

# Index

- accounting, 129–228. *See also* mark-to-market accounting
  - accrual method of, 43–44
  - cash method of, 43 (*see also* cash method of accounting)
  - changing method of, 45
  - client notes in, 140
  - for commodity traders, 193–221
  - for full-time securities traders treated as investors, 164–65
  - for home office deductions, 221–28
  - inventory approach to, 130–33
  - and IRS Form 1099 information, 129–30
  - for money-losing traders, 137–38, 148–57
  - for part-time traders, 137, 169–71
  - for part-year traders, 139, 165–69
  - performance record approach to, 134–36
  - for profitable traders, 157–64
  - for single-member LLC business traders, 138, 171–93
  - for sole proprietor business traders, 138, 171–93
  - tax return footnotes in, 139–41
  - for traders in securities, 142–47
- accrual method of accounting, 43–44
- Active Trader* magazine, 60–61
- adjusted gross income (AGI)
  - and health insurance deductions, 104, 239–40
  - for investors vs. traders, 55
  - and retirement deductions, 239–40
  - for single-member LLCs, 66
  - for sole proprietors, 100
  - and timing of bill-paying, 237–38
- adoption assistance, 109
- AGI. *See* adjusted gross income
- alternative minimum tax (AMT), 37, 55, 63
  - investment expenses as preference item, 84
  - and medical expenses, 106
  - and state tax deductions, 246
  - tax law changes for, 291
  - and timing of bill-paying, 237, 238
- annual income, 25
- asset-use test, 22
- audits, IRS. *See* Internal Revenue Service exams
- bank forward contracts, 116
- bill paying, tax planning and timing of, 237–38
- bonds, 124
- broad-based security indexes, 126
- business activities test, 22
- business traders, xi, 80, 81. *See also* trader tax status
- California, RIA rules in, 273–74
- capital gains and losses
  - converting, 43
  - excess capital loss limitation rules, 230
  - FDAP vs., 27
  - for husband-wife partnerships, 72
  - under IRC section 475, 51
  - with MTM accounting, 52, 54
  - for nonresident aliens, 27–30
  - partnership contributions as, 47, 67
  - for securities, 114
- “carve-out” plans, 108
- cash method of accounting, 43, 229
  - inventory approach for, 131
  - and lowering of year-end taxes, 231–34
  - switching to MTM from, 234–37
  - tax-lowering tips with, 231–34
- C-corporations, 35, 87, 102, 243
- CFMA. *See* Commodities Futures Modernization Act of 2000
- CFTC. *See* Commodity Futures Trading Commission
- children, shift of income to, 110
- client notes, 140
- commodities, 5–6, 114–16

- commodities traders, 113–18
  - accounting for, 193–221
  - mark-to-market accounting for, 50–51, 57, 113–14
  - profit allocation vs. fees for, 85
  - trader tax status qualification for, 7–8
- commodity exchanges, 125
- Commodity Futures Modernization Act (CFMA) of 2000, 116, 125–27
- Commodity Futures Trading Commission (CFTC), 115–17, 119–21, 124–26
- computers, depreciation on, 58–59
- currency traders, 116, 121–23
- data fees, NASDAQ, 76–79
- day traders, 5, 96
- de facto partnerships, 230–31
- deductions
  - for education, 109
  - for health insurance premiums, 102, 104
  - home office, 221–28
  - for HSA contributions, 106
  - for investors, 2
  - for lowering AGI, 239–40
  - for medical expenses, 106
  - for ordinary business expenses, 2
  - for software, 289
- defined benefit/contribution plans, 92
- dependent care assistance plans, 108
- depreciation, 58–59, 289
- determinable income, 25
- direct-access brokerage firms, 94
- direct-access traders, 24, 38, 273
- dividends, tax law changes for, 289–90
- earned income
  - and AGI deductions for traders, 239
  - for independent contractors, 267
  - for single-member LLCs, 66
  - for trader-managers, 84
- ECI. *See* effectively connected income
- education assistance/deductions, 109
- education expenses, 58, 245
- effectively connected income (ECI), 17–23, 25
- EIN (tax identification number), 67
- E-minis, 124, 125
- Employee Retirement Income Security Act of 1974 (ERISA), 95–99
- employee tax status, 37, 263–64, 270. *See also* Form W-2
- entities for traders, 65–87
  - best tax strategy for, 83
  - comparison of, 68–70
  - fee or profit allocation in, 83–85
  - husband-wife partnerships, 70–76
  - investment interest expenses for, 85–86
  - and IRS “state of tax law” summary, 82–83
  - and NASDAQ data feed fees, 76–79
  - nonresident traders, 20
  - and passive activity loss rules, 81–82
  - pass-through entities, 65–66
  - and scams regarding multiple entities, 86–87
  - single-member LLCs, 66–68
  - tax planning and choice of, 242–43
  - trader tax status and trading rule for, 79–81
- ERISA. *See* Employee Retirement Income Security Act of 1974
- estimated tax payments, 245–46
- ETFs (exchange-traded funds), 124
- excess capital loss limitation rules, 230
- exchange clearing process, 118–19
- exchange rate gains/losses, 122
- exchange-traded funds (ETFs), 124
- exiting trading business, 244
- extensions, 246–47, 251–59
  - filing, 251–56
  - first (automatic), 252
  - IRS notices, bills, penalties, interest charges, 256–58
  - for MTM elections, 47–48, 258–59
  - Private Letter Rulings on, 47, 48, 259
  - reasons for recommending, 253–55
  - second, 252
  - strategies for filing, 255–56
  - tax payments with, 251
- family limited partnerships, 87
- FDAP income. *See* fixed, determinable, annual, or periodical income
- fee structure, profit allocation vs., 83–85
- fixed, determinable, annual, or periodical (FDAP) income, 22, 23, 25–30
- fixed income, 25
- flexible spending accounts (FSAs), 108–9, 242
- foreign currency futures contracts, 116, 123
- foreign currency transactions, 122–23
- foreign futures, 119–21
- foreign-based traders. *See* nonresident traders
- Form 1040, 293

