Achieve a Better Life Experience Act (ABLE)

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IOWA STATE UNIVERSITY
Center for Agricultural Law and Taxation

The ABLE Act

- The Stephan Beck Jr. , Achieving a Better Life Experience (ABLE) Act of 2013 (S 313/HR 647) was introduced in the 113th Congress on February 13, 2013
- On Friday, December 19, 2014, President Obama signed the ABLE Act into law
- The ABLE Act amends § 529 of the Internal Revenue Service Code
  - Created tax-free savings accounts for individuals with disabilities
  - To cover qualified expenses such as education, housing and transportation
- The bill supplements, but does not replace the benefits provided by:
  - Private insurances
  - Medicaid program
  - Supplemental security income program (SSI)
  - Beneficiary's employment and other sources

Stephan Beck Jr. Taken from His Obituary

- He was an indefatigable volunteer advocate working diligently over an eight-year period to enlist support for the Achieving A Better Life Experience (ABLE) Act that became law 11 days after his death at age 44
- "Steve was a tremendous person, a loving father and a great advocate for people with Down syndrome"
- The bill enables individuals with disabilities and their families to establish tax-free savings accounts for people with disabilities **without jeopardizing essential benefits**
- "It was eight years ago that our dear friend, Steve, came up with a plan to help his daughter Natalie save for the future
- Without Steve seeing firsthand the inequities that exist in the current system for people with Down syndrome, we may not be on the verge of passing this landmark bill and helping millions of Americans"

What is an Able Account? § 529A

- An ABLE account is a tax-favored savings account that can accept contributions for an eligible blind or disabled individual, who is the designated beneficiary and owner of the account
- The account is used to provide for qualified disability expenses
- A designated beneficiary is limited to only one ABLE account at a time
  - Exception for when one ABLE account is "Rolled over" into a new ABLE account
- Earnings in an ABLE account aren't taxed unless a distribution exceeds a designated beneficiary's qualified disability expenses

What is an Able Account? § 529A

- A designated beneficiary doesn't include distributions for qualified disability expenses in their income
- Qualified disability expenses include any expenses incurred at a time when the designated beneficiary is an eligible individual
- The expenses must relate to blindness or disability, including expenses for maintaining or improving health, independence, or quality of life

What is an Able Account? § 529A

- Contributions to an ABLE account are not federally tax deductible and must be in cash or cash equivalents (some states allow adjustments to income)
- Anyone, including the designated beneficiary, can contribute to an ABLE account
- An ABLE account is subject to an annual contribution limit and a cumulative balance limit

Flexible Tool

- Similar to :
  - College savings accounts
  - Health savings accounts and
  - Individual retirement accounts
- But for the targeted special needs population
- Eliminates barriers to work and saving by preventing dollars saved through ABLE accounts from counting against an individual's eligibility for any federal benefits program

Roll Over

- A qualified ABLE program must obtain a verification from the eligible individual, signed under penalties of perjury, that he or she has no other ABLE account (except in the case of a rollover or program-to-program transfer)
- The proposed regulations provide that, in the event that any additional ABLE account is opened for a designated beneficiary with an ABLE account already in existence, only the first such account created for that designated beneficiary qualifies as an ABLE account
- Each other account is treated for all purposes as being an account of the designated beneficiary that is not an ABLE account under a qualified ABLE program

Roll Over

- The proposed regulations provide the rules that apply to returns of excess contributions and excess aggregate contributions under § 1.529A–2(g)(4), of the entire balance of a second or other subsequent account received by the contributor(s) on or before the due date (including extensions) for filing the designated beneficiary's income tax return for the year in which the account was opened and contributions to the second or subsequent account were made will not be treated as a gift or distribution to the designated beneficiary for purposes of § 529A
- The prohibition of multiple ABLE accounts, however, does not apply to prevent a timely rollover or program-to-program transfer of the designated beneficiary's account to an ABLE account under a different qualified ABLE program

Establishment of an ABLE Account

- The proposed regulations provide that, consistent with the definition of a designated beneficiary in § 529A(e)(3), the designated beneficiary of an ABLE account is the eligible individual who establishes the account or an eligible individual who succeeded the original designated beneficiary
- The proposed regulations also provide that the designated beneficiary is the owner of that account.

