:16:00.685 --> 00:16:01.925

I probably would guess.

364

00:16:01.925 --> 00:16:04.725

You're not gonna see a bill even tried being passed

365

00:16:04.855 --> 00:16:07.445

until they get the highest number possible, just

366

00:16:07.445 --> 00:16:11.045

because the low, the closer this number is the 2 17, 2 15,

367

00:16:12.025 --> 00:16:14.085

the, um, more power.

368

00:16:14.235 --> 00:16:17.045

Each individual congress person has

369

00:16:17.345 --> 00:16:19.285

to basically say the bill's gone.

370

00:16:19.985 --> 00:16:21.925

Uh, so that's where we are with that.

371

00:16:22.385 --> 00:16:25.715

And I think it's, um, one of the ones

372

00:16:25.715 --> 00:16:27.315

that, you know, we should apply.

373

00:16:27.335 --> 00:16:29.235

Uh, somebody in the comment said, what about getting rid

374

00:16:29.235 --> 00:16:32.315

of tax on social security that is not in the house ways

375

00:16:32.335 --> 00:16:34.795

and mean document, unfortunately, um,

376

00:16:34.795 --> 00:16:37.275

unless it's in, I mean, I assume it's in the tax section.

377

00:16:37.395 --> 00:16:38.715

I haven't dug deep in the other ones.

378

00:16:38.935 --> 00:16:40.475

Um, so maybe it's in there,

379

00:16:40.475 --> 00:16:42.315

but I I, I don't think it's in there.

380

00:16:43.735 --> 00:16:47.615

So the other stuff going on, executive orders, uh,

381

00:16:47.795 --> 00:16:49.975

we have gotten several executive orders.

382

00:16:50.275 --> 00:16:52.855

Uh, honestly, two of them really impact us.

383

00:16:53.475 --> 00:16:56.535

Uh, the main one being the freeze on federal workers.

384

00:16:57.035 --> 00:17:01.375

And, and I guess, you know, conversely the, um, uh,

385

00:17:01.375 --> 00:17:02.935

work from home requirement changes

386

00:17:03.195 --> 00:17:06.055

and I guess, you know, again, it's not the executive order,

387

00:17:06.075 --> 00:17:08.415

but we also have the resignation email

388

00:17:08.645 --> 00:17:12.415

that went out offering people to, uh, resign and,

389

00:17:12.635 --> 00:17:14.495

and I guess, you know, the technical term is

390

00:17:14.495 --> 00:17:16.055

what they're doing is they're gonna be working

391

00:17:16.915 --> 00:17:18.175

for until September.

392

00:17:18.755 --> 00:17:21.455

Um, just not paid for that, or they are paid for that time.

393

00:17:21.455 --> 00:17:23.255

They're just not working for that time, I guess.

394

00:17:23.915 --> 00:17:27.135

Uh, so the big issue for us is just IRS

395

00:17:27.435 --> 00:17:29.575

and how many people can work there.

396

00:17:30.155 --> 00:17:33.975

Um, I didn't cover it in the the slide deck,

397

00:17:34.235 --> 00:17:36.055

but one of the, in the, the things,

398

00:17:36.115 --> 00:17:37.055

but one of the things they didn't

399

00:17:37.055 --> 00:17:38.295

propose is to get rid of all the funding.

400

00:17:38.435 --> 00:17:40.815

The IRS got in the inflation reduction act.

401

00:17:41.945 --> 00:17:43.645

So it just,

402

00:17:43.995 --> 00:17:47.445

anytime the IRS loses people doesn't get people coming in,

403

00:17:47.755 --> 00:17:49.565

less people working, it makes it harder

404

00:17:49.565 --> 00:17:51.485

for us just being able to contact them.

405

00:17:51.945 --> 00:17:54.405

Um, that's why you saw the rise of companies like, you know,

406

00:17:54.485 --> 00:17:58.085

a call ENQ that was able to fast track getting ahold

407

00:17:58.085 --> 00:17:59.245

of anyone at the IRS.

408

00:17:59.705 --> 00:18:01.445

So I, I think that one is gonna be one

409

00:18:01.445 --> 00:18:02.925

that's gonna be a little bit harder for us.

410

00:18:03.345 --> 00:18:07.035

Um, and really, you know, not too sure what, what,

411

00:18:07.035 --> 00:18:11.955

what's gonna go on with there, um, lawsuits too.

412

00:18:12.035 --> 00:18:14.555

I mean, every, everything basically that has, has gone on

413

00:18:14.695 --> 00:18:16.755

and everything is being sued for.

414

00:18:17.255 --> 00:18:19.395

Uh, so there's lots of lawsuits out there.

415

00:18:19.675 --> 00:18:21.275

I think from the tax side, there's not too much

416

00:18:21.275 --> 00:18:22.315

that's gonna affect us yet.

417

00:18:22.815 --> 00:18:24.675

Uh, but eventually, you know,

418

00:18:24.675 --> 00:18:26.315

we're gonna get more stuff down there that

419

00:18:27.025 --> 00:18:28.635

just keep in mind what's going on.

420

00:18:28.705 --> 00:18:30.315

Keep in mind what you can do for your clients

421

00:18:30.375 --> 00:18:31.835

and stuff pops up and happen.

422

00:18:32.675 --> 00:18:36.195

I think, you know, if anything you need to do this time,

423

00:18:36.215 --> 00:18:39.475

you know, if I was gonna look back to 2017 Nick and,

424

00:18:39.535 --> 00:18:41.355

and current day Nick, um,

425

00:18:41.555 --> 00:18:44.275

I would tell all my clients just stop watching the news.

426

00:18:44.705 --> 00:18:47.675

Because if you remember when that tax bill came up,

427

00:18:48.085 --> 00:18:51.035

there were so many news stories about what's gonna be in it,

428

00:18:51.035 --> 00:18:52.075

what's not gonna be in it,

429

00:18:52.615 --> 00:18:54.955

and all my clients email me what,

430

00:18:54.955 --> 00:18:57.595

they're not gonna let 4 0 1 Ks be a thing anymore,

431

00:18:57.825 --> 00:18:59.355

what the news says this is gonna happen.

432

00:19:00.135 --> 00:19:02.355

And at the end of the day, most of the stuff

433

00:19:02.355 --> 00:19:05.075

that it said would happen didn't happen on the news.

434

00:19:05.615 --> 00:19:07.675

So I'm telling my clients, I'm like, look, you know, we,

435

00:19:07.735 --> 00:19:09.795

we will give you updates when we think it's

436

00:19:09.795 --> 00:19:11.115

worth updating you on it.

437

00:19:11.415 --> 00:19:14.475

Um, but overall, don't just,

438

00:19:15.535 --> 00:19:16.835

you know, focus on that.

439

00:19:16.885 --> 00:19:19.715

Don't focus on the news. Focus on what we can do

440

00:19:20.015 --> 00:19:24.595

for our clients and what we can do to kind of help out,

441

00:19:24.815 --> 00:19:27.555

um, get them through when we do get the changes.

442

00:19:28.135 --> 00:19:29.515

Now, as those changes come

443

00:19:29.535 --> 00:19:30.995

and we start hearing about those changes,

444

00:19:31.105 --> 00:19:34.755

what we wanna do is we wanna then start putting our clients

445

00:19:34.775 --> 00:19:36.875

in the best position to take advantage of those changes.

