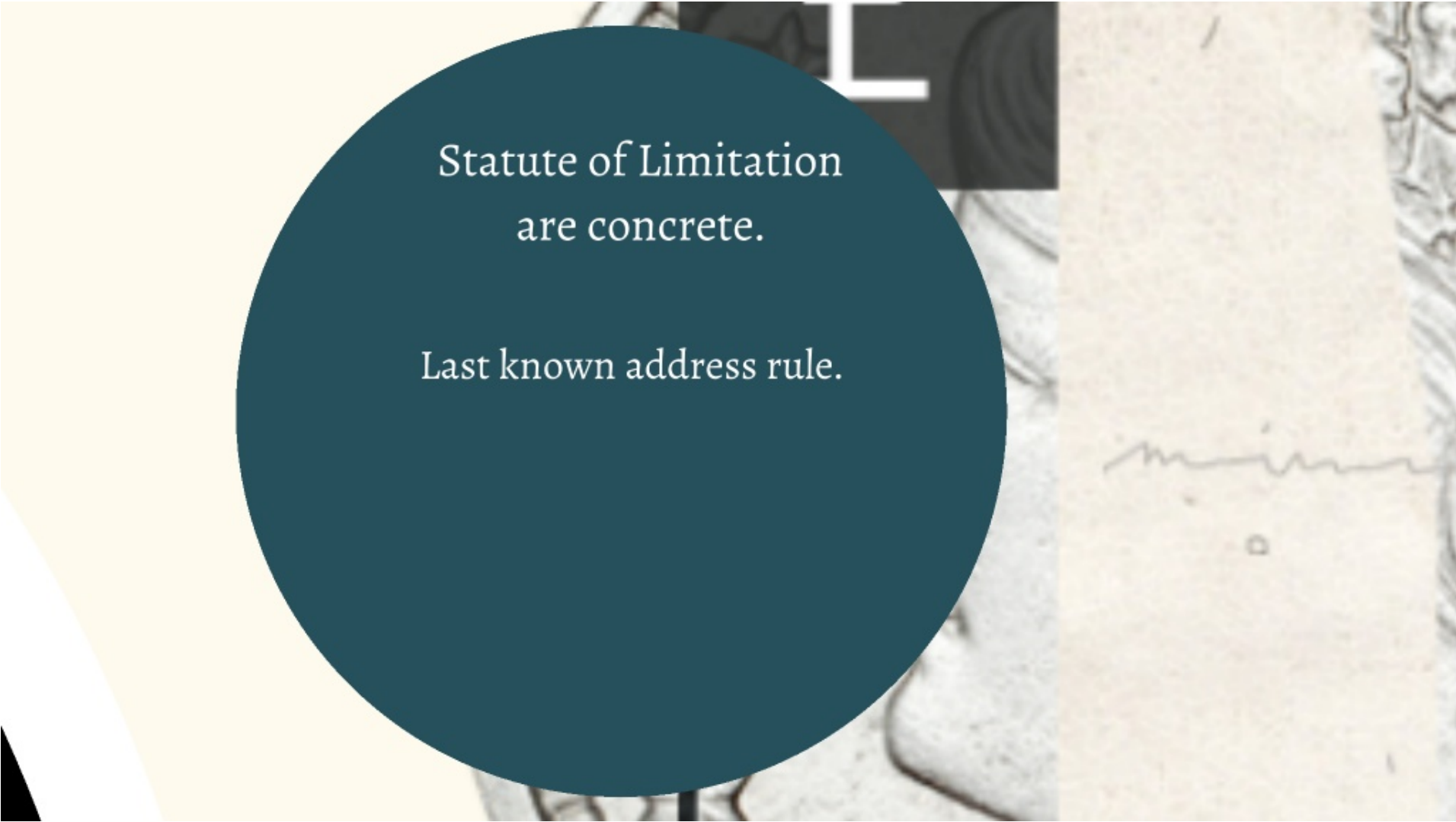


"Report all your income, file your returns on time, pay any tax due when you file or make a payment arrangement (and then make the payments). Open and read every letter you receive from the IRS, and, if the letter asks for a response, respond within the time requested."

Update Your
Address

File your
Taxes

Record
keeping



Statute of Limitation
are concrete.

Last known address rule.

The background of the slide features a photograph of a person's back, showing the spine and shoulder blades, overlaid with a document that has a handwritten signature. A large, dark teal circle is centered on the slide, containing the title and list.