## Index

303

- Form 1040X, 44
- Form 1045, 44, 62–63, 253
- Form 1065, 35, 70–72
- Form 1099, 55, 129–30
- Form 1099-Misc, 32, 34, 266–67
- Form 2106, 37, 263, 270
- Form 2688, 252
- Form 3115, 45, 135
- Form 4797, 44, 45, 63, 67, 114, 136, 286
- Form 4868, 46
- Form 6781, 115, 117–18, 122
- Form K-1
  - for husband-wife partnerships, 72
  - IRS exams and reporting on, 286
  - for nonresident proprietary traders, 272
  - for nonresident traders, 18, 19, 38
  - for pass-through entities, 66
  - for proprietary traders, 32, 34–37, 41–42, 268–70
- Form SS-4, 72
- Form W-2 (employee compensation), 32, 37
- forward contracts, futures contracts vs., 117
- franchise taxes, 103
- fraud, back years' liability for, xii
- fringe benefit plans, 99–110. *See also*
  - retirement plans
    - adoption assistance, 109
    - best pass-through entity for, 102–3
    - dependent care assistance, 108
    - education assistance and deductions, 109
    - flexible spending accounts, 108–9
    - health insurance premiums, 104
    - health reimbursement, 104–7
    - health savings accounts, 104–7
    - life insurance, 108
    - meals and lodging, 110
    - medical reimbursement, 104
    - power of, 101–2
    - shift of income to children, 110
    - statutory vs. nonstatutory, 103
    - in tax planning, 242
- FSAs. *See* flexible spending accounts
- full-time traders
  - IRS exam example, 283–85
  - qualification for trader tax status
    - for, 3
  - treated as investors, 164–65
- futures contracts, 115–17, 124
- futures traders, 50–51, 113–18
- gains. *See also* capital gains and losses; ordinary gains and losses
  - accounting for (*see* accounting)
  - exchange rate, 122
  - under IRC section 475, 43
  - under IRC section 1256, 51
  - LLC proprietary trader shares in, 35
  - and method of accounting, 43–44
  - MTM accounting for, 44
  - reporting, 229
  - year-end unrealized, 57–58
- gold bullion, 124–25
- green cards, 18, 20, 21
- GTT Alliance for Traders, 106–7, 299
- GTT TradeLog software, 129, 298
- health insurance premiums, 66, 102, 104, 239–40
- health reimbursement arrangements (HRAs), 104, 107
- health savings accounts (HSAs), 104–7
- hedge funds, 80, 83–84
- high net-worth taxpayers, xii–xiii
- hobby loss rules, 13–17
- home office expenses, 58, 221–28
- HRAs. *See* health reimbursement arrangements
- HSAs. *See* health savings accounts
- husband-wife partnerships, 70–76, 230–31
- ICs. *See* independent contractors
- income tax treaties, 19, 27, 28
- independent contractors (ICs), 34, 264–67. *See also* Form 1099-Misc
- individual 401(k) plans. *See* Mini 401(k) plans
- individual retirement accounts (IRAs), 89, 95–99, 240–42. *See also* Roth IRAs
- Internal Revenue Code (IRC)
  - effectively connected income under, 22
  - section 1.183-2, 122–23
  - section 79, 108
  - section 105(b), 104
  - section 127, 109
  - section 129, 108
  - section 132, 103
  - section 137, 109
  - section 162(a)(2), 30
  - section 179, 58, 289
  - section 195, 109
  - section 301.9100-1, 47–48