446

00:19:37.775 --> 00:19:39.355

Or we might, you know, some

447

00:19:39.355 --> 00:19:41.875

of these things are gonna be tax revenue raisers.

448

00:19:42.105 --> 00:19:43.395

What do we need to tell our clients

449

00:19:43.455 --> 00:19:45.275

to make sure they're paying in enough money

450

00:19:45.855 --> 00:19:47.675

to cover their taxes if they're gonna

451

00:19:47.675 --> 00:19:48.875

owe more taxes this year?

452

00:19:49.415 --> 00:19:51.475

So all things, you know, especially if that head

453

00:19:51.475 --> 00:19:53.635

of household one applies, I'm gonna have

454

00:19:53.635 --> 00:19:55.395

to do a data scan on every single one of my head

455

00:19:55.395 --> 00:19:56.755

of household clients, be like, Hey,

456

00:19:56.755 --> 00:19:57.835

look, they're getting rid of this.

457

00:19:57.835 --> 00:20:00.075

Your taxes are gonna go up considerably

458

00:20:00.655 --> 00:20:02.195

and make sure they're prepared for that.

459

00:20:02.575 --> 00:20:03.755

That's what our job is

460

00:20:03.895 --> 00:20:05.275

and that's what we need to do as we,

461

00:20:05.275 --> 00:20:07.035

as we really focus on these.

462

00:20:08.185 --> 00:20:10.485

All right, so act season is starting.

463

00:20:10.725 --> 00:20:13.005

I, I had this as a, a general, just me

464

00:20:13.005 --> 00:20:14.445

and Jason can always chat about this.

465

00:20:14.705 --> 00:20:16.645

Um, just kind of what are we seeing so far?

466

00:20:16.985 --> 00:20:18.125

What's been going on?

467

00:20:18.645 --> 00:20:20.045

Honestly, I don't know about everyone else.

468

00:20:20.065 --> 00:20:21.965

And feel free to toss in the chat too.

469

00:20:22.545 --> 00:20:25.005

Um, I, I'm finding clients are getting stuff in slower.

470

00:20:25.365 --> 00:20:27.245

I don't know if that's what everyone's seeing.

471

00:20:27.825 --> 00:20:32.125

Um, but I feel behind today from where I was last year

472

00:20:32.125 --> 00:20:34.525

and the amount of work that's in, uh, I don't know if

473

00:20:34.525 --> 00:20:38.445

that's gonna pick up after we get the consolidated 10 90

474

00:20:38.615 --> 00:20:40.365

nines and everything or what.

475

00:20:40.825 --> 00:20:42.485

Um, but it does seem like the client

476

00:20:42.485 --> 00:20:44.085

information's going in slower.

477

00:20:44.485 --> 00:20:45.765

I don't know if that, you know,

478

00:20:46.535 --> 00:20:47.925

who knows why clients do things.

479

00:20:48.465 --> 00:20:51.605

Uh, but a part of it might've been the IRSI.

480

00:20:51.605 --> 00:20:53.725

Yeah, I, I need to look back at my old notes.

481

00:20:54.145 --> 00:20:57.045

Uh, but I believe this is one of the later starts

482

00:20:57.185 --> 00:20:59.085

to filing season where it was what, September,

483

00:20:59.465 --> 00:21:00.925

or not September, uh,

484

00:21:00.925 --> 00:21:03.725

January 27th was when we could first file.

485

00:21:03.985 --> 00:21:05.965

Um, usually it's in the middle of January,

486

00:21:07.065 --> 00:21:09.325

so maybe our clients latched onto that.

487

00:21:09.505 --> 00:21:11.005

And, and that's what we've seen.

488

00:21:11.225 --> 00:21:13.165

Um, so I think that's been a huge thing.

489

00:21:13.825 --> 00:21:16.445

If you've been on this talk before, you know, I, one

490

00:21:16.445 --> 00:21:18.125

of the things I've been using is AI

491

00:21:18.625 --> 00:21:20.645

to help find new processes.

492

00:21:20.825 --> 00:21:23.925

And AI has really, it's been, if you look at the past month,

493

00:21:24.005 --> 00:21:25.205

a lot of changes have happened.

494

00:21:25.825 --> 00:21:28.565

Um, you know, we had China come out with their AI

495

00:21:28.565 --> 00:21:29.605

that is much,

496

00:21:29.605 --> 00:21:32.605

much more cost efficient than anything else ever created.

497

00:21:33.145 --> 00:21:36.325

And we're seeing people use it now for more automated tasks

498

00:21:36.745 --> 00:21:38.805

and we're trying to automate more tasks as well.

499

00:21:38.865 --> 00:21:41.085

So that, that's one of the things that I've been seeing.

500

00:21:42.525 --> 00:21:46.665

Um, oh yeah, I I, I love that idea.

501

00:21:46.925 --> 00:21:48.545

Uh, thanks to Mercedes, they,

502

00:21:48.545 --> 00:21:51.025

they pre-schedule their client meetings this month.

503

00:21:51.205 --> 00:21:53.585

Um, I have always thought about doing that.

504

00:21:53.735 --> 00:21:55.505

I've just never jumped on board of it yet,

505

00:21:55.525 --> 00:21:57.185

but it's definitely something I I've been thinking

506

00:21:57.185 --> 00:21:58.225

about, maybe trying out.

507

00:21:58.685 --> 00:22:00.705

Um, how about you, Jason? Have you been seeing anything,

508

00:22:00.805 --> 00:22:02.025

any trends, any new?

509

00:22:03.845 --> 00:22:08.245

I have had more people start uploading stuff than usual

510

00:22:09.265 --> 00:22:10.485

for this time of year,

511

00:22:10.625 --> 00:22:14.205

but it's not complete sets of data yet.

512

00:22:14.305 --> 00:22:17.045

So it's just like, oh, I got my W2, I'll send it in.

513

00:22:17.465 --> 00:22:18.805

That's different for me.

514

00:22:19.545 --> 00:22:23.565

Um, but as far as having actual returns

515

00:22:23.675 --> 00:22:27.715

that could be finished, I think I may have one

516

00:22:28.025 --> 00:22:30.835

that I could actually get out the door right now.

517

00:22:30.895 --> 00:22:34.875

So it's like a lot of partial data that people have sent in.

518

00:22:35.385 --> 00:22:39.035

Theresa says, I've noticed banks have changed their access.

519

00:22:39.375 --> 00:22:43.195

So having problems getting bank statements since December.

520

00:22:45.895 --> 00:22:48.555

That's, yeah, I don't really access my client's bank

521

00:22:48.555 --> 00:22:49.955

accounts too often.

522

00:22:50.065 --> 00:22:52.555

I've had a couple where we do full bookkeepings for,

523

00:22:52.575 --> 00:22:54.635

but I haven't, I haven't seen that pop up yet.

524

00:22:55.345 --> 00:22:57.435

Yeah, I mean, hopefully this tax season, you know, it,

525

00:22:57.465 --> 00:22:59.075

it's not a, a precursor.

526

00:22:59.115 --> 00:23:01.035

I always hate when things start later

527

00:23:01.355 --> 00:23:02.635

'cause that means those hours have

528

00:23:02.635 --> 00:23:04.675

to be picked up later when we're already busy.

529

00:23:05.065 --> 00:23:07.235

Yeah. So hopefully, you know, things even out.

