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Today's Topic:

**October 2019
Tax Roundtable**

- You can find today's handout in the Board after the session

<http://irsexams.com/board/index.php?/topic/956-taxmamas-tax-roundtables/>

- And at the TaxMama site
<http://taxmama.com/tax-quijs/taxmamas-tax-roundtables-2018/>

- December 12, 2019 at 4:05 pm Pacific – 3 hours
- Get your 3-hour federal tax update credit for the AFSP
 - AND learn about key changes
 - to prepare the 2019 tax returns
 - Save the date and time.
 - You will get log in information.

Absolute last minute tips for 2018 returns

- Quick look up? Try Get Transcript -
<https://www.irs.gov/individuals/get-transcript>
- Still trying to figure out Sec 199A, missing the info from pass-through investments -
- People still missing information - As usual – FILE, no matter whether you're ready or not.
Make good estimates – and explain them – Form 8275 disclosure
You have three years to amend and fix the return.

- <https://www.irs.gov/newsroom/irs-grants-relief-for-us-persons-who-own-stock-in-certain-foreign-corporations> certain foreign corporations are controlled foreign corporations ("CFCs").
- The Revenue Procedure also allows certain unrelated minority U.S. shareholders to rely on specified financial statement information to calculate their subpart F and GILTI inclusions and satisfy reporting requirements with respect to certain CFCs if more detailed tax information is not available. It also provides penalty relief to taxpayers in the specified circumstances.
- And IRS will be revising Form 5471 so taxpayers who only own shares through attribution will have to provide less information.

Disaster areas.

<https://www.irs.gov/newsroom/tax-relief-in-disaster-situations>

- Extensions are on tax returns, payroll returns, various payments
- Oct 7 2019 <https://www.irs.gov/newsroom/irs-announces-tax-relief-for-texas-victims-of-tropical-storm-imelda> to Jan 31 2020
- Sept 30 2019 <https://www.irs.gov/newsroom/irs-relief-provides-drought-stricken-farmers-ranchers-more-time-to-replace-livestock>
The one-year extension, announced today, gives eligible farmers and ranchers until the end of the tax year after the first drought-free year to replace the sold livestock.

IRS announced that a new payment option has been added to the private debt collection program to make it easier for those who owe to pay their tax debts.

- Taxpayers now can choose the convenient option of a preauthorized direct debit to make one payment or a series of payments toward their federal tax debt. With direct debit, the taxpayer will give their written permission to the private collection agency (PCA) to authorize a payment on the taxpayer's behalf to the U.S. Department of the Treasury. This enables the taxpayer to conveniently and securely schedule multiple payments with the ease of a single phone call with their assigned PCA.
- <https://www.irs.gov/payments>
- When representatives from one of the four PCAs contacts a taxpayer, they will state that they are from one of these collection agencies: CBE, Performant, Pioneer or ConServe.
- taxpayers will not get unexpected phone calls demanding payment. Before a taxpayer is contacted, the taxpayer will receive two letters; one from the IRS and one from the PCA. Both letters will include a **Taxpayer Authentication Number (TAN)**. The TAN will be used to authenticate the PCA and to verify the identity of the taxpayer,

<https://www.irs.gov/pub/irs-drop/n-19-55.pdf>

- Transportation \$66 CONUS or \$71 OCONUS
- CONUS - High - \$297 includes \$71 meals
 - Low - \$200 includes \$60 meals
- For rates off the continental US (OCONUS) includes Alaska, Hawaii, Guam and US territories
<https://www.defensetravel.dod.mil/site/perdiemCalc.cfm>
- For Foreign Per Diem Rates
https://aoprals.state.gov/content.asp?content_id=184&menu_id=78

I have a single member LLC that filed Schedule C in 2018. Can we amend the personal and file as a C-Corp for 2018.

(Yes, C corp - 2+ million in profit and a growing fast, board of directors, etc.)

There is a lot of information about late election and filing of S-Corp but not about C-corp.

Well....

The late S corp election is because people who create corporations often intend to be S corps and might even say S corp on the SS-4.

People who want to BE corporations need to make the election in time – Form 8832 <https://www.irs.gov/forms-pubs/about-form-8832>

When To File Generally, an election specifying an eligible entity's classification cannot take effect more than 75 days prior to the date the election is filed, nor can it take effect later than 12 months after the date the election is filed. An eligible entity may be eligible for late election relief in certain circumstances. For more information, see Late Election Relief, later.

Aaaahhh - <https://www.irs.gov/pub/irs-pdf/f8832.pdf#page=7>

You're a hero!

Part II. Late Election Relief

Complete Part II only if the entity is requesting late election relief under Rev. Proc. 2009-41.

An eligible entity may be eligible for late election relief under Rev. Proc. 2009-41, 2009-39 I.R.B. 439, if **each of the following requirements is met.**

1. The entity failed to obtain its requested classification **as of the date of its formation** (or upon the entity's classification becoming relevant) or failed to obtain its requested change in classification solely because **Form 8832 was not filed timely.**

2. Either:

a. The entity **has not filed a federal tax or information return for the first year in which the election was intended because the due date has not passed** for that year's federal tax or information return; or

b. The entity has timely filed all required federal tax returns and information returns (or if not timely, within 6 months after its due date, excluding extensions) consistent with its requested classification for all of the years the entity intended the requested election to be effective and no inconsistent tax or information returns have been filed by or with respect to the entity during any of the tax years. If the eligible entity is not required to file a federal tax return or information return, each affected person who is required to file a federal tax return or information return must have timely filed all such returns (or if not timely, within 6 months after its due date, excluding extensions) consistent with the

entity's requested classification for all of the years the entity intended the requested election to be effective and no inconsistent tax or information returns have been filed during any of the tax years.

3. The entity has reasonable cause for its failure to timely make the entity classification election.

4. Three years and 75 days from the requested effective date of the eligible entity's classification election have not passed.

Affected person. An affected person is either:

- with respect to the effective date of the eligible entity's classification election, a person who would have been required to attach a copy of the Form 8832 for the eligible entity to its federal tax or information return for the tax year of the person which includes that date; or
- with respect to any subsequent date after the entity's requested effective date of the classification election, a person who would have been required to attach a copy of the Form 8832 for the eligible entity to its federal tax or information return for the person's tax year that includes that subsequent date had the election first become effective on that subsequent date.

For details on the requirement to attach a copy of Form 8832, see Rev. Proc. 2009-41 and the instructions under *Where To File*.

To obtain relief, file Form 8832 with the applicable IRS service center listed in *Where To File*, earlier, within 3 years and 75 days from the requested effective date of the eligible entity's classification election.

If Rev. Proc. 2009-41 does not apply, an entity may seek relief for a late entity election by requesting a private letter ruling and paying a user fee in accordance with Rev. Proc. 2013-1, 2013-1 I.R.B. 1 (or its successor).

Line 11. Explain the reason for the failure to file a timely entity classification election.

QUESTIONS?