- Internal Revenue Code (IRC), *continued*  
 section 475, 46–47, 50–51, 115–17 (*see also* mark-to-market accounting)  
 section 481, 45–46, 134–36  
 section 724(c), 47, 58  
 section 865(g), 29–30  
 section 871(a)(2), 29, 30  
 section 911(d)(3), 30  
 section 988, 122–23  
 section 1256, 51, 113–22, 126  
 section 1302, 111  
 section 1402(i), 59, 66  
 section 7701(b)(3), 29
- Internal Revenue Service (IRS). *See also specific forms*  
 auditing by, xii  
 investment interest expense rules from, 85–86  
 new products tax rules, 124–25  
 and new trader tax laws, 15  
 notices, bills, penalties, interest notice from, 256–58  
 partial ruling against part-time trader, 11–12  
 and passive activity loss rules, 81–82  
 Publication 15-B for fringe benefits, 102  
 Publication 550 rules for traders in securities, 4–10, 111, 276  
 qualified board or exchange rulings, 119  
 “state of tax law” summary, 82–83  
 website of, xiv, 6, 13, 60, 75–76
- Internal Revenue Service (IRS) exams, 275–88  
 full-time California trader exam, 283–85  
 and hobby loss rules application, 17  
 new targets, policies, procedures for, 254, 275  
 NYC trader exam, 277–79  
 part-time trader exams, 137, 280–82  
 and targeting of Schedule C business losses, 285–87
- international traders. *See* nonresident traders
- inventory accounting approach, 130–33
- investment expenses, 55, 84, 86
- investment income, 86, 290–91
- investment interest expenses, 56, 70, 85–86
- investors  
 accounting for, 164–65  
 comparison of sole proprietor and SMLLC with, 68–70  
 deductions for, 2  
 gains and losses reported by, 229–30  
 tax rules for, 80–81  
 tax status for traders vs., 52–59  
 in trading entities, 79–80  
 trading loss and expense deductions for, 1, 2
- IRAs. *See* individual retirement accounts
- IRC. *See* Internal Revenue Code
- IRS. *See* Internal Revenue Service
- IRS exams. *See* Internal Revenue Service exams
- Johnson v. CIR, T.C. Memo (1993-178), 119, 121
- joint tenant, spouse as, 72
- late tax returns, 256
- law firms, xiii
- laws. *See* tax laws
- life insurance plans, 108
- limited liability companies (LLCs). *See also* Form K-1  
 fringe benefit plans for, 103  
 IRC section 724(c) for, 47  
 NASDAQ fees for, 78–79  
 and proprietary trading, 34–37, 41–42, 265–66, 268–70  
 PTFs organized as, 41  
 single-member. *See* single-member LLCs  
 structure of, 35
- “livelihood” requirement, 6, 9–11
- long-term capital gains, 52
- loss carryback/carryforward, 44, 51, 59, 60, 113
- losses. *See also* capital gains and losses;  
 ordinary gains and losses  
 accounting for (*see* accounting)  
 for commodities and futures traders, 113  
 exchange rate, 122  
 under IRC section 475, 43  
 LLC proprietary trader shares in, 35  
 and method of accounting, 43–44  
 MTM accounting for, 44  
 in partnership contributions, 47, 67  
 passive activity loss rules, 81–82  
 reporting, 229  
 wash sale loss-deferral rules, 50, 54–55  
 year-end unrealized, 57–58
- mark-to-market (MTM) accounting, xiii, 43–63, 139  
 benefits of, 52–59