530

00:23:07.255 --> 00:23:11.515

And I, I think again, utilizing technology, um, I,

531

00:23:11.715 --> 00:23:14.675

I get these clients that do these piece mail emails, like,

532

00:23:14.675 --> 00:23:16.915

oh, here's my W2, here's the month later,

533

00:23:16.915 --> 00:23:18.235

here's my 10 90 nines.

534

00:23:19.135 --> 00:23:22.315

And, and just finding software solutions to help with those,

535

00:23:22.755 --> 00:23:24.275

organize those, I, I think has been one

536

00:23:24.275 --> 00:23:26.155

of my key aspects for this tax season.

537

00:23:26.175 --> 00:23:27.875

So I'm hoping that even on the back end,

538

00:23:27.975 --> 00:23:30.915

if time gets crunched, uh, later, that we'll be able

539

00:23:30.915 --> 00:23:33.075

to find the efficiencies using stuff like that.

540

00:23:33.135 --> 00:23:35.435

So that, that's kind of my thoughts as we enter tax season.

541

00:23:35.475 --> 00:23:37.755

I wish I had more of a tax season so far to

542

00:23:38.215 --> 00:23:39.315

to complain about or anything,

543

00:23:39.415 --> 00:23:41.035

but it, it, it's been pretty good.

544

00:23:41.195 --> 00:23:42.675

I mean, I, I have no complaints yet.

545

00:23:43.135 --> 00:23:46.125

Um, we're dealing a lot, you know, the BOI stuff, which

546

00:23:47.365 --> 00:23:50.045

I think I, I toss a payment in there. I

547

00:23:50.045 --> 00:23:51.885

Think we have BOI in here this time.

548

00:23:52.545 --> 00:23:53.605

Oh, darn it. I,

549

00:23:53.605 --> 00:23:55.165

there's another thing I need to hit on too.

550

00:23:55.385 --> 00:23:58.005

Um, so I'll, I'll convert over my BOI discussion.

551

00:23:58.225 --> 00:24:02.285

Um, while, while we were away, um, BOI made it all the way

552

00:24:02.285 --> 00:24:05.365

to the Supreme Court and the Supreme Court said,

553

00:24:05.365 --> 00:24:06.965

injunction, you can't be there.

554

00:24:07.025 --> 00:24:08.445

So we're getting rid of it. However,

555

00:24:08.665 --> 00:24:11.125

the Supreme Court only ruled on one term of law.

556

00:24:11.125 --> 00:24:14.005

There is a separate Texas case going on as we speak,

557

00:24:14.665 --> 00:24:16.815

which also did a nationwide injunction.

558

00:24:17.085 --> 00:24:21.935

However, it applied it to a different set of laws.

559

00:24:22.635 --> 00:24:25.455

So since the Supreme Court never looked at that set

560

00:24:25.455 --> 00:24:29.375

of laws when they made their considerations, BOI again,

561

00:24:29.515 --> 00:24:32.215

is on hold and it is a voluntary filing.

562

00:24:33.205 --> 00:24:35.305

People have asked me when do I think BOI filing

563

00:24:35.305 --> 00:24:36.465

will finally be determined?

564

00:24:36.605 --> 00:24:39.265

I'm saying April, April is probably when we'll get a better

565

00:24:39.415 --> 00:24:40.865

idea, which is good

566

00:24:41.065 --> 00:24:43.505

'cause nobody wants this to happen in the middle of February

567

00:24:43.725 --> 00:24:46.905

or March, because that would drive all of us insane.

568

00:24:47.485 --> 00:24:49.465

And I actually think, I, I've been telling my people,

569

00:24:49.685 --> 00:24:52.585

you know, my team, I'm like, this is a good thing for us,

570

00:24:53.405 --> 00:24:55.355

especially if you guys do BOI things.

571

00:24:55.755 --> 00:24:56.795

'cause now every, we're gonna have

572

00:24:56.815 --> 00:24:58.995

so many client interactions over the next three

573

00:24:58.995 --> 00:25:01.525

months, we can check in.

574

00:25:01.625 --> 00:25:04.125

And I do think, I think we have a responsibility

575

00:25:04.545 --> 00:25:06.445

to inform our clients of BOI

576

00:25:06.865 --> 00:25:09.565

and we have a responsibility if we're not gonna file it

577

00:25:09.665 --> 00:25:10.925

to make sure they filed it.

578

00:25:11.385 --> 00:25:13.325

Hey Nick, we, we had a question come in.

579

00:25:13.325 --> 00:25:17.165

And this is, I guess this is a good point. Define BOI.

580

00:25:18.425 --> 00:25:20.805

Oh, sorry, yeah, BOI we talk about it so much,

581

00:25:20.985 --> 00:25:24.725

but BOI is the beneficial ownership information report.

582

00:25:24.945 --> 00:25:26.845

The, uh, SEN filings.

583

00:25:27.425 --> 00:25:28.925

So you go to fins send

584

00:25:28.945 --> 00:25:31.445

and you file whoever the beneficial owners are

585

00:25:31.585 --> 00:25:34.285

of your company or LLC or corporation.

586

00:25:35.145 --> 00:25:36.845

And that, that, that's BOI.

587

00:25:37.105 --> 00:25:39.005

Um, and it's something that we've been dealing

588

00:25:39.005 --> 00:25:42.285

with the start, the filing started 1 1 20 24

589

00:25:43.345 --> 00:25:47.125

and it was going to, it's supposed to be done 12 31 20 24.

590

00:25:47.635 --> 00:25:48.925

It's not a yearly filing.

591

00:25:49.305 --> 00:25:51.045

It is going to be a onetime filing

592

00:25:51.145 --> 00:25:53.365

unless you switch your address.

593

00:25:54.345 --> 00:25:58.125

Or this is another key if you upload a driver's

594

00:25:58.125 --> 00:25:59.285

license or passport.

595

00:25:59.505 --> 00:26:02.125

And the number changes so it can expire,

596

00:26:02.665 --> 00:26:06.845

but when you renew it, if the number changes, you have to,

597

00:26:07.385 --> 00:26:09.565

um, update it.

598

00:26:10.205 --> 00:26:11.865

So driver's license, at least here, I mean,

599

00:26:11.865 --> 00:26:13.305

I mean I can't speak for every state, Virginia,

600

00:26:13.305 --> 00:26:14.345

we don't change our numbers.

601

00:26:14.725 --> 00:26:16.745

You carry your number over, uh,

602

00:26:17.185 --> 00:26:18.425

passports, you do change numbers.

603

00:26:18.485 --> 00:26:20.745

So we've had to have a couple who use passports.

604

00:26:20.905 --> 00:26:22.425

'cause that's all they have. They live overseas.

605

00:26:23.085 --> 00:26:25.105

Uh, they don't have a driver's license anymore.

606

00:26:25.285 --> 00:26:28.305

And so those had expired, so we had to update them.

607

00:26:28.405 --> 00:26:29.865

And one, one, actually, they filed it

608

00:26:30.725 --> 00:26:33.745

and it was two months later, their passport expired.

609

00:26:33.745 --> 00:26:35.505

So they're like, oh, I gotta upload a new one.

610

00:26:36.205 --> 00:26:39.745

So basically you don't need to worry about filing it

611

00:26:39.745 --> 00:26:40.945

after the first one's done

612

00:26:40.945 --> 00:26:42.985

unless, you know, there's some kind of change there.

613

00:26:45.585 --> 00:26:46.605

Uh, planning for next year.

614

00:26:46.605 --> 00:26:47.565

I, I think, I think we kind of

615

00:26:47.665 --> 00:26:48.765

hit this a little bit already.