Establishment of an ABLE Account

- Certain eligible individuals may be unable to establish an account themselves
- The proposed regulations clarify that, if the eligible individual cannot establish the account, the eligible individual's agent under a power of attorney or, if none, his or her parent or legal guardian may establish the ABLE account for that eligible individual
- Consistent with Notice 2015–18, a person other than the designated beneficiary with signature authority over the account of the designated beneficiary may neither have, nor acquire, any beneficial interest in the account during the designated beneficiary's lifetime and must administer the account for the benefit of the designated beneficiary

Establishment of an ABLE Account

- At the time an ABLE account is created for a designated beneficiary, the designated beneficiary must provide evidence that the designated beneficiary is an eligible individual as defined in § 529A(e)(1)
- § 529A(e)(1) provides that an individual is an eligible individual for a taxable year if, during that year, either the individual is entitled to benefits based on blindness or disability under title II or XVI of the Social Security Act and the blindness or disability occurred before the date on which the individual attained age 26, or a disability certification meeting specified requirements is filed with the Secretary
- If an individual is asserting he or she is entitled to benefits based on blindness or disability under title II or XVI of the Social Security Act and the blindness or disability occurred before the date on which the individual attained age 26, the proposed regulations provide that each qualified ABLE program may determine the evidence required to establish the individual's eligibility
- For example, a qualified ABLE program could require the individual to provide a copy of a benefit verification letter from the Social Security Administration and allow the individual to certify, under penalties of perjury, that the blindness or disability occurred before the date on which the individual attained age 26

Establishment of an ABLE Account

- Alternatively, the designated beneficiary must submit the disability certification when opening the ABLE account
- Consistent with § 529A(e)(2), the proposed regulations provide that a disability certification is a certification by the designated beneficiary that he or she:
  - (1) has a medically determinable physical or mental impairment, which results in marked or severe functional limitations, and which
    - (i) can be expected to result in death or
    - (ii) has lasted or can be expected to last for a continuous period of not less than 12 months; or
  - (2) is blind (within the meaning of § 1614(a)(2) of the Social Security Act) and that such blindness or disability occurred before the date on which the individual attained age 26
- The certification must include a copy of the individual's diagnosis relating to the individual's relevant impairment or impairments, signed by a licensed physician and the certification must be signed under penalties of perjury.

Establishment of an ABLE Account

- While evidence of an individual's eligibility based on entitlement to Social Security benefits should be objectively verifiable, the sufficiency of a disability certification that an individual is an eligible individual for purposes of § 529A might not be as easy to establish
- The proposed regulations provide that an eligible individual must present the disability certification, accompanied by the diagnosis, to the qualified ABLE program to demonstrate eligibility to establish an ABLE account
- The proposed regulations further provide that the disability certification will be deemed to be filed with the Secretary once the qualified ABLE program has received the disability certification or a disability certification has been deemed to have been received under the rules of the qualified ABLE program

Interaction with SSI and SSDI

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SSI and SSDI

- Supplemental Social Security Income
  - Resource limit = $2,000 for an individual and $3, 000 for a couple
- Social Security Disability Income
  - No resource limit

ABLE Accounts

- Will not have impact on eligibility for SSI or SSDI, Medicaid or other public benefits
- SSI or SSDI automatically eligible to establish an ABLE Account
- No SSI or SSDI must meet certain criteria
- Can be under 26 or over 26
- If over 26 – documentation of onset needed

Basics of the Act

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Who Can Establish an ABLE Account and What are the Requirements?

- A taxpayer may establish an ABLE account if their blindness or disability occurred before age 26
- As a disabled individual, they may be eligible if either of the following applies
  - The client is entitled to benefits based on blindness or disability under Title II or XVI of the Social Security Act, or
  - They file a disability certification with the qualified ABLE program, including the diagnosis relating to the relevant impairment or impairments signed by a physician (as defined in section 1861(r) of the Social Security Act)

Who Can Establish an ABLE Account and What are the Requirements?