File your taxes

- Even if you don't owe money.
 - if you discovered that you did owe money, this will start the SOL for audit.
- If you are expecting a refund
 - There's an SOL for refund that starts automatically so you don't lose out on your refund.
- If you are on an OIC or an Installment Agreement, you'll lose it.

Record Keeping

Paper receipts



Portable scanner





Choice of entity

An LLC is not a tax classification!



Individuals

International

Fraudulent
Planning

Takeaway



The S-Corp Election Myth

Most tax preparers and less experienced tax professionals will recommend the S-corp election.

Most big 4 and big law attorney and CPAs will recommend Partnership and C-Corps.

There are multiple to factors to consider.

Divorce
Planning

Capital Gains
planning

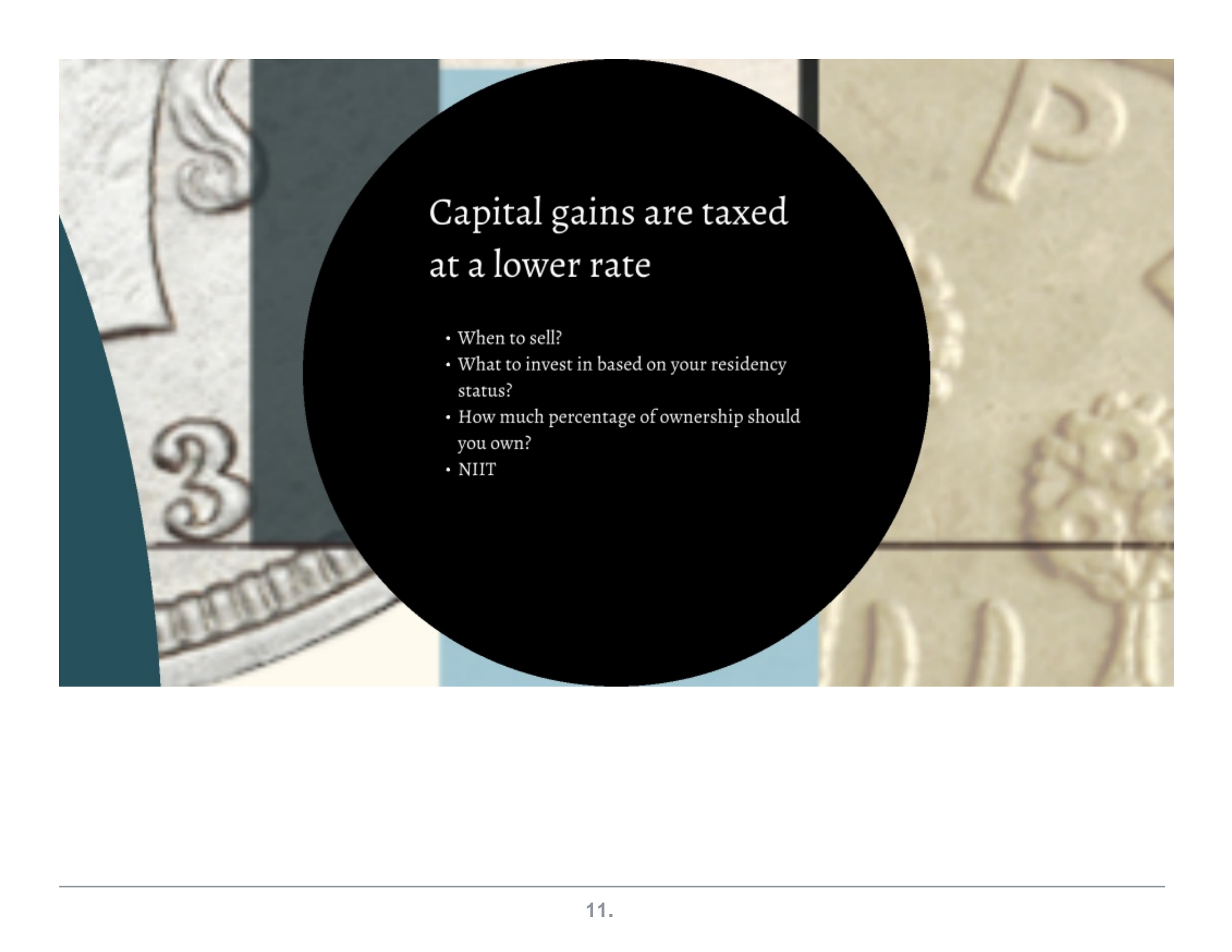
Wages planning

Timing



Divorce Agreement Reviews

- Review tax returns for one spouse if the other has a risky tax return.
- Section for taxes, who gets to claim the kids. I would try to aim for every other year.
- Filing as MFS for the year before the divorce finalized
- Indemnification clause.