616

00:26:49.025 --> 00:26:51.925

Um, and, and you know, when I throw out what are we gonna do

617

00:26:51.925 --> 00:26:53.405

for estimated taxes next year, I,

618

00:26:53.445 --> 00:26:55.205

I think anytime we are in tax season now

619

00:26:55.225 --> 00:26:57.325

and we're helping for estimates, we need

620

00:26:57.325 --> 00:26:58.645

to take into consideration the news.

621

00:26:58.985 --> 00:27:02.925

So this year, probably more than any other year, I'm just,

622

00:27:03.065 --> 00:27:05.245

I'm killing it on the safe harbors.

623

00:27:05.735 --> 00:27:08.365

Every client is gonna get a safe harbor estimate,

624

00:27:08.585 --> 00:27:12.005

and that way they know what it is to avoid any penalties.

625

00:27:12.525 --> 00:27:14.405

I don't want 'em to come back tax law change.

626

00:27:14.425 --> 00:27:16.045

You didn't tell me about this. There's a penalty.

627

00:27:16.315 --> 00:27:18.045

What I'm gonna do, here's your safe harbors.

628

00:27:18.195 --> 00:27:20.405

Make these, you will avoid any penalties

629

00:27:20.865 --> 00:27:22.365

and don't worry about that.

630

00:27:22.505 --> 00:27:24.245

All right? So keep that in mind.

631

00:27:24.545 --> 00:27:27.085

Um, and it's definitely just do what you can

632

00:27:27.085 --> 00:27:29.605

to protect yourself from any kind of penalty exposure.

633

00:27:29.845 --> 00:27:32.405

I, I do think that's, um, what we want.

634

00:27:32.825 --> 00:27:34.605

And I was reading some other news.

635

00:27:34.685 --> 00:27:37.045

I, my last point here, I, I was reading some studies

636

00:27:37.045 --> 00:27:39.125

where they were looking at clients and,

637

00:27:39.305 --> 00:27:41.685

and actually looking at people who were at, you know,

638

00:27:41.765 --> 00:27:44.845

CPA firms, accounting firms, EA firms, all of the above.

639

00:27:45.575 --> 00:27:48.035

And they were asking clients, what more can they do for you?

640

00:27:48.455 --> 00:27:51.075

And it was like 70% of them said, oh,

641

00:27:51.115 --> 00:27:52.435

I wish I had more tax planning.

642

00:27:53.075 --> 00:27:54.695

And not only that, it was, we would pay

643

00:27:54.695 --> 00:27:57.015

for additional tax planning too, uh,

644

00:27:57.085 --> 00:27:58.615

from this large group of people.

645

00:27:59.155 --> 00:28:01.455

So as you're looking to expand your business,

646

00:28:01.485 --> 00:28:04.095

grow your business, I think tax planning is a great area

647

00:28:04.105 --> 00:28:05.615

where clients want that.

648

00:28:05.995 --> 00:28:07.095

You know, they're craving that

649

00:28:07.315 --> 00:28:10.055

and hopefully you can, you know, get that implemented.

650

00:28:10.115 --> 00:28:12.655

Uh, I use the software BNA tax planner for most

651

00:28:12.655 --> 00:28:15.655

of my clients to do my tax planning, great software.

652

00:28:16.035 --> 00:28:19.455

Um, I also use access for my tax return prep

653

00:28:19.455 --> 00:28:21.495

that also has a tax planning tool in there.

654

00:28:21.755 --> 00:28:23.215

But definitely if you can find something

655

00:28:23.215 --> 00:28:25.295

with a good deliverable, it, it's a great way

656

00:28:25.395 --> 00:28:26.855

to help grow your business.

657

00:28:28.295 --> 00:28:30.385

Nick Candace brings up on beneficial

658

00:28:30.415 --> 00:28:31.665

ownership information.

659

00:28:31.835 --> 00:28:34.625

She's one of those practitioners with an e

660

00:28:34.625 --> 00:28:36.825

and o policy that says, don't do it

661

00:28:36.825 --> 00:28:38.545

because it's the practice of law.

662

00:28:38.965 --> 00:28:41.825

So I guess that piece is highly variable, isn't it?

663

00:28:41.825 --> 00:28:44.065

Depending on who your carrier is.

664

00:28:44.455 --> 00:28:47.625

Different carriers have different perspectives on that.

665

00:28:48.805 --> 00:28:50.895

Yeah, with the BLI, some most carriers

666

00:28:50.895 --> 00:28:52.935

that I've seen have have pivoted.

667

00:28:52.965 --> 00:28:55.095

They originally said no, practice the law.

668

00:28:55.095 --> 00:28:57.575

They pivoted to, okay, you can, you can do it

669

00:28:57.575 --> 00:28:59.135

and we're not gonna kill you for it.

670

00:28:59.595 --> 00:29:01.855

Um, like Kako is one that did that.

671

00:29:02.595 --> 00:29:06.495

And the main reason why you started seeing a,

672

00:29:06.615 --> 00:29:08.695

a change was several states came out

673

00:29:08.715 --> 00:29:10.455

and they said, no, it's not a practice of law,

674

00:29:10.475 --> 00:29:11.775

as long as it's not complex.

675

00:29:11.995 --> 00:29:13.375

And every state that's really come out

676

00:29:13.375 --> 00:29:15.535

and made a decision on it, kind of had that same idea.

677

00:29:16.235 --> 00:29:18.175

Um, and it's only been, I think five states

678

00:29:18.175 --> 00:29:19.415

that have said something so far,

679

00:29:20.195 --> 00:29:21.895

but in general, they've said it's not a

680

00:29:22.055 --> 00:29:23.295

practice law unless it's complex.

681

00:29:23.995 --> 00:29:26.055

So I, I mean, I wouldn't, if my e

682

00:29:26.055 --> 00:29:27.935

and O isn't gonna cover it, I'm not gonna do that work.

683

00:29:28.515 --> 00:29:30.855

Um, but you know, if they're not, you know,

684

00:29:30.855 --> 00:29:31.895

just double check with 'em,

685

00:29:31.895 --> 00:29:34.095

see if they changed their position from what originally was.

686

00:29:34.295 --> 00:29:35.815

'cause a lot have, uh,

687

00:29:35.835 --> 00:29:37.215

but yeah, I mean, at the end of the day,

688

00:29:37.215 --> 00:29:38.415

if your email is not covering it,

689

00:29:38.815 --> 00:29:40.215

penalties are huge on these.

690

00:29:40.555 --> 00:29:42.765

So you wanna make sure you have some kind of,

691

00:29:42.825 --> 00:29:45.195

um, uh, help there.

692

00:29:46.125 --> 00:29:49.265

And the other one I had on here too is, is PTE payments.

693

00:29:49.725 --> 00:29:52.665

Now we, we kind of pointed out, it looks like based on the,

694

00:29:52.925 --> 00:29:54.025

you know, this document,

695

00:29:54.025 --> 00:29:56.505

maybe PTE payments are going to be going away.

696

00:29:57.285 --> 00:29:59.585

Um, so what do we do when we get into

697

00:29:59.585 --> 00:30:02.065

that transition year if they do go away, you know,

698

00:30:02.065 --> 00:30:03.985

we're gonna have this time period where we might have

699

00:30:03.985 --> 00:30:06.025

to make estimated payments for PTEs,

700

00:30:06.025 --> 00:30:07.665

but it might not be a thing, you know,

701

00:30:07.725 --> 00:30:08.825

in, in the following year.