- The client must certify one of the following:
  - They have a medically determinable physical or mental impairment which results in marked and severe functional limitations, which :
    - (a) can be expected to result in death or
    - (b) lasted or can be expected to last for a continuous period of not less than 12 months; or
  - They are blind (within the meaning of section 1614(a)(2)) of the Social Security Act
- If the client is unable to establish an ABLE account, their agent, under a power of attorney, or if none, the parent or legal guardian can establish it for them
- But only the designated beneficiary, can have any interest in the account during their lifetime

Loss of Eligible Individual Status

- If you establish an ABLE account and later cease to be an eligible individual because, for example, your impairment goes into remission, then beginning the first day of the next year no contributions may be accepted by the ABLE account
- If you cease to be an eligible individual, then for each taxable year in which you are not an eligible individual, the account will continue to be an ABLE account, and the ABLE account will not be deemed to be distributed
- Contributions may resume after the impairment recurs

Loss of Eligible Individual Status

- The client should notify the ABLE program of any changes in their eligibility status
- Distributions from the ABLE account during a period when an individual is no longer an eligible individual aren't for qualified disability expenses and therefore are possibly subject to tax

Natalie Becomes Ineligible in 2016

- In 2016 Natalie is an eligible individual with $2,400 in her ABLE account
- $2,000 of this is from contributions, and $400 is earnings
- During 2016, Natalie's disability goes into remission and she is no longer an eligible individual
- In 2017, a distribution of $2,400 is made to Natalie from the ABLE account while she is still not an eligible individual
- The earnings portion, $400, is included in Natalie's gross income

Contribution Limitation

- The total annual contributions to an ABLE account (other than amounts received in rollovers and/or program-to-program transfers) are limited to the annual gift tax exclusion amount ($14,000 for 2015 and 2016 and in future could be adjusted for inflation)
- Also, contributions may not exceed an annual cumulative limit, which is the same as the state's § 529 qualified tuition program limit
  - Over time the limit in account is determined by the state

Contribution Limitation
SSI and SSDI Recipients

- $100,000 limitation
- Exceeds limit = loss of SSI eligibility benefits
- Medicaid will continue

What if More than the Annual Gift Tax Exclusion amount is Contributed to the ABLE account?

- If more than the annual gift tax exclusion amount is contributed to the ABLE account:
  - The ABLE program must return to the contributors the excess contributions (amounts over the gift-tax exclusion amount) and the earnings on those contributions
  - The ABLE program should do this on or before the due date of the income tax return, which is generally April 15 (including extensions)
  - They must notify the beneficiary and contributors of this action
  - Otherwise a 6% excise tax on the excess contributions and earnings will apply
  - Use Form 5329, Part VIII
  - It must be filed the taxpayer is not otherwise required to file a federal income tax return

§ 529A(e)(5) Defines a Qualified Disability Expense

- Qualified disability expenses are expenses that relate to the designated beneficiary's blindness or disability and are for the benefit of that designated beneficiary in maintaining or improving his or her health, independence, or quality of life
- Such expenses include, but are not limited to, expenses for:
- Education
- Housing
- Transportation
- Employment training and support
- Assistive technology and personal support services

§ 529A(e)(5) Defines a Qualified Disability Expense

- Health
- Prevention and wellness
- Financial management and administrative services
- Legal fees, expenses for oversight and monitoring
- Funeral and burial expenses
- Other expenses that may be identified from time to time in future guidance
- Expenses incurred at a time when a designated beneficiary is neither disabled nor blind within the meaning of the proposed regulations are not qualified disability expenses

§ 529A(e)(5) Defines a Qualified Disability Expense

- The IRS conclude that the term "qualified disability expenses" should be broadly construed to permit the inclusion of basic living expenses and should not be limited to expenses for items for which there is a medical necessity or
- Which provide no benefits to others in addition to the benefit to the eligible individual

Examples

- Expenses for common items such as smart phones could be considered qualified disability expenses if they are an effective and safe communication or navigation aid for a child with autism
- The Treasury Department and the IRS request comments regarding what types of expenses should be considered qualified disability expenses and under what circumstances
- The proposed regulations authorize the identification of additional types of qualified disability expenses in guidance published in the Internal Revenue Bulletin. See § 601.601(d)(2

Residency Requirements Proposed Regulations

- Consistent with § 529A(b)(1)(C), the proposed regulations require that an ABLE account for a designated beneficiary may be established only under the qualified ABLE program of the State in which that designated beneficiary is a resident or with which the State of the designated beneficiary's residence has contracted for the provision of ABLE accounts
- If a State does not establish and maintain a qualified ABLE program, it may contract with another State to provide an ABLE program for its residents

December 17, 2015: ABLE State Residency Requirement Eliminated

- The state residency requirement – has been eliminated as part of the Tax Extenders package (§ 303
- The state ABLE residency requirement meant that a qualified individual could only open an ABLE account in the state where he or she resides and could not "shop around" to other state ABLE programs

