



# Tax Pro News

We Make Taxes Fun

Volume II, No. 6

## 2006 DVD's ARE SHIPPING!

Live seminar recorded DVD's are now available for the following courses:

• The "Real" Technology Seminar

• Clergy Tax

• 1120 In-Depth

• Reducing Health Care Costs

• 1040 In-Depth (Shipping 12/1)

• Order by calling the office at 888-688-1556 or online at <http://www.taxspeaker.com/materials.asp>

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- Ø Phone Bill Update for Businesses and Form 8913 released!
- Ø Proposed Depreciation Regs & our IRS protest letter
- Ø e-Manual Updates & More



### Phone Bill Update

Individual taxpayers will be able to claim the greater of the actual long distance phone tax paid or a credit amount starting at \$30 and ending at \$60 for 2006 returns on Form 8913. The actual amount should be calculated by reviewing bills from 2/28/03 through 8/1/06 and I am telling you it isn't worth the trouble-they need to take the standard deduction. SEE THE NEW [FORM 8913](#) HERE.

On Friday, November 16th the IRS issued guidelines in [IR-2006-179](#) for businesses taking the deduction.

- Though businesses and nonprofits must base their telephone tax refund on the actual amount of tax paid, they can figure their refund amounts by comparing two telephone bills from this year to determine the percentage of their telephone expenses attributable to the long-distance excise tax. The bills they should use are the bill with a statement date in April 2006 and the bill with a statement date in September 2006. They must first figure the telephone tax as a percentage of their April 2006 telephone bills (which included the excise tax for both local and long-distance service) and their September 2006 telephone bills (which only included the tax on local service). The difference between these two percentages should then be applied to the quarterly or annual telephone expenses to determine the amount of their refunds.

Our live seminar recorded DVD's offer

you the full manual, the free e-Manual, and the experience of a live seminar without travel issues.

**Were you disappointed again this year by the mega-seminar companies?**

**Order a technology DVD, recorded by Bob Jennings with a live audience in September**

**(Remember-we really use what we talk about)!**

How about a specialty topic-Clergy Tax or Reducing Health Care Costs? **Or our In-Depth Business or 1040 Tax**

**Seminars (11/16 & 11/17 recording dates) recorded with live audiences in Oklahoma City.**

Speakers on all DVD's are Bob Jennings, or Bob Jennings & Chad Piehl

Exciting new software shipping soon from Jennings Seminars- **JLog** an office workflow management program, and **JTools** a collection of our engagement letters, accountants reports, client letters and worksheets. Shipping about December 1, these programs are available for \$69 and

- For example, if a business has an April 2006 telephone bill of \$1,000, which includes federal telephone excise tax of \$28, the tax percentage is 2.8 percent. If the September 2006 bill is \$1,100 including federal telephone excise tax of \$16.50, the tax percentage is 1.5 percent. The business' long-distance excise tax percentage is 1.3 percent (2.8 percent for April minus 1.5 percent for September). The business multiplies 1.3 percent by its total phone expenses over the 41-month period to arrive at the amount of its refund.

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## Proposed Depreciation Regulations

If you have attended our live seminars this year you have heard Bob screaming about the IRS' attempt to circumvent law and the Court system with their new "Repair Allowance" proposal. The new Proposed Regulations are open for public comment through 12/19/06. [[Prop. Reg. 1.162-4](#) and [Prop. Reg. 1.263\(a\)-0 through 1.263\(a\)-3](#)]

The proposal would require taxpayers to capitalize amounts using a repair allowance percentage, in stark contrast to recent court decisions and Regulations which require the taxpayer to analyze repairs and determine capitalization under the life, value & usefulness tests.

The way the new proposed regs would work would be to determine the average cost basis in the class life and multiply it by an IRS assigned percentage. For example, if the taxpayer had an average cost balance of \$100,000 in their building class, they would multiply it by the IRS assigned 1.28% to arrive at \$1,280. Any amounts spent over that amount in the year would be capitalized and depreciated over 39 years rather than expensed as repairs! And you wonder why I am so upset-if I spend \$2,500 repairing drywall damage caused by a tenant I would be required to depreciate \$1,220 over 39 years!

Originally I had planned on providing our readers with an IRS comment letter. I no longer believe that this is enough. In the USA our Congress establishes Tax Law and the Courts interpret the laws. The courts have clearly interpreted the law in accordance with the life, value, usefulness rules, and the IRS is trying to override the courts with these proposed regulations. I cannot believe that Congress would allow this to happen, if they were aware of the IRS obvious attack on businesses in clear defiance of the Courts and the law as established by Congress. I

\$89 each, are networkable, Windows based products and offer 1 year of support.