702

00:30:09.365 --> 00:30:11.385

So what can we do to kind of rectify that?

703

00:30:11.805 --> 00:30:13.465

Um, I don't have a solution for that yet.

704

00:30:13.965 --> 00:30:15.665

Uh, but I do think it's something that we need

705

00:30:15.665 --> 00:30:16.745

to be considering and,

706

00:30:16.745 --> 00:30:18.345

and really thinking about as,

707

00:30:18.525 --> 00:30:20.345

as we continue into tax season,

708

00:30:20.525 --> 00:30:22.225

we get tax law changes and all that.

709

00:30:22.945 --> 00:30:26.185

I make sure, depending on what state you're in, review

710

00:30:26.285 --> 00:30:29.385

how PTE works for your state

711

00:30:30.045 --> 00:30:33.465

and if PTE is gonna continue, if it ends,

712

00:30:33.525 --> 00:30:36.185

if the salt cap ends or if it ends at a certain date,

713

00:30:36.455 --> 00:30:38.585

because those are the three that are out there,

714

00:30:38.845 --> 00:30:40.145

if it ends at a certain date,

715

00:30:40.325 --> 00:30:42.185

you know you're gonna need your, what your,

716

00:30:42.505 --> 00:30:43.945

whatever your legislator is in your state

717

00:30:44.405 --> 00:30:46.385

to pass something to fix it.

718

00:30:46.925 --> 00:30:50.025

Um, some are tied to the actual salt cap,

719

00:30:50.205 --> 00:30:52.185

so if the salt cap gets extended,

720

00:30:52.205 --> 00:30:53.585

it automatically gets extended.

721

00:30:53.845 --> 00:30:56.225

So that's good for those states.

722

00:30:56.845 --> 00:30:58.585

Um, and then other ones are just like,

723

00:30:58.605 --> 00:31:00.065

if it's there, you get pt.

724

00:31:00.085 --> 00:31:01.625

If it's not, you don't get it.

725

00:31:02.265 --> 00:31:03.525

So make sure you kinda have an idea of

726

00:31:03.525 --> 00:31:05.325

what your state's like, uh, so that way you know,

727

00:31:05.325 --> 00:31:08.165

when the changes do make income, how to help your clients

728

00:31:08.165 --> 00:31:09.565

that are making PTE payments.

729

00:31:10.965 --> 00:31:12.905

All right. And Jason, I will switch over

730

00:31:13.005 --> 00:31:15.585

and I'll let you hit things that you wanted to cover.

731

00:31:16.165 --> 00:31:19.905

All right, so more material

732

00:31:20.005 --> 00:31:21.185

as time allows.

733

00:31:21.485 --> 00:31:25.225

So I always am the paranoid one who worries that we're going

734

00:31:25.225 --> 00:31:27.665

to run out of material before we run out of time.

735

00:31:27.805 --> 00:31:32.065

We never do. But, so my job is to always fill out the deck

736

00:31:32.295 --> 00:31:33.905

with other things.

737

00:31:34.565 --> 00:31:36.505

So I have a couple of new things

738

00:31:37.455 --> 00:31:39.145

that have come along in the last month

739

00:31:39.145 --> 00:31:40.345

that I wanted to talk about.

740

00:31:40.565 --> 00:31:44.025

And then as time allows, we have a deep dive.

741

00:31:44.165 --> 00:31:47.185

We probably won't get too far into that.

742

00:31:47.565 --> 00:31:51.745

It wouldn't be a monthly tax update if we didn't talk about

743

00:31:51.965 --> 00:31:53.665

the employee retention credit.

744

00:31:53.835 --> 00:31:57.825

We've talked about it in literally every monthly tax update.

745

00:31:57.835 --> 00:32:00.425

We've been doing this since May of 2021

746

00:32:01.085 --> 00:32:05.145

and we'll probably be talking about ERC for years to come.

747

00:32:06.005 --> 00:32:09.425

Not much to say about it in the last month as far

748

00:32:09.425 --> 00:32:11.905

as like IRS guidance or anything.

749

00:32:12.445 --> 00:32:14.865

But I wanna try clicking on this link here.

750

00:32:16.245 --> 00:32:21.105

Um, the IRS is doing some things on enforcement

751

00:32:22.335 --> 00:32:23.585

with ERC.

752

00:32:24.045 --> 00:32:27.665

So this was, uh, I guess this would've been last week

753

00:32:27.665 --> 00:32:28.865

that this came out.

754

00:32:29.635 --> 00:32:34.065

There are these people who, um, have been indicted

755

00:32:35.205 --> 00:32:39.445

on filing fraudulent returns relating to ERC,

756

00:32:39.445 --> 00:32:41.165

and I'm not gonna read all of that to you.

757

00:32:41.325 --> 00:32:44.405

I know it's like, can't really read all of that.

758

00:32:44.625 --> 00:32:47.365

But, um, basically,

759

00:32:49.195 --> 00:32:50.895

so they, they are, I guess Nick,

760

00:32:50.915 --> 00:32:53.775

we could say the IRS is doing things against

761

00:32:53.775 --> 00:32:54.855

those credit mills.

762

00:32:55.515 --> 00:32:57.255

Um, and we'll probably be seeing,

763

00:32:57.515 --> 00:33:00.455

I'm guessing we'll be seeing more stories like this

764

00:33:01.315 --> 00:33:02.815

as uh, time goes on.

765

00:33:03.805 --> 00:33:06.375

Yeah, we have to remember too, it does take time

766

00:33:06.375 --> 00:33:09.015

to build a case to take it to court and all that.

767

00:33:09.755 --> 00:33:12.335

So, you know, once you start seeing those first cases,

768

00:33:12.595 --> 00:33:14.255

you're probably gonna start seeing a lot more

769

00:33:14.255 --> 00:33:15.815

because I mean, I'm sure most

770

00:33:15.815 --> 00:33:18.695

of 'em are gonna follow the same sort of timeline, um,

771

00:33:18.755 --> 00:33:20.615

to get from, Hey, we have a case against you.

772

00:33:20.615 --> 00:33:22.455

We're filing a complaint, we're taking you to court.

773

00:33:22.555 --> 00:33:24.655

So hopefully, you know, these aren't gonna be one

774

00:33:24.655 --> 00:33:26.815

and dones, we're gonna see a whole bunch come through just

775

00:33:26.975 --> 00:33:28.975

'cause I so much fraud here

776

00:33:29.115 --> 00:33:30.775

and it, it made our life so hard

777

00:33:30.835 --> 00:33:32.295

as well having to deal with them.

778

00:33:33.705 --> 00:33:36.755

Well, and I want to click on this again, 8,000.

779

00:33:37.105 --> 00:33:38.595

This is probably one of the smaller

780

00:33:38.705 --> 00:33:39.875

ones, don't you think Nick?

781

00:33:39.885 --> 00:33:42.195

8,000 fraudulent returns filed.

782

00:33:42.315 --> 00:33:47.065

I mean, some of these places, tens of thousands of filings.

783

00:33:47.065 --> 00:33:48.585

Oh, you and I talked about that one time.

784

00:33:48.605 --> 00:33:51.305

We took a guess, how many filings do we think some

785

00:33:51.305 --> 00:33:52.665

of the big credit mills did?