Investment Direction

- § 529A(b)(4) states that a program shall not be treated as a qualified ABLE program unless it provides that the designated beneficiary may directly or indirectly direct the investment of any contributions to the program or any earnings thereon no more than two times in any calendar year
- A program will not violate this requirement merely because it permits a designated beneficiary or a person with signature authority over a designated beneficiary's account to serve as one of the program's board members or employees, or as a board member or employee of a contractor that the program hires to perform administrative services

Cap on Contributions

- § 529A(b)(6) provides that a qualified ABLE program must provide adequate safeguards to prevent aggregate contributions on behalf of a designated beneficiary in excess of the limit established by the State under section 529(b)(6) relating to Qualified State Tuition Programs
- The proposed regulations provide a safe harbor that permits a qualified ABLE program to satisfy this requirement regarding total cumulative contributions if the program prohibits any additional contributions to an account as soon as the account balance reaches the specified contribution limit under such State's program established under section 529
- Once the account balance falls below the prescribed limit, contributions may resume, subject to the same limitation

Gift and Generation-Skipping Transfer (GST) Taxes

- The proposed regulations provide that contributions to an ABLE account by a person other than the designated beneficiary are treated as completed gifts to the designated beneficiary of the account
- Gifts are neither gifts of a future interest nor a qualified transfer under § 2503(e)
- No distribution from an ABLE account to the designated beneficiary of that account is treated as a taxable gift
- Finally, neither gift nor GST taxes apply to the change of designated beneficiary of an ABLE account, as long as the new designated beneficiary is an eligible individual who is a sibling of the former designated beneficiary

Distributions

- A qualified ABLE program must establish safeguards to distinguish between distributions used for the payment of qualified disability expenses and
- Other distributions, and
- To permit the identification of the amounts distributed for housing expenses as that term is defined for purposes of the Supplemental Security Income program of the Social Security Administration

Distribution on Death

- The proposed regulations provide that, upon the death of the designated beneficiary, all amounts remaining in the ABLE account are includible in the designated beneficiary's gross estate for purposes of the estate tax - § 2031
- The proposed regulations cross-reference § 2053 for purposes of determining the deductibility by the designated beneficiary's estate of amounts payable from the ABLE account to satisfy claims by creditors such as a State and
- For treatment of the deceased designated beneficiary as the transferor of any property remaining in the ABLE account that may pass to a beneficiary

Distribution on Death

- Per § 529A(f), a qualified ABLE program must provide that, upon the designated beneficiary's death, any State may file a claim (either with the person with signature authority over the ABLE account or the executor of the designated beneficiary's estate
- The claim will apply for the amount of the total medical assistance paid for the designated beneficiary under the State's Medicaid plan after the establishment of the ABLE account
- The amount paid in satisfaction of such a claim is not a taxable distribution from the ABLE account
- Further, the amount is to be paid only after the payment of all outstanding payments due for the qualified disability expenses of the designated beneficiary and is to be reduced by the amount of all premiums paid by or on behalf of the designated beneficiary to a Medicaid Buy-In program under that State's Medicaid plan

Unrelated Business Taxable Income and Filing Requirements

- A qualified ABLE program generally is exempt from income taxation
- A qualified ABLE program, however, is subject to the taxes imposed by § 511 relating to the imposition of tax on unrelated business taxable income ("UBTI")
- For purposes of this tax, certain administrative and other fees do not constitute unrelated business income to the ABLE program

Unrelated Business Taxable Income and Filing Requirements

- A qualified ABLE program is not required to file Form 990, “Return of Organization Exempt From Income Tax,” BUT
- Will be required to file Form 990–T, “Exempt Organization Business Income Tax Return,” if a filing would be required under the rules of §§ 1.6012–2(e) and 1.6012–3(a)(5) if the ABLE program were an organization described in those sections

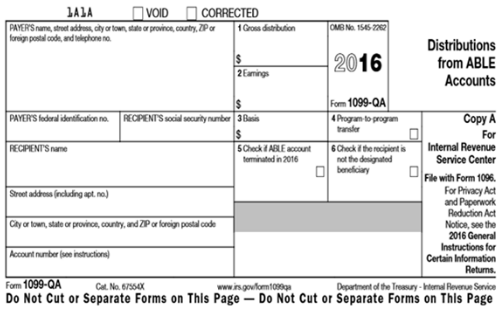
Reporting Requirements

- A qualified ABLE program must maintain records that enable the program to account to the Secretary with respect to all:
  - Contributions
  - Distributions
  - Returns of excess contributions or additional accounts
  - Income earned, and
  - Account balances for any designated beneficiary’s ABLE account