Capital gains are taxed at a lower rate

- When to sell?
- What to invest in based on your residency status?
- How much percentage of ownership should you own?
- NIIT

Reasonable Wage

Do you need it?

Is that really reasonable?



Preventative Planning







International Clients

There are special taxes when the taxpayer is not a US citizen or if the taxpayer wants to invest abroad. It is very important that you advise your client of their reporting obligations:

- BEAT
- GILTI
- Subpart F
- PFIC
- FIRPTA
- FDII
- Transferred pricing



Fraudulent Planning

Not all tax planners are created the same.

- Tax preparers presenting themselves as CPAs, when they are not. In Texas, non-CPAs are not allowed to offer accounting services.
- CPAs going along with the fraud schemes without a thorough understanding tax structuring.

Non-
deductible
Expenses

Tax Shelters

Takeaway

Non-CPAs and attorneys

There's nothing to lose.



The Garza Method

<https://www.dallasnews.com/news/courts/2018/02/06/fbi-raids-dallas-office-building>


Charitable LLCs

<https://www.justice.gov/opa/pr/federal-court-shuts-down-alleged-nationwide-tax-scheme-involving-charitable-llcs-and?fbclid=IwAR34dIym8dRQi5C6OGI8DlWM2CodZu4IihWQUNosjBFi56oZoosNXsuwP2k>



Be Skeptical

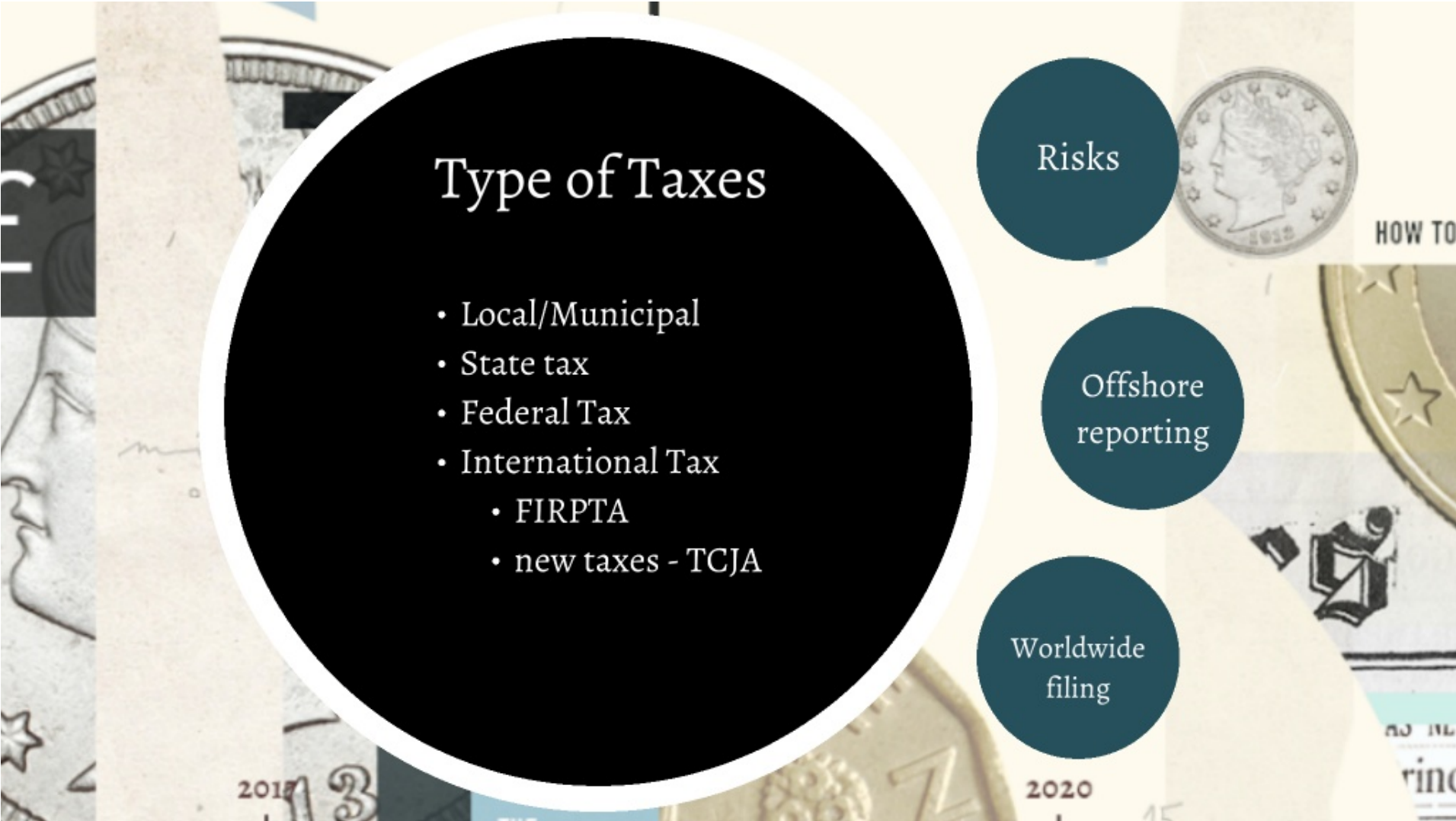
Pigs get fed, hogs get slaughtered.