786

00:33:52.665 --> 00:33:54.665

And we came up with maybe even like a

787

00:33:54.665 --> 00:33:56.185

hundred thousand or something.

788

00:33:56.935 --> 00:33:59.105

Yeah, it wouldn't surprise me if it's that high at all.

789

00:33:59.735 --> 00:34:01.905

Yeah, so there you go.

790

00:34:01.905 --> 00:34:05.985

That's our ERC, I call it ERC theater. So there you go.

791

00:34:06.125 --> 00:34:10.225

We have ERC mentioned. So the tradition continues.

792

00:34:11.365 --> 00:34:15.985

Uh, there is a recent security incident at Tax Dome,

793

00:34:16.475 --> 00:34:20.345

which is one of the, oh, it's like a practice management hub

794

00:34:21.095 --> 00:34:23.105

that a lot of firms use.

795

00:34:24.445 --> 00:34:26.905

And, um, you know, you can't really find a lot

796

00:34:26.905 --> 00:34:28.305

of articles about it.

797

00:34:28.385 --> 00:34:29.505

I did a Google search

798

00:34:29.505 --> 00:34:33.705

and really at accounting today, this article here is all

799

00:34:33.705 --> 00:34:35.145

that I really could find about it.

800

00:34:35.145 --> 00:34:39.265

There's a lot of chatter on social media about it,

801

00:34:39.325 --> 00:34:43.025

but not a lot of other info about it.

802

00:34:43.085 --> 00:34:45.905

So rather than focusing on, you know, what happened with

803

00:34:45.905 --> 00:34:49.785

that or whatever, I think it's more just good to talk about

804

00:34:50.375 --> 00:34:54.465

data security, especially with tax season starting.

805

00:34:54.925 --> 00:34:58.145

And, you know, it's not just our software,

806

00:34:58.335 --> 00:35:01.225

like our tax prep software that may be in the cloud,

807

00:35:01.325 --> 00:35:05.265

but your secure websites, your practice management software,

808

00:35:06.365 --> 00:35:08.065

um, if you're outsourcing

809

00:35:08.445 --> 00:35:09.905

or offshoring work,

810

00:35:10.485 --> 00:35:14.025

how are people in other countries accessing the data?

811

00:35:14.295 --> 00:35:17.545

There's nothing wrong with that, but you need a process.

812

00:35:17.965 --> 00:35:19.385

And remember the IRS,

813

00:35:20.315 --> 00:35:23.475

actually it's the Federal Trade Commission requires

814

00:35:24.285 --> 00:35:28.075

accounting firms that includes enrolled agents,

815

00:35:28.215 --> 00:35:31.555

it includes unenrolled, tax preparers

816

00:35:32.135 --> 00:35:35.675

to have a written data security plan.

817

00:35:36.615 --> 00:35:38.245

Um, that's not as daunting

818

00:35:38.305 --> 00:35:41.365

as it sounds if you're a small time operator like me.

819

00:35:41.365 --> 00:35:43.325

It can seem a little intimidating to try

820

00:35:43.325 --> 00:35:45.485

to get a data security plan put together.

821

00:35:45.585 --> 00:35:50.405

But I used IRS publication 45 57.

822

00:35:50.455 --> 00:35:53.045

There was a checklist in that

823

00:35:54.225 --> 00:35:55.565

and I created a,

824

00:35:56.405 --> 00:35:59.485

a data security plan in pretty short order there.

825

00:35:59.515 --> 00:36:03.045

Also, just a few months ago, the IRS released an actual

826

00:36:03.765 --> 00:36:07.085

template, like a template that you could copy and paste

827

00:36:07.085 --> 00:36:08.245

and then go through and edit

828

00:36:08.705 --> 00:36:10.765

to help you get started on that.

829

00:36:12.285 --> 00:36:15.565

I also, I, I've received several emails

830

00:36:16.105 --> 00:36:20.005

worded like this and I blacked out the name

831

00:36:20.005 --> 00:36:21.885

because I did a little Google search.

832

00:36:22.145 --> 00:36:25.245

The name is like a real person

833

00:36:26.185 --> 00:36:29.205

and he really is the owner of this, you know, such

834

00:36:29.225 --> 00:36:31.565

and such farms, LLC,

835

00:36:31.985 --> 00:36:34.445

and I think there's a phone number here that,

836

00:36:34.675 --> 00:36:36.485

that really is his phone number.

837

00:36:37.385 --> 00:36:41.085

And, uh, the email down here in the signature

838

00:36:42.065 --> 00:36:43.725

is like really his email.

839

00:36:44.385 --> 00:36:45.805

So I blacked that out.

840

00:36:46.425 --> 00:36:47.885

But this is fraud

841

00:36:48.305 --> 00:36:51.685

or a scam, a phishing scam.

842

00:36:52.295 --> 00:36:57.085

Phish. And, and you could see get the highlighter on here.

843

00:36:59.625 --> 00:37:02.285

If you look at the email address, this came from,

844

00:37:02.675 --> 00:37:05.205

it's an email address in Czechoslovakia

845

00:37:05.745 --> 00:37:06.805

is where it came from.

846

00:37:07.545 --> 00:37:11.405

And I've received several emails formatted just like this

847

00:37:12.185 --> 00:37:15.245

in a way that I don't think too many

848

00:37:15.265 --> 00:37:18.085

of our clients in the real world talk like this

849

00:37:18.345 --> 00:37:19.405

or write like this.

850

00:37:20.275 --> 00:37:22.205

This is just one example.

851

00:37:22.525 --> 00:37:26.685

I have several that have made their way not into my inbox

852

00:37:27.635 --> 00:37:31.165

outlook as a good job of tossing it in the junk folder,

853

00:37:31.385 --> 00:37:33.325

but it says the same thing.

854

00:37:33.385 --> 00:37:36.085

My previous tax accountant has recently retired.

855

00:37:36.185 --> 00:37:38.725

And I wanna ensure that I remain proactive

856

00:37:39.425 --> 00:37:40.965

in my tax preparation.

857

00:37:41.545 --> 00:37:43.725

My situation is relatively straightforward.

858

00:37:43.845 --> 00:37:47.085

I don't owe taxes and I can consistently pay estimated

859

00:37:47.085 --> 00:37:48.405

taxes on time.

860

00:37:49.315 --> 00:37:51.685

That wording, I've seen that in like three

861

00:37:51.705 --> 00:37:54.645

or four different spam emails just in the

862

00:37:54.645 --> 00:37:55.685

past couple of weeks.

863

00:37:56.425 --> 00:37:58.605

So, you know, be careful Now this,

864

00:37:58.915 --> 00:38:02.245

this one doesn't have any links to click on.

865

00:38:02.245 --> 00:38:04.925

Sometimes you'll get an email, one

866

00:38:04.925 --> 00:38:08.565

of these spam messages that'll say, my documents are here,

867

00:38:08.815 --> 00:38:10.805

click here to get my documents.

868

00:38:12.145 --> 00:38:15.485

Um, you know, obviously don't respond to these kind

869

00:38:15.485 --> 00:38:20.205

of emails and certainly don't click on any links in them.

870

00:38:22.415 --> 00:38:25.995

Um, get into, well, you know what, we have one more poll.

871

00:38:26.085 --> 00:38:30.105

Let's get the deep dive started till we get to the poll

872

00:38:30.285 --> 00:38:33.425

and then maybe we'll kind of stop and get into, you know, q

873

00:38:33.425 --> 00:38:37.245

and a or just other discussion with this deep dive.