Reporting Requirements

- A qualified ABLE program must report to the Secretary the establishment of each ABLE account, including:
- The name and residence of the designated beneficiary, and
- Other relevant information regarding the account that is included on the new Form 5498–QA, “ABLE Account Contribution Information.”
- It is anticipated that the qualified ABLE program will report if the eligible individual has presented an adequate disability certification, accompanied by a diagnosis, to demonstrate eligibility to establish an account. Information regarding distributions will be reported on the new Form 1099–QA, “Distributions from ABLE Accounts.”

Form 1099-QA



1A1A VOID CORRECTED

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.

1 Gross distribution $

2 Earnings $

OMB No. 1545-2262

2016

Form 1099-QA

Distributions from ABLE Accounts

PAYER'S federal identification no.

RECIPIENT'S social security number

3 Basis $

4 Program-to-program transfer

RECIPIENT'S name

5 Check if ABLE account terminated in 2016

6 Check if the recipient is not the designated beneficiary

Street address (including apt. no.)

City or town, state or province, country, and ZIP or foreign postal code

Account number (see instructions)

Copy A For Internal Revenue Service Center

File with Form 1096.

For Privacy Act and Paperwork Reduction Act Notice, see the 2016 General Instructions for Certain Information Returns.

Form 1099-QA Cat. No. 67554X www.irs.gov/form1099qa Department of the Treasury - Internal Revenue Service

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Reporting Requirements

- In addition, § 529A(b)(3) requires that a qualified ABLE program provide separate accounting for each designated beneficiary
- Separate accounting requires that contributions for the benefit of a designated beneficiary, as well as earnings attributable to those contributions, are allocated to that designated beneficiary's account
- Whether or not a program ordinarily provides each designated beneficiary an annual account statement showing the income and transactions related to the account, the program must give this information to the designated beneficiary upon request

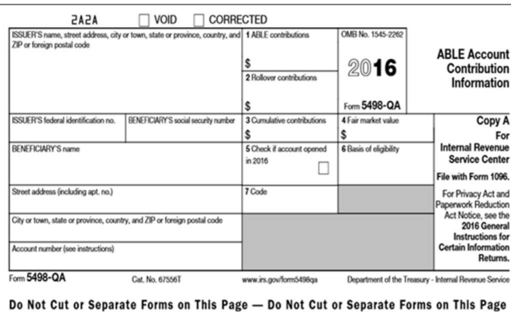
Reporting Requirements

- § 529A(d)(4) provides that States are required to submit electronically to the Commissioner of Social Security, on a monthly basis and in the manner specified by the Commissioner of Social Security, statements on relevant distributions and account balances from all ABLE accounts

Reporting Requirements

- Information included on return
  - (i) The name, address, and TIN of the designated beneficiary of the ABLE account;
  - (ii) The name, address, and TIN of the filer;
  - (iii) Information regarding the establishment of the ABLE account, as required by the form and its instructions;
  - (iv) Information regarding the disability certification or other basis for eligibility of the designated beneficiary, as required by the form and its instructions
  - (v) The total amount of any contributions made with respect to the ABLE account during the calendar year;
  - (vi) The fair market value of the ABLE account as of the last day of the calendar year; and
  - (vii) Any other information required by the form, its instructions, or published guidance

Form 5498-QA


2A2A ☐ VOID ☐ CORRECTED

ISSUER'S name, street address, city or town, state or province, country, and ZIP or foreign postal code		1 ABLE contributions $ 2 Rollover contributions $	OMB No. 1545-2262 2016 Form 5498-QA	ABLE Account Contribution Information
ISSUER'S federal identification no.	BENEFICIARY'S social security number	3 Cumulative contributions $	4 Fair market value $	Copy A For Internal Revenue Service Center
BENEFICIARY'S name		5 Check if account opened in 2016 ☐	6 Basis of eligibility	File with Form 1096.
Street address (including apt. no.)		7 Code		For Privacy Act and Paperwork Reduction Act Notice, see the 2016 General Instructions for Certain Information Returns.
City or town, state or province, country, and ZIP or foreign postal code				
Account number (see instructions)				

Form 5498-QA Cat. No. 67556T www.irs.gov/form5498qa Department of the Treasury - Internal Revenue Service

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When Are Information Returns Due?