Be well informed

- It costs more to fix than to do it correctly the first time.
- Get multiple opinions.
- Talk to a planner months in advance.
- Follow Le Tax Law, PLLC on social media.
- Planning is the most important part of tax law. Don't wait until an audit comes up to talk to a qualified advisor.





Type of Taxes

- Local/Municipal
- State tax
- Federal Tax
- International Tax
 - FIRPTA
 - new taxes - TCJA

Risks

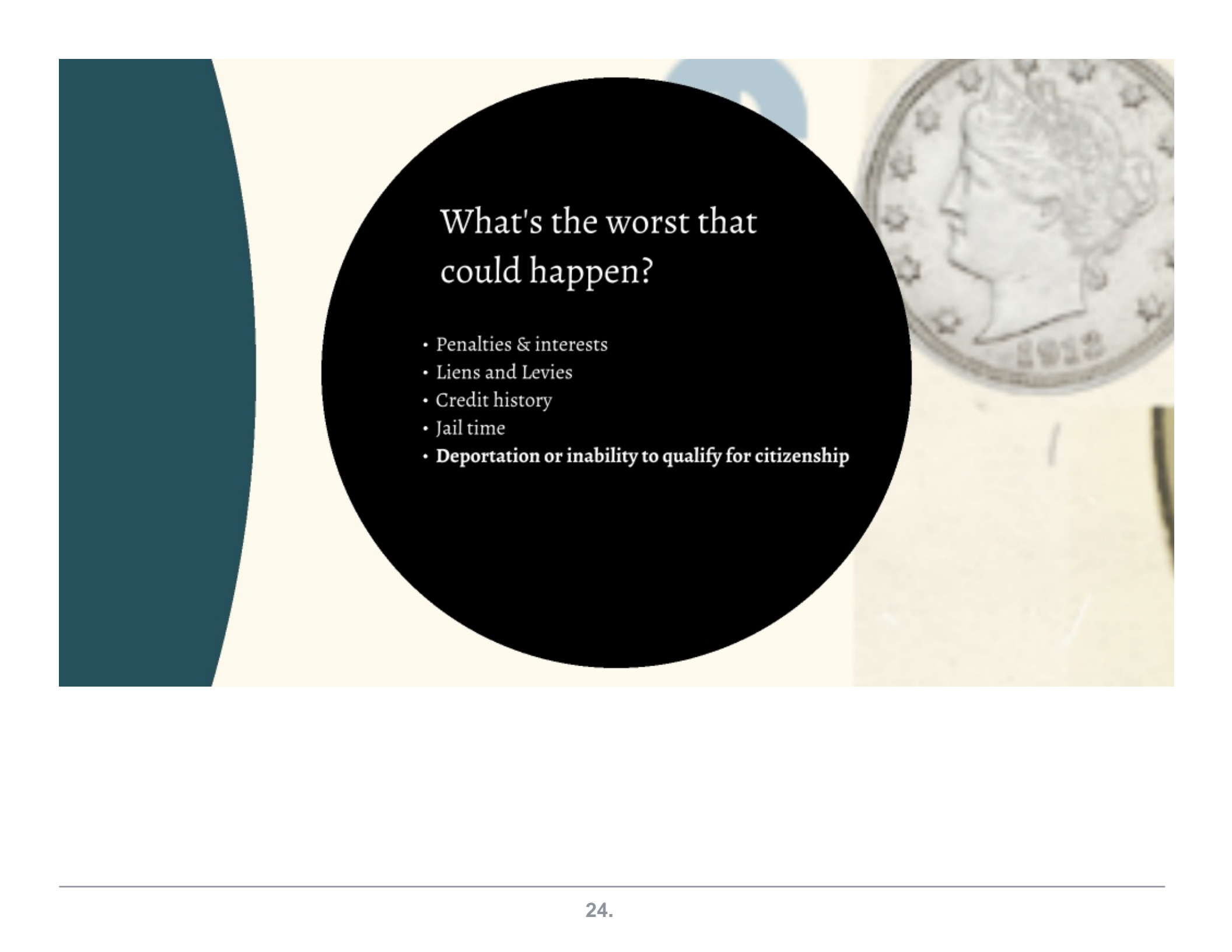
Offshore
reporting

Worldwide
filing

The T-Men don't play


- Remember it was the T-man who brought down Al Capone
- Increase to the IRS's budget
- DOJ has been indicting lots of preparers and people with offshore accounts

Consequences



What's the worst that could happen?

- Penalties & interests
- Liens and Levies
- Credit history
- Jail time
- **Deportation or inability to qualify for citizenship**



The most convoluted part of our tax system

- language barrier
- our tax system is complicated
- most countries do not tax their citizens the same way we do
- affect individuals and entities
- failure to file starts at \$12,000 per account per year
- jail time and deportation are on the table

FBAR

FATCA

Non-compliance

Foreign bank accounts

Clients who have lived abroad or who is about to live abroad.

Le Tax Law, PLLC

Tax Questions? Tax Answers!

**Foreign Banks
&
Financial
Accounts**

Le Tax Law, PLLC

Tax Questions? Tax Answers!

**Foreign Banks
&
Financial
Accounts**

FATCA forms

Offshore transactions and accounts - file with your tax return.





The shady side

- What happens if you have failed to report?
 - If the IRS has found out - criminal attorney
 - If the IRS has not yet found out - 3 ways of approaching it:
 - ODVP
 - Streamline
 - Quiet disclosure

The IRS may not be in Antarctica, but you must still file.

NRA? We do not discriminate



Living
Abroad?

Substantial
Presence

Living Abroad?