874

00:38:37.435 --> 00:38:40.565

Sometimes we'll throw in something

875

00:38:40.785 --> 00:38:42.485

that's just a particular topic.

876

00:38:42.725 --> 00:38:44.445

A lot of times when I do it, it's

877

00:38:44.555 --> 00:38:47.125

what have I been working on recently as far

878

00:38:47.125 --> 00:38:48.365

as slide decks go?

879

00:38:48.365 --> 00:38:52.965

And it happens that I just went through a two hour session

880

00:38:53.075 --> 00:38:55.125

that I do on medical expenses.

881

00:38:55.345 --> 00:38:58.285

So it's like, oh, I'll just throw some of these slides

882

00:38:58.835 --> 00:39:02.325

into the deck about medical expenses

883

00:39:02.625 --> 00:39:06.245

and what's deductible on schedule A and what's not.

884

00:39:07.025 --> 00:39:10.445

Um, some of this is a moot point for two reasons

885

00:39:10.865 --> 00:39:12.205

for a lot of our clients.

886

00:39:12.585 --> 00:39:15.485

One is with itemized deductions of medical expenses,

887

00:39:16.405 --> 00:39:19.565

expenses have to be more than 7.5% of a GI

888

00:39:20.105 --> 00:39:22.125

to even start being deductible.

889

00:39:22.345 --> 00:39:25.005

And the other thing is with the very high standard

890

00:39:25.095 --> 00:39:27.765

deductions that came about in the tax cuts

891

00:39:27.765 --> 00:39:32.205

and Jobs Act, a lot of folks don't itemize anymore anyway.

892

00:39:32.625 --> 00:39:35.165

But if you have someone who does itemize,

893

00:39:36.425 --> 00:39:39.925

what's deductible potentially is a medical expense.

894

00:39:40.905 --> 00:39:42.285

So the way that I like

895

00:39:42.285 --> 00:39:44.805

to describe it is think about is the medical expense

896

00:39:45.235 --> 00:39:46.645

medically necessary

897

00:39:47.855 --> 00:39:50.675

and is it legal federally?

898

00:39:51.615 --> 00:39:56.035

So the common example that's given in like the tax textbooks

899

00:39:56.135 --> 00:39:59.155

of medical necessity is like someone is in an accident

900

00:40:00.215 --> 00:40:02.795

and they need some kind of, you know, plastic surgery,

901

00:40:03.355 --> 00:40:08.115

reconstructive surgery and or they have cancer or something

902

00:40:08.175 --> 00:40:10.355

and they need reconstructive surgery.

903

00:40:11.135 --> 00:40:12.715

That's medically necessary

904

00:40:12.715 --> 00:40:15.435

because it is, if you look at,

905

00:40:15.555 --> 00:40:19.035

I think it's in section two 13 of the code, the definition

906

00:40:19.035 --> 00:40:20.275

of medical expenses.

907

00:40:21.255 --> 00:40:22.315

Um, it,

908

00:40:22.455 --> 00:40:26.235

it talks about you're basically placing the body back

909

00:40:26.255 --> 00:40:27.355

to a state of health.

910

00:40:27.895 --> 00:40:29.715

So is it medically necessary?

911

00:40:29.775 --> 00:40:32.075

And then is it federal legally, for example, on

912

00:40:33.305 --> 00:40:37.555

federally legal medicinal marijuana, a lot

913

00:40:37.555 --> 00:40:39.555

of states have legalized that

914

00:40:39.935 --> 00:40:43.195

and in those states a Dr. May prescribe it,

915

00:40:44.015 --> 00:40:47.035

but the costs associated with that

916

00:40:47.295 --> 00:40:51.035

to our client are not deductible as a medical expense

917

00:40:51.745 --> 00:40:55.475

because it's still illegal federally.

918

00:40:55.975 --> 00:41:00.395

So go to publication 5 0 2, it contains an extensive list

919

00:41:00.395 --> 00:41:02.595

of examples of deductible

920

00:41:03.015 --> 00:41:05.395

versus non-deductible.

921

00:41:06.455 --> 00:41:10.435

So Terry asks a question for clarification on, you know,

922

00:41:10.435 --> 00:41:12.555

putting the body back in a state of health,

923

00:41:12.665 --> 00:41:14.195

what about pharmaceuticals?

924

00:41:15.495 --> 00:41:17.555

And I think what Terry's getting at is that

925

00:41:18.255 --> 00:41:21.395

pharmaceuticals might just kind of cover up the,

926

00:41:21.495 --> 00:41:23.275

the problem someone is having,

927

00:41:23.375 --> 00:41:26.785

but that would be treatment of an illness.

928

00:41:27.765 --> 00:41:30.145

So look at code section two 13.

929

00:41:30.215 --> 00:41:33.645

There's a, and even though I

930

00:41:34.505 --> 00:41:38.765

say this a lot of times in the session on medical expenses

931

00:41:38.945 --> 00:41:43.605

and also on my form 10 99 session about, uh, medical

932

00:41:44.205 --> 00:41:46.365

expenses reportable on 10 90 nines.

933

00:41:46.545 --> 00:41:50.285

The exact quote is escaping my brain at the moment,

934

00:41:50.425 --> 00:41:54.965

but it's the diagnosis, treatment, cure

935

00:41:55.185 --> 00:41:59.205

or mitigation of injury, illness or disease.

936

00:42:00.465 --> 00:42:04.125

So a medicine like a prescribed medicine

937

00:42:05.015 --> 00:42:06.885

would count as a medical expense

938

00:42:06.885 --> 00:42:08.125

because it is in fact

939

00:42:08.725 --> 00:42:12.325

treating even if it technically doesn't bring a body back

940

00:42:12.385 --> 00:42:13.445

to a state of health.

941

00:42:14.395 --> 00:42:17.765

Another question, Nick Joe wants to know that report

942

00:42:17.765 --> 00:42:21.525

that you provided didn't say anything about the child tax

943

00:42:21.625 --> 00:42:24.965

credit and Joe Wonders if you've heard anything else about

944

00:42:24.965 --> 00:42:29.435

the child tax credit and any changes with that.

945

00:42:30.505 --> 00:42:32.755

Yeah, there's actually a proposed bill right now

946

00:42:32.935 --> 00:42:36.435

by a Republican, I wanna say house member.

947

00:42:36.435 --> 00:42:38.635

It might be seventh though, I'm pretty sure it's house

948

00:42:38.635 --> 00:42:40.915

because it's not Cruz or the other one.

949

00:42:41.255 --> 00:42:45.035

Um, that would actually expand the child tax credit

950

00:42:45.215 --> 00:42:46.315

and, and make it larger.

951

00:42:46.775 --> 00:42:49.435

Um, so you know, it it's on the radar

952

00:42:50.095 --> 00:42:51.315

and I definitely think it's something that,

953

00:42:51.335 --> 00:42:52.515

you know, you might see.

954

00:42:52.775 --> 00:42:55.195

Uh, but yeah, nothing, nothing in what we have now.

955

00:42:55.455 --> 00:42:58.235

So outside of the one proposed bill that we have,

956

00:42:58.475 --> 00:43:00.675

I can't really talk about anything else that we might see.

957

00:43:02.185 --> 00:43:04.725

And if Frank says for data security plan,

958

00:43:04.725 --> 00:43:06.685

he used the IRS template

959

00:43:06.745 --> 00:43:09.085

and customized it to fit his company.

