



April 2011

### **President Signs Repeal for 1099 Reporting**

As we go to press, the President has just signed legislation repealing the unpopular 2010 expanded Corporate and Real Estate reporting on Form 1099. [Click to Read More](#)

### **2011 Offshore Voluntary Compliance Initiative**

The IRS announced the opening of a second Offshore Voluntary Disclosure Initiative (OVDI) patterned on a similar 2009 program. In exchange for full disclosure of unreported offshore accounts, taxpayers are offered a reduced penalty framework through August 31, 2011. Although the OVDI has a higher penalty rate than the 2009 program, it offers an opportunity for taxpayers to disclose foreign accounts now rather than risk IRS detection and possible criminal prosecution. [Click to Read More](#)

### **Exclusion of Gain on Sale of \$1202 Stock Extended**

A relatively obscure tax provision permits an individual to exclude gain on the sale of "qualified small business stock," and this tax break was expanded late last year. There are restrictions, but under the right circumstances, the recent legislation provides a tax-savings opportunity window this year for taxpayers investing in a C corporation. [Click to Read More](#)

### **IRS Initiatives and Enforcement Priorities**

The IRS is stepping up targeted audit initiatives and has allocated resources to these priorities, including international activity, higher-income/net worth audits, and worker classification. [Click to Read More](#)

### **Depreciating Leasehold Improvements**

It used to be that all nonresidential real property was depreciated over 39 years. Recent law changes have created opportunities to accelerate the tax write off for improvements placed in service this year. Be alert to what does or does not qualify. [Click to Read More](#)

### **IRS Targeting Losses Reported by Individuals**

The IRS has been increasingly questioning losses incurred from trade or business activities and attacking the current deductibility as "passive," which could defer deductions to later years. It is important to understand the passive activity loss rules to help protect yourself against a possible IRS challenge. [Click to read more](#)

### **Don't Fall Prey to 2011 Dirty Dozen Tax Scams**

The IRS typically issues a "Dirty Dozen" list of the worst of the worst tax scams, and it works with the Justice Department to pursue and shut down these activities. The IRS publishes this list both to inform and warn taxpayers. [Click to Read More](#)