Accidental Citizenship



Le Tax Law, PLLC

Tax Questions? Tax Answers!



**Substantial
Presence**



Overview

Compliance



Audit

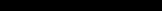


Planning

Useful Tax Tips for You and Your Clients



Useful Tax Tips for You and Your Clients





Types of Audit

- Correspondence audits - mildest
- Office audits - these are trickier. This is where most individuals will land when the correspondence audit was not resolved.
- Field Audit - you need a litigating attorney. Usually with companies.

Personal
liability

Priority
of
Claims

Substance
over form

Snitches
get Riches



Breach of Fiduciary Duties

Legal entities will not protect the taxpayer if there is comingling of funds or a breach of fiduciary duties.

Common scenario is failure to pay self-employment taxes.

31 U.S. Code §3713

A representative of a person or an estate (except a trustee acting under title 11) paying any part of a debt of the person or estate before paying a claim of the Government is liable to the extent of the payment for unpaid claims of the Government.

The background is a collage of various newspaper clippings. On the left, there's a yellowish section with the words 'PROFESSIONAL' and 'VICES' visible. To the right, a teal section contains the words 'THE WELL' and 'EARNED SUCCE'. Below that, a white section has the words 'ACE CAME' and 'justice with Germany was sign'. Further down, another white section mentions 'morning when President Wil' and 'a white house attendant, the'. At the bottom right, a blue section shows the letters 'RIIC'. A large, dark teal circle is centered over the collage, containing the title and subtitle text.

Common Arguments

Substance over form and the Step transaction rule are used to combat tax shelter.

PROFESSION
SERVICES

You can rat out people and get
a portion of what the IRS
collects.

Form 3949-A.

Be aware you good evidence.