960

00:43:09.185 --> 00:43:12.725

That's a good idea. That's what I have done.

961

00:43:13.435 --> 00:43:16.645

Also, Nick, I'm guessing your firm's data security plan is

962

00:43:16.925 --> 00:43:19.605

probably a little thicker than, than someone like mine.

963

00:43:20.845 --> 00:43:21.845

I don't even know what it is.

964

00:43:21.965 --> 00:43:24.445

I mean, honestly we have, uh, our IT department

965

00:43:24.505 --> 00:43:27.205

and I just trust all those people to, to do everything

966

00:43:27.275 --> 00:43:28.565

that needs to be done. Right.

967

00:43:29.385 --> 00:43:31.405

You know, something else on that front Nick

968

00:43:31.405 --> 00:43:33.845

that popped into my mind is section

969

00:43:33.955 --> 00:43:36.725

72 16 disclosures.

970

00:43:36.735 --> 00:43:38.325

We've talked about that a few times,

971

00:43:38.585 --> 00:43:42.685

but with tax planning, I mean, I guess if it's related

972

00:43:42.745 --> 00:43:46.085

to the tax return, that's probably okay.

973

00:43:46.085 --> 00:43:48.645

But you do have to be careful like with saying, Hey,

974

00:43:48.665 --> 00:43:51.325

we can do your BOI for you,

975

00:43:52.155 --> 00:43:56.085

make sure you have those section 72 16 disclosures

976

00:43:56.195 --> 00:43:59.285

because that's something, I mean, I feel like

977

00:43:59.285 --> 00:44:02.685

that doesn't get a lot of discussion a lot of times,

978

00:44:02.905 --> 00:44:05.245

but that comes with, you know, not just penalties,

979

00:44:05.245 --> 00:44:07.805

but up to a year in prison too.

980

00:44:08.795 --> 00:44:10.365

Yeah, prison's not fun to go to.

981

00:44:10.585 --> 00:44:14.685

So yeah, the only time we have 72 16 disclosure issues,

982

00:44:14.705 --> 00:44:16.565

we always wanna be on the lookout since

983

00:44:16.585 --> 00:44:17.805

the penalties are so high.

984

00:44:18.265 --> 00:44:19.765

Um, I think there's only been one

985

00:44:19.765 --> 00:44:21.965

or two cases actually where the government prosecuted

986

00:44:21.995 --> 00:44:23.845

with 72 16 as an issue.

987

00:44:24.645 --> 00:44:26.025

Uh, but you don't wanna be the first one

988

00:44:26.025 --> 00:44:27.345

where they try it out on.

989

00:44:27.345 --> 00:44:28.585

Right. Uh,

990

00:44:28.765 --> 00:44:31.485

but yeah, overall, anytime that you're using something

991

00:44:31.485 --> 00:44:32.885

for non-tax returns,

992

00:44:33.385 --> 00:44:35.485

you wanna make sure you have authorization to use it.

993

00:44:35.825 --> 00:44:36.925

Tax planning is fine

994

00:44:36.925 --> 00:44:39.085

because it's, it's, it's all in the compass of

995

00:44:39.085 --> 00:44:40.405

that engagement of it.

996

00:44:41.025 --> 00:44:43.885

But the one that I, I like pointing out to people say, uh,

997

00:44:43.885 --> 00:44:46.565

you know, some larger firms have like a wealth management

998

00:44:46.565 --> 00:44:49.485

branch, you cannot use tax return data

999

00:44:50.065 --> 00:44:51.845

to provide like marketing info

1000

00:44:51.945 --> 00:44:53.925

for your wealth management branch to be like, oh,

1001

00:44:53.955 --> 00:44:55.365

this person has a million dollars

1002

00:44:55.385 --> 00:44:56.565

of capital gains every year.

1003

00:44:56.585 --> 00:44:58.445

You should talk to them. Stuff like

1004

00:44:58.445 --> 00:44:59.525

that is what you can't use.

1005

00:45:00.195 --> 00:45:03.125

Same with BOI, I mean B OI is kind of a, a weird one.

1006

00:45:03.675 --> 00:45:07.205

Reading the strict interpretations of 72 16,

1007

00:45:07.265 --> 00:45:09.525

you shouldn't be able to use tax return information from

1008

00:45:09.565 --> 00:45:12.925

BOI, but we have seen people out there using it

1009

00:45:13.225 --> 00:45:15.605

and, you know, large companies

1010

00:45:15.825 --> 00:45:17.525

and software companies advocating it.

1011

00:45:18.225 --> 00:45:20.725

So, you know, I hate to be the one, you know,

1012

00:45:20.725 --> 00:45:22.365

if you see somebody else doing it, it's okay,

1013

00:45:22.785 --> 00:45:25.485

but at the same time, I especially since you have sign on

1014

00:45:25.515 --> 00:45:30.285

from like CCH, um, that kind of advocates for it, then I,

1015

00:45:30.405 --> 00:45:32.045

I think you're a little bit safer there.

1016

00:45:33.195 --> 00:45:36.215

Do you recommend filing the BOI or not?

1017

00:45:36.305 --> 00:45:39.975

Since you can technically still file it voluntarily?

1018

00:45:41.115 --> 00:45:44.655

Uh, do you recommend going ahead and filing it

1019

00:45:45.315 --> 00:45:46.415

or wait and see?

1020

00:45:47.515 --> 00:45:50.035

I mean, I'm doing it for my client, so I wanna file it

1021

00:45:50.035 --> 00:45:53.395

because I don't want it to be decided on, you know,

1022

00:45:53.765 --> 00:45:56.595

March 20th with a deadline of March 30th

1023

00:45:56.735 --> 00:46:00.235

and all of a sudden, you know, I have 10,000 clients coming

1024

00:46:00.235 --> 00:46:01.915

to me saying, Hey, file this for me.

1025

00:46:02.805 --> 00:46:05.665

So I have filed Albine as they come in

1026

00:46:05.885 --> 00:46:08.345

and we wanna make sure we, we still tell our clients, Hey,

1027

00:46:08.345 --> 00:46:10.265

voluntarily file, you know, we,

1028

00:46:10.285 --> 00:46:12.305

we think the case is eventually gonna be decided

1029

00:46:12.305 --> 00:46:13.745

where Bo OI is the thing and,

1030

00:46:13.745 --> 00:46:14.985

and they just can't get rid of it.

1031

00:46:15.485 --> 00:46:18.345

Um, but yeah, I'm more concerned in,

1032

00:46:18.445 --> 00:46:21.305

in the long run in in the aspects there of, hey,

1033

00:46:21.575 --> 00:46:25.065

this isn't gonna be fun if these decisions come

1034

00:46:25.065 --> 00:46:26.145

out at a bad time for us.

1035

00:46:26.605 --> 00:46:28.705

So any work we can get done now when we're not

1036

00:46:28.705 --> 00:46:32.505

as busy is better for us than not from a client perspective.

1037

00:46:32.645 --> 00:46:34.745

We have a lot that are just like, we don't wanna do that,

1038

00:46:34.765 --> 00:46:37.305

we don't wanna file if we don't have to, that's fine

1039

00:46:37.365 --> 00:46:38.985

and we respect that for our clients,

1040

00:46:39.205 --> 00:46:41.545

but we wanna try getting the ones in that we can,

1041

00:46:41.885 --> 00:46:44.225

at least from a practice, practice perspective.