- Information returns required must be filed on or before May 31 of the year following the calendar year with respect to which the return is being filed

Other Information

- Extensions of time
  - §§ 1.6081–1 and 1.6081–8
- Electronic filing
  - § 301.6011–2
- Substitute forms
  - Must comply with applicable revenue procedures or other guidance published by the IRS

Penalties

- Failure to file return
- § 6693 penalty may apply to the filer that fails to file information returns at the time and in the manner required by this section, unless it is shown that such failure is due to reasonable cause

§ 1.529A–6 Reporting of Distributions from and Termination of an ABLE Account

- File an annual information return and
- Furnish an annual statement to the designated beneficiary of the ABLE account and to each contributor who received a returned contribution in accordance with § 1.529A–2(g)(4) attributable to the calendar year

Notice 2015-81

- Three changes to the proposed rules for new tax-favored Achieving a Better Life Experience (ABLE) accounts for eligible disabled individuals that will be included in the final regulations when issued
- These changes will make it easier for states to offer and administer ABLE programs

Notice 2015-81

- Categorization of distributions not required
  - ABLE programs need not include safeguards to determine which distributions are for qualified disability expenses
  - They are not required to specifically identify those used for housing expenses
  - Commenters noted that such a requirement would be unduly burdensome and that, in any case, the eventual use of a distribution may not be known at the time it is made
  - Designated beneficiaries will still need to categorize distributions when determining their federal income tax obligations

Notice 2015-81

- Contributors' TINs not required
- ABLE programs will not be required to request the taxpayer identification numbers (TINs) of contributors to the ABLE account at the time when the contributions are made
- But only if the program has a system in place to reject contributions that exceed the annual limits
- However, if an excess contribution is deposited into a designated beneficiary's ABLE account, the program will need to request the contributor's TIN
- For most people, the TIN is their Social Security number (SSN)

Notice 2015-81

- Disability diagnosis certification permitted
- Designated beneficiaries can open an ABLE account by certifying, under penalties of perjury, that they meet the qualification standards
  - Including their receipt of a signed physician's diagnosis if necessary, and
  - They will retain that diagnosis and provide it to the program or the IRS upon request
  - This means that eligible individuals with disabilities will not need to provide the written diagnosis when opening the ABLE account, and ABLE programs will not need to receive, retain, or evaluate detailed medical records

Changes will Allow

- It will give qualified individuals quicker access to ABLE accounts
- No longer need to wait for your home state to establish an ABLE program
- It will increase competition in the marketplace
- It will spur some states to move more quickly to launch their ABLE programs
- It may cause some states to revisit their ABLE programs and try to "sweeten the deal" by providing additional incentives to stay in-state

Frequency of Recertification

- A qualified ABLE program may choose different methods of ensuring a designated beneficiary's status as an eligible individual and may impose different periodic recertification requirements for different types of impairments

No Pledging of Interest as Security

- A program will not be treated as a qualified ABLE program unless the terms of the program, or a state statute or regulation that governs the program, prohibit any interest in the program or any portion thereof from being used as security for a loan
- This restriction includes, but is not limited to, a prohibition on the use of any interest in the ABLE program as security for a loan used to purchase such interest in the program

No Sale or Exchange

- A qualified ABLE program must ensure that no interest in an ABLE account may be sold or exchanged

Change of Residence

- A qualified ABLE program may continue to maintain the ABLE account of a designated beneficiary after that designated beneficiary changes his or her residence to another State

Other Information

- The following states allow some sort of adjustment or credit to the State tax return
  - Iowa
  - Michigan
  - Missouri
  - Montana
  - Nebraska
  - Oregon
  - Pennsylvania –pending
  - Utah
  - Wisconsin
  - Remember these are subject to change

States with No ABLE Act or Pending Legislation

- Alaska – pending
- Idaho
- Mississippi- bills died in session
- New York – current has a deduction on the state return but bill in place to remove
- Wisconsin – bill in place to repeal but extend tax deduction provision of taxpayers go to other states
- Wyoming – Wyoming residents can participate in Colorado programs