- business expenses not included in, 43–44
- for commodities and futures trading, 50–51, 113–14
- for commodities traders, 57
- election of, 44–47
- extensions for electing, 47–48, 253–54, 258–59
- inventory approach for, 131–33
- of IRC section 1256 vs. IRC section 475(f), 116
- missed election of, 47
- and net operating losses, 48, 59–63
- and new products in trading program, 125
- for new taxpayer trading entities, 71
- Private Letter Rulings on, 48
- procedure for, 43
- for PTFs, 36, 269
- section 481 adjustment for, 45–46, 135
- for securities business traders, 48–50
- for securities only, 230
- and short selling, 292
- for single-member LLCs, 66, 67
- switching from cash method to, 234–37
- for trading entities, 80
- and wash sales exemption, 50
- year-end unrealized gains and losses reports, 229
- meals and lodging plans, 110
- medical expenses, deductible, 106
- medical reimbursement plans, 104
- mini 401(k) plans, 90–91, 95, 240
- momentum investing, 5
- money-losing traders
  - accounting for, 137–38
  - full-time securities MTM traders, 148–57
  - IRS exam example for, 277–79
  - trader tax status for, 12–17
- MTM. *See* mark-to-market accounting
- mutual funds, 124
- narrow-based security indexes, 126
- NASDAQ data feed fees, 76–79
- net investment income, 86
- net operating losses (NOLs), 48, 59–63
  - for alternative minimum tax, 63
  - carryback or carryforward of, 44, 59, 60
  - as IRS target, 275–76
  - ordinary business losses as part of, 44
- new products, 124–26
- NOLs. *See* net operating losses
- nondealer securities futures contracts, 124.
  - See also* single-stock futures
- nonemployee compensation. *See* Form 1099-Misc
- nonequity options, 125
- nonregulated futures contracts, 117
- nonresident investors, tax rules for, 21
- nonresident traders
  - capital gains income for, 27–30
  - FDAP for, 25–30
  - proprietary, 37–38
  - proprietary traders, 272–73
  - Social Security benefits paid by, 27
  - tax rate for, 23
  - tax rules for, 21–23
  - tax trader status for, 17–20
  - tax year for, 23
- nonstatutory fringe benefit, 103
- not-for-profit activity rules, 12–17
- “off-the-shelf” retirement plans, 100
- office equipment, 58–59, 239
- online services, xiv
- open year tax returns, 1
- operative analysis, 118–19
- ordinary gains and losses
  - converting capital gains or losses to, 43
  - for currency traders, 123
  - MTM gains or losses as, 44
  - and not-for-profit activity rules, 12–17
- partnerships
  - built-in capital loss in contributions to, 47
  - contributed assets to, 67
  - de facto, 230–31
  - family limited, 87
  - husband-wife, 70–76, 230–31
  - LLCs taxes as, 35
- part-time traders
  - accounting for, 137, 169–71
  - entities for, 65
  - with full-time other jobs, 169–71
  - IRS challenges to tax status of, 9
  - IRS exam example, 280–82
  - rules of thumb for, 12
  - tax status for, 7
  - trader tax status for, 3, 8–12
- part-year traders, 139, 165–69
- passive activity loss rules, 81–82