### November Seminars

- 11/28 1040 Update  
**Wisconsin Dells**  
714-425-7521
- 11/29 Business Tax Update  
**Wisconsin Dells**  
714-425-7521
- 11/30-12/1 1040 In-Depth  
**Williamsburg, VA** 804-754-4121

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### December Seminars

- 12/4-12/5 1040 and 1120 Update  
**Atlantic City** 609-823-9103
- 12/6 1040 Update  
**Chicago** 800-822-4194
- 12/7 1040 Update  
**Minneapolis** 800-822-4194
- 12/8 1040 Update  
**Kansas City** 800-822-4194
- 12/11 1040 Update  
**Jacksonville** 800-822-4194
- 12/12 1040 Update  
**Orlando** 800-822-4194
- 12/13 1040 Update  
**Tampa** 800-822-4194
- 12/14 1040 Update  
**Ft. Lauderdale** 800-

therefore recommend that you, like me, write your elected Senators and Representatives immediately, and have your clients contact them as well. Only a ground swell of business opposition can stop the IRS on this one. Senator mailing addresses [are here](#). Representatives mailing addresses [are here](#).

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### eManual Updates

If you have attended any of our live 1040 seminars or will be attending a seminar or buying the DVD you know that all of our attendees receive a free e-Manual that is hyperlinked to a 100% free Tax Research library. I have just finished uploading a number of updates, corrections, new examples, and new case references, particularly in the What's New and retirement chapters, as well as for Schedules A and D, Forms 2119, 3903 and 4952. I have also, in response to your requests, included several charts that we display in our Power Point presentations on basis (Schedule D), non-cash contributions (Schedule A) and mortgage interest (Schedule A). I have also corrected a mistake I made in our first few seminars on IRA rollovers and added, at your request more coverage on 401-k's. As soon as the IRS releases a number of 2006 Publications I will update the links so that you have links to the latest information. The e-Manual is now updated through 11/16/06.

Remember all 2006 e-Manuals will be updated through 12/31/06 and turned off on 1/16/07.

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### Other Information!

For 2007 we have added new sponsors in Minnesota (the MNCPA Society), Idaho (the Idaho CPA Society), Oregon (the Oregon Assn. of Independent Accountants) and North Carolina (the NC Assn.) Please look for our mailer in the spring and visit our website for updates. The 2007 schedule will be posted sometime in late spring or early summer.

We have also added a 2007 1-day estate and trust seminar to our roster-taught by expert CPA/Attorney and general good guy Charlie Slade. This seminar is scheduled for Ft. Collins, Indianapolis, Portland, Fargo, Garden City and Cleveland. I don't know how Charlie did it, but he got through law school with a personality, so we are excited to have him speaking with us next year.

We are running sale prices on our last few special topic manuals and DVD's until they are sold out-Farm (9 left-manual & CPE \$50), Reducing Health Care (14 left Manual, CPE & live DVD-\$25.00), Tax Strategies for Small Business ( 12 left-Manual & CPE-\$40.00). Please call Rhonda at the seminar office for these prices as they are not reflected on the website.

2007 will see the introduction of several new items from Jennings Seminars: 1 and 2 hour live Webinars on special topics, streaming video CPE, nationally

822-4194

- 12/15 1040  
Update **Denver**  
800-822-4194
- 12/18 1040  
Update **Las Vegas** 800-822-4194
- 12/20 1040  
Update **Fargo**  
701-255-6502

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## 1040 In-Depth Manual

Our 2006 1040 In-Depth 700 page!!! industry-leading reference manual includes free hyperlinked IRS research software and free *FastTaxFacts* from the Tax Book as well as topic-oriented index tabs in a Forms-Oriented layout.

It also includes special chapters like Military Tax, Clergy Tax, Reducing Health Care Costs, Retirement, IRS Practice, Practice Management and much, much, much more-**clearly the best manual at the best price in the seminar industry-from experienced practitioners not corporate editors!**

The manual, live DVD and CPE exam are available for \$225.00 and includes 16 hours of CPE. Order by calling the office at 888-688-1556 or online at <http://www.taxspeaker.com/materials.asp>

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approved self-study for CPAs in every state, web-site design and hosting from real practitioners instead of programmers, a continuation of our free eManual with even more industry-leading free add-ons, and exciting new Technology additions such as free online CPE tracking and certificates,

Look for Bob's upcoming article next month in the Journal of Accountancy on the Mobile Office.

Plan now for our 2008 CPE cruise. We are going back to Alaska, one-way from Vancouver, BC to Anchorage and then to Denali National Park and Fairbanks. Watch your newsletter for updates.

Have a wonderful Thanksgiving with your families. Jean, Ryan and I really appreciate your friendship and support.

*Bob Jennings*



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**Wow! Thanks for your attendance this year. We continue to have record crowds compared to last year's seminars from other sponsors, with sell-outs in Scranton, records in Oklahoma City and attendance growth of over 100% in Indianapolis, Ft. Collins and Cleveland. Thanks again. By the way we are already fully booked for 2007 so watch your mail in May for the latest advertising calendar.**

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