Name and Departments in Charge and other information

- Vary from state to state
- Some states are still in implementation stage
- Some states have websites
- All states that participate allows a maximum of $100,000 if on SSI and Medicaid
- States that participate also have their own thresholds at the state level if receiving no SSI and only receiving Medicaid

Questions

Changes to the Iowa Farm and Urban Tax Schools

- It has been a season of change – this is good
- Our Fall and Winter Tax Schools are changing – this is good
- September 9, 2016 – Farm Tax Seminar
- All Farm issues All day
- For the winter tax schools, farm issues may come up but we will center on other issues important to your practice, including ethics for early bird attendees at some sessions

Please Welcome Phil Harris

- Professor, Agricultural and Applied Economics – University of Wisconsin- Madison
  - J.D., University of Chicago, 1977
  - M.A., Economics, University of Chicago, 1975
  - B.S., Economics, Iowa State University, 1973
- His research program focuses on business and tax planning for agricultural producers
- The program includes information on the choice of entity for organizing a farm business and for transferring a farm business to the next generation
- Income, estate and gift tax consequences as well as non-tax issues

Phil Harris

Phil Harris

CALT Speaker

- September 9, 2016 Farm Tax Seminar
- The session will also be available via webinar
- Instructor – Farm and Urban Tax School
- November 21 – 22 – Waterloo
- December 12 – 13 - Ames

Fall Tax Schools

- Though they are named the Farm and Urban Tax Schools the schools cover more than farm issues
- Common return issues for all kinds of returns are covered
- All kinds of business entities
- Problematic issues
- Sometimes we even get into to issues that you many encounter only once or twice a year or tax season
- The Tax Schools are a blend of diverse topics of interest to all tax professionals
- This year: New instructors with diverse backgrounds
- Your adventure awaits at Iowa State's Center for Agricultural Law and Taxation

Farm Tax Schools 2016

- November 2, 2016 to December 13, 2016
- 8 Locations in Iowa and Online Webinar
- Save the Date for the 2016 Annual Farm and Urban Income Tax Schools
- The program is intended for tax professionals and is designed to provide up-to-date training on current tax law and regulations
  - November 2-3: Maquoketa
  - November 7-8: Red Oak
  - November 9-10: Sheldon
  - November 14-15: Mason City
  - November 17-18: Ottumwa
  - November 21-22: Waterloo
  - December 5-6: Denison
  - December 12-13: Ames and Live Webinar

Summer Webinars

- S Corporation Reasonable Compensation
- Travel, Meals and Entertainment
- Preparing for a Gambling Audit
- Your Client Dies, What's Next?
- Innocent Spouse
- Above the Line Deductions
- Roth IRA's
- Net Operating Losses
- The Portability Election
- IRS Return Preparer Penalties Overview
- Miscellaneous Income
- New Developments

Summer Webinars

- Employee vs. Independent Contractor
- Cancellation of Debt
- Tax Research with Limited Resources
- Injured Spouse
- IRS Representation
- Let's Talk Dependents
- Inventory Issues
- Preparing for an IRS Audit
- Getting your Client Right with IRS
- Appeals – How to Write Your Appeals Request
- Start Up Costs
- Hobby Losses

Beginning Tax Preparers Class

- CALT is working on offering a basic class for NEW tax preparers this fall in October
- The week long webinar will cover the basics an individual needs to know such as:
  - Requirement to file
  - Dependents
  - Filing Status
  - Itemized deductions
  - Earned Income Tax
  - Education Credits
- Other issues a first or second year preparer needs to know as well as a refresher for others who need to brush up on issues
- The class will be a week long or more and will be offered at a special rate

The Scoop

- Throughout the filing season two Scoops will be held on Scoop Dates
  - 8:00 – 8:30 am Central time
  - 12:00 – 12:30 Central time
- This assists with accommodating our west coast practitioners
- The same information will be shared at both sessions
- You have the option of registering for whatever session suits your schedule
- https://www.calt.iastate.edu/calendar-node-field-seminar-date/month

Future Scoop Dates

- May 25, 2016
- June 22, 2016
- July 6, 2016
- July 20, 2016
- August 24, 2016
- September 7, 2016
- October 5, 2016
- October 19, 2016
- November 16, 2016
- December 14, 2016

- http://www.calt.iastate.edu/calendar-node-field-seminar-date/month

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