- pass-through entities, 65–66
  - for fringe benefit plans, 102–3
  - taxation of, 243
- pattern day traders (PDTs), 3, 31–32
- performance record accounting approach, 134–36
- periodic income, 25
- Private Letter Rulings (PLRs), 47, 48, 259
- profit allocation, fee structure vs., 83–85
- profitable MTM traders, accounting for, 157–64
- profit-making intent test, 13–17
- prohibited transactions, 96–97, 241
- proprietary traders, 261–74
  - as employees of PTFs, 37, 39–40, 263–64
  - as independent contractors with PTFs, 34, 264–65
  - international, 20
  - leverage with, 261
  - as LLC members with PTFs, 34–37
  - LLC operating agreements for, 265–66
  - nonresident, 37–38, 272–73
  - PTF agreements for, 38, 262–66
  - in PTF limited liability companies, 41–42
  - self-employment taxes for, 111
  - and state rules for registered investment advisors, 273–74
  - tax issues for, 33–34, 266–73
  - trader tax status for, 32–42
  - writing off deposits to PTFs, 271–72
- proprietary trading firms (PTFs)
  - agreements with, 38, 262–66
  - nonresident traders in, 272
  - offering true employment, 39–40
  - organized as LLCs, 41
- qualification as trader, 2–3
- qualified board or exchange, 117
- registered investment advisors (RIAs), 273–74
- regulated futures contracts (RFGs), 115–17, 122–23
- retirement plans, 89–99
  - AGI and deduction of, 239–40
  - defined benefit plans, 92
  - defined contribution plans, 92
  - and ERISA, 95–99
  - IRAs, 89, 95–96
  - Mini 401(k) plans, 90–91
  - “off the shelf,” 100
  - prohibited transactions with, 96–97
  - rule for planning, 91–92
  - self-dealing with, 96–97
  - trading, 92–94
- Revenue Procedure 99-16, 135
- Revenue Procedure 2000-9, 30, 46
- Revenue Procedure 2000-19, 46, 135
- RFGs. *See* regulated futures contracts
- RIAs. *See* registered investment advisors
- Roth IRAs, 89, 110, 240–42
- Rule 30.10 (CFTC), 120–21
- “safe harbor” rules, 245–46
- sale of property, capital gains from, 28
- Schedule A, 84, 292
- Schedule B, 67
- Schedule C
  - and AGI deductions, 239
  - for husband-wife partnerships, 71, 72
  - for independent contractors, 267
  - IRS targeting of, for tax exams, 285–87
  - and joint sole proprietorships, 70, 71
  - for proprietary traders, 272
  - for qualified traders, 55–57
  - for securities traders, 63
  - short-sale expenses on, 292
  - for single-member LLCs, 67
  - for substitute payments in lieu of dividends, 293
  - value of Schedule E reporting vs., 286
- Schedule D, 114
  - for currency traders, 122
  - IRS exams and reporting on, 286
  - for proprietary traders, 269
  - for RFCs, 115
- Schedule E
  - for husband-wife partnerships, 71
  - for proprietary traders, 269, 270, 272
  - value of Schedule C reporting vs., 286
- Schedule SE, 267
- S-corporations, 78–79, 103
  - for trading entity managers, 84–85
- SE taxes. *See* self-employment taxes
- SEC. *See* Securities and Exchange Commission
- securities, 114–15, 124–27, 142–47
- Securities and Exchange Commission (SEC)
  - definition of pattern day traders, 31
  - joint regulation of new products by, 126
  - new products tax rules, 124–25
  - proprietary trader registration requirements, 41

- and proprietary trading firms, 261–62
- registered investment advisor rules, 273
- securities exchanges registered with, 117
- securities traders
  - accounting for, 142–47
  - gains tax for, 114
  - IRS Publication 550 rules for, 4–10
  - mark-to-market accounting for, 48–50
- security futures products, 126
- self-dealing (retirement plans), 96–97
- self-employment (SE) taxes, 110–11
  - exemption from, 59
  - for independent contractors, 265, 267
  - mini 401(k) plans and reduction of, 90, 91
  - for proprietary traders, 32–33
  - for S-corporations vs. LLCs, 85
- SEP IRAs, 95, 240
- shift of income to children, 110
- short-sale expenses, 291, 292
- short-term capital gains, 52
- single-member LLCs (SMLLCs), 66–68
  - accounting for, 138
  - comparison of investors and sole proprietors with, 68–70
  - fringe benefit plans for, 103
  - IRC section 724(c) for, 47
  - NASDAQ fees for, 78–79
- single-stock futures, tax rules for, 124–27
- 60/40 treatment, 118, 120–21
- SMLLCs. *See* single-member LLCs
- Social Security benefits (nonresident aliens), 27
- software
  - depreciation of, 289
  - generating tax return numbers with, 130
  - GTT TradeLog, 298
  - tax accounting, 129
  - tax preparation, xiv
- sole proprietors
  - accounting for, 138, 171–93
  - AGI deductions for, 239
  - fringe benefit plans for, 102–3
  - investors versus, 68–70
  - retirement plans and health insurance for, 100
  - single-member LLC traders vs., 68–70, 171–93
- solo 401(k) plans. *See* Mini 401(k) plans
- starting up trading business, 243–45
- “state of tax law” summary, 82–83
- state rules for RIAs, 273–74
- statutory fringe benefit, 103
- stock indexes, 124, 125
- stock options, 124
- stocks, 124
- straddle loss deferral rules, 229
- substitute payments in lieu of dividends, 291–93
- swing traders, 5
- tax accounting software, 129
- Tax Act of 1998, 59
- Tax Act of 2002, 62–63
- Tax Act of 2003, 289–91
- tax avoidance schemes, xi, xii, 86–87
- tax experts, 33, 38
- tax guides, xiv
- tax identification number (EIN), 67
- tax law changes, 289–99
  - for dividends, 289–90
  - for health savings accounts and health reimbursement, 104–7
  - for investment income, 290–91
  - for net operating loss carryback, 60
  - for new products, 124–25
  - for profit-sharing contribution limits, 240
  - for short-sale expenses, 291–92
  - for substitute payments in lieu of dividends, 291–93
  - with Tax Act of 2002, 62–63
  - with Tax Act of 2003, 289–91
- tax laws, xi, xiii, 2–3, 15
- tax loss insurance, xiii, 296
- tax loss selling, 229
- tax penalties, 245, 246, 256–59
- tax planning, xiv, 229–49
  - with business start-up, suspension, exit, 243–45
  - buying equipment, 239
  - with cash method of accounting, 231–34
  - choosing entity for trading, 242–43
  - determining tax status, 230–31
  - education expenses, 245
  - example of, 247–48
  - extension of time to file, 246–47
  - flexible spending accounts, 242
  - fringe benefits plans, 242
  - health insurance premiums in, 239–40
  - mini 401(k) retirement plans, 240
  - paying bills early, 237–38

