

Jennings Seminars Tax Pro News



By Practitioners, For Practitioners

Volume 3, No.5

**2007 DVDs
Now**

Available

Compilations
(with Bob Jennings)

Estates & Trusts
(With Charlie Slade)

Business Tax In Depth
(With Bob Jennings)

1040 In Depth
(By Thansgiving)

Tax Season's Last Seminar with the most up-to-date information in **Disneyland, CA:**
1/24-25/08



**2007 Seminar
Reminder**

IN THIS ISSUE:

- 2007 Tax Returns in 2008 Upcoming Reminders
- S Corporation Upcoming Audit Issues
- Technology Tips
- Real Estate in IRAs

2007 Tax Return Reminders

- Electronic filing will see a big change this coming year. The IRS recently announced that Form 8453 (the mail-in version of e-filing) will not be accepted for 2007 returns. Only Form 8879 (the true e-file form) will be accepted next year.

Additionally, business entities with more than \$10 million in assets or revenues will have to file electronically.

- In [IRS Notice 2006-110](#) the IRS advised that in order to deduct payroll contributions to charities the taxpayer must provide a pay stub or W-2 showing the amount contributed **as well as** a pledge card showing the name of the donee organization. If the donation is over \$250 the taxpayer must also have a letter from the charity showing that no goods or services were provided in return for the contribution. The simplest rule to remember for 2007 is the requirement that all charitable contribution deductions must have a receipt.

- The kiddie tax threshold will go up substantially in 2008, so we need to discuss planning opportunities with clients this coming tax season. The threshold will kick in on all students under age 18 on 12/31/08, as well as full-time students through age 24 if claimed as a dependent by Mom or Dad. Maybe its time to lose the kids as a dependency deduction-Seriously!

What will you get this year when you attend a live *Jennings Seminar* ?

-The country's best speakers.

-The industry's best reference manual,

-E-Book CD of every seminar you attend,

-Hyperlinked CD to the underlying free tax research library,

-User-friendly manuals organized by Form with divider tabs,

-Our 1040 seminars will include our new *Fingertip Tax Facts*, a laminated 2 page quick reference form

-Highlighter/Pen Combo

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Fall Seminars

9/17 Business Tax In Depth-**Oklahoma City**

9/20 Business Tax In Depth-**Cleveland**

9/22 Business Tax Update-**Durham, NC**

9/24 Accounting-**Bloomington, IL**

9/25 Technology-**Bloomington, IL**

9/25 Business Tax In Depth-**Fairfax, VA**

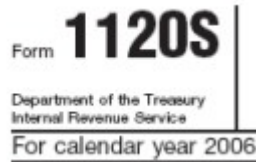
9/27 Business Tax In Depth-**Williamsburg, VA**

10/1 Business Tax In Depth-**Indianapolis**

10/4 Business Tax In Depth-**Portland, OR**

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S Corporation Audits



Now that the TIGTA special audit program on 5,000 S corporation returns has been completed, we are hearing rumors around the country of new S corporate audit training programs for IRS agents in preparation for the upcoming explosion of S corporate audits in 2008. What are the problem issues that they will be looking at? Here is our guess for the top 5 concerns:

1. Inadequate officer compensation
2. Deducting losses in excess of basis
3. Deducting unreimbursed shareholder expenses
4. Accruing charitable contributions at year end
5. Built in gains tax

We discuss all of these issues in our 2007 Business Tax In Depth DVD just recorded last week by Bob Jennings. This is the year that you really need to update your knowledge on 1120S and 1065 returns.

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Technology Tips

- Are you running a good anti-virus program? For an anti-virus program to be decent it must run full-time in the background and it must update automatically every single day. One of the best is the **FREE** anti-virus program from AVG. Go to www.free.grisoft.com and download it to your personal computer. It works great!



- While you are at the grisoft website we also

10/8 Business Tax In Depth-**Ft. Collins, CO**

10/10 Business Tax Update-**Scranton, PA**

10/16 Business Tax In Depth-**Fargo, ND**

10/17 Estates & Trusts-**Portland, OR**

10/18 Tax Strategies for Business Owners-**Portland, OR**

10/22 Federal Tax Update-**Coeur d'Alene**

10/23 Federal Tax Update-**Twin Falls, ID**

10/25 1040 In Depth-**Fairfax, VA**

10/29 1040 In Depth-**Las Cruces, NM**

11/1 1040 Update-**Shreveport, LA**

11/1 1040 In-Depth **Columbia, MD**

11/2 Technology-**Shreveport, LA**

11/1 1040 In-Depth **Oklahoma City**

11/1 1040 In-Depth **Ft. Collins, CO**

11/1 1040 Update **Anchorage, AK**

11/1 1040 In-Depth **Jupiter Beach, FL**

11/1 1040 In-Depth **Indianapolis, IN**

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Vacation 2008!

suggest you download the 30-day free version of their anti-spyware program. Although it loses a lot of power after 30 days, it will clean up the problems you have now and protect you for 30 days. If you are looking to buy a good anti-spyware program we continue to use and recommend Spy Sweeper available for about \$30 at most office stores or online at www.webroot.com

- While we are discussing free software, we may as well recommend the best firewall software available on the market for under \$100, The free firewall at www.comodo.com runs silently in the background and passes all the basic security tests available from Gibson Research Corporation. Once again we use this software on all of our personal computers.

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Real Estate in IRAs



We are getting more and more questions from clients (remember at *Jennings Seminars* we are also full-time practitioners) about owning real estate in IRAs. Let's review a few issues:

1. Yes an IRA may own real property,
2. No an IRA may not rent the real property to the IRA owner,
3. No the losses generated by the real estate



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inside the IRA are not deductible,

4. Yes, it is possible that the income generated by the real estate inside the IRA may be subjected to the unrelated business income tax.

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Remember our new fall 1040 In-Depth locations in St. George, Utah, Chicago, Illinois and Anaheim California!

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