- tax planning, *continued*
  - retirement plans in, 91–92, 239–40
  - Roth IRAs, 240–42
  - switching to MTM from cash method
    - accounting, 134–37
  - timely tax payments, 245–46
- tax preparation software, xiv, 129
- tax rates
  - for capital gains with MTM, 52
  - for commodities and futures, 50
  - for FDAP income, 26
  - for nonresident traders, 23
  - for ordinary MTM gains, 44
  - for securities, 50
- tax returns. *See also specific forms and schedules*
  - amending, 2
  - extensions for. *See* extensions
  - footnotes for, 139–41
  - late, 256
  - for money-losing traders, 137–37
  - for MTM accounting traders, 139
  - for nonresident traders, 17
  - for part-time traders, 65, 137
  - for part-year traders, 139
  - for single-member LLCs, 67, 138
  - for sole proprietors, 138
- tax rules
  - for currency trading, 121–22
  - hobby loss rules, 13–17
  - for husband-wife partnerships, 71
  - for investment interest expense, 85–86
  - for investors, 80–81
  - for nonresident investors, 21
  - for nonresident traders, 21–23
  - not-for-profit activity rules, 12–17
  - for securities traders, 124–25, 142–47
  - for single-stock futures, 124–27
  - for stock indexes, 124
  - for trading entities, 79–81
  - wash sale loss-deferral rules, 50, 54–55
- tax status, 1. *See also* trader
  - tax status
- tax treaties, 19, 27, 28
- tax year (nonresident traders), 23
- taxes
  - back years' liability for, xii
  - for currency traders, 122
  - estimated payments of, 245–46
  - NOL carryback for, 59
  - on prohibited transactions, 96–97
  - self-employment. *See* self-employment taxes
  - unrelated business income, 95
- 3-out-of-5 years test, 16–17
- trader tax experts, 33, 38
- trader tax status, xi, xii, 1, 8
  - for commodities traders, 7–8
  - determining, 230–31
  - and election of MTM accounting.
    - See* mark-to-market accounting
  - for husband-wife partnerships, 72
  - investor status vs., 1–2, 52–59
  - for non-U.S. resident traders, 17–20
  - for not-for-profit traders, 12–17
  - ordinary business expenses under, 1, 2
  - for part-time traders, 8–12
  - for pattern day traders, 31–32
  - for perennial money-losing traders, 12–17
  - for proprietary traders, 32–42
  - qualifying for, 2–3
  - special rules for traders (IRS Pub. 550), 4–10
  - tax rules for international taxpayers, 25–30
  - tax rules for nonresident aliens, 20–25
  - for trading entities, 79–81
  - and trading of retirement accounts, 98–99
- “2004 GTT Guide,” 137
- unrelated business income taxes (UBIT), 95, 96
- unrelated business income (UBI), 95, 96
- updates (for book), xiv
- U.S. Tax Guide for Aliens, 22
- W-2 forms, 263–64, 270
- wash sales, 50, 54–55, 130, 229
- WorldCo, 261
- year-end tax planning, 229, 247–48. *See also* tax planning