Citation Index

CODE SECTIONS

Int

nternal Revenue Code (IRC
§1 569
§1(h)(11)(B)(i)(I) 367
§1(h)(11)(B)(iii)(I) 367
§11 402
§11(b)(1) 401
§11(b)(2) 401
§21(b)(2) 305
§24(a) 343
§24(d) 343
§25D 482
§30B 525
§32 343, 524
§32(c)(2)(b)(vi)(II) 482
§38 390
§38(b)(31) 485
§45(f)(2) 482
§45(m) 482
§45A(F) 482
§45N 485
§48(a) 390
§48D(i)(6) 482
\$50(b) 389
§50(b)(2) 389
§51 441
§53(e) 7
§53(e)(2)(A) 7
§53(e)(4) 7
§54(f)(1) 482
§55 506–507
§56 506
§59(e)(4) 182
§61 504, 521, 544–545, 547–
549, 581, 583, 588
§62 572, 588
§62(a)(2)(D) 482
§67 541
§67(e)(1) 541
§68(f) and (g) 31
§71 528
§71(b)(1) 528
§72 540, 547, 577, 584
§72(t)(1) 584
§83 534, 546, 548
§83(a) 535
§86 461
§101(a)(1) 201
0100 504

§102 ... 504

```
§104 ... 544, 549
§104(a) ... 549
§104(a)(2) ... 545, 549
§104(a)(3) ... 396
§105 ... 312, 527
§105(g) ... 425
§105(h) ... 355
§106 ... 527
§106(e) ... 21
§108 ... 179
§110(a) ... 387
§110(b) ... 388
§117(d) ... 300
§117(d)(5) ... 300
§118 ... 386, 388
§118(a) ... 387–388
§121 ... 437, 439, 485, 557
§125 ... 247, 303
§126 ... 428, 503
§126(a)(9) ... 503
§127 ... 304
§129(a)(1) ... 305
§129(d)(1) ... 305
§132 ... 542
§132(a)(3) ... 309
§132(e)(2) ... 303
§132(h) ... 300
§136 ... 523
§151 ... 534
§151(d)(3)(E) ... 30
§151(d)(3)(F) ... 30
§152 ... 337, 532–533
§152(e) ... 533
§152(e)(2) ... 534
§162 ... 306, 378, 508, 515–518,
      530, 588-589
§162(a) ... 531, 573
§162(a)(1) ... 347
§162(a)(2) ... 531
§162(1) ... 353, 397
§162(1)(5) ... 353
§163 ... 484
§163(d) ... 23
§163(d)(4)(B) ... 367
§164 ... 545, 575
§164(b)(5)I ... 482
§165 ... 388, 516, 522, 528, 576,
      587
§165(a) ... 522–523, 528
§165(e) ... 522–523
```

```
§167 ... 505, 508-509
§167(a) ... 509
§168 ... 135, 389
§168(e)(3)(E)(iv) ... 482
§168(e)(3)(E)(v) ... 482
§168(i)(8)(B) ... 388
§168(j)(8) ... 482
§168(1) ... 486
§170 ... 550, 571–572, 574–575,
     587-588
§170 (b)(1)(A) ... 479
§170(b)(1)(C)(i) ... 100
§170(f)(11)(C) ... 571
§170(f)(17) ... 575
§170(f)(2)(A) ... 100
§171(c) ... 92
§179 ... 389–391, 487, 508
§179(a) ... 509
§179(b)(3) ... 175
§179(d)(1) ... 389–390
§179(d)(4) ... 174
§179D(h) ... 482
§183 ... 383, 579-580
§195 ... 516
§199 ... 178, 335, 486
§212 ... 516
§213 ... 570, 572, 574, 588
§213(a) ... 574
§213(d) ... 544
§213(d)(1)(A) ... 574
§215 ... 528
§215(a) ... 528
§217 ... 307, 588
§219(g)(5) ... 224
§220(f)(8) ... 201
§220(i)(2) ... 482
§222(e) ... 482
§223 ... 520, 527, 529
§223(a) ... 529
§223(b)(2) ... 16, 20, 354
§223(b)(3) ... 355
§223(b)(8) ... 20
§223(b)(8)(B) ... 20
§223(c)(1) ... 355, 527
§223(c)(1)(B)(i) ... 529
§223(c)(2) ... 355
§262 ... 531
§263(a) ... 312
§263A ... 517-518
§263A(e)(4) ... 432
§267(a)(2) ... 396
```

§166 ... 510

8274 521 572 500 500	8446() 507	8724 172
§274 531, 572, 588–589	§446(e) 507	§734 172
§274(e)(2) 303	§448 385, 401–402, 404, 511	§752 398–400
§274(e)(4) 303	§448(d)(2) 401–402	§752(a) 400
§274(n)(2)(A) 303	§448(d)(2)(A) 401	§752(b) 400
§274(n)(2)(A)) 303	§448(d)(2)(B) 401	§911 546
§274(n)(2)(B) 303	§451 346	§911(b)(1)(B) 546
§274(n)(2)(D) 303	§454 197	§911(c)(2)(A) 546
$\S274(n)(2)(E) \dots 303$	§357(c) 381	§911(d)(7) 546
§280(c)(e) 485	§457 583	§1001 379, 540
§280A 154	§457(b)(2) 222	§1012 388
§280A(c)(6) 357, 377	§457(b)(3) 223	§1014 202, 514
§280E 519	§457(d)(1) 225	§1014(a) 515
§280F 138, 509	§457(d)(2) 225	§1016 588
§280F(a)(1)(C) 510	§457(e)(16) 225	§1031 577–578
§301(b) 366	§457(f) 226	§1031(a) 119
§301(c) 358	§460 393, 395	§1031(a)(1) 578
§301(c)(2) 359	§460(e)(6)(A) 394	§1031(a)(2)(D) 132, 134
§301.9100-2 436	§461 374, 530	§1031(d) 121
	§461(h) 396	= ' '
§311(a) 365	- * *	§1031(f)(1) 578–579
§311(b) 365	§461(h)(3) 375	§1033(a) 504
§312(k) 359	§465 168, 398, 411, 510	§1033(e)(1) 504
§312(n) 359	§465(b)(1) 169	§1034 438
§316 358	§469 162, 164, 169, 376–377,	§1035 577
§318 352	580	§1035(a)(3) 577
§318(a) 311	§469(c)(7)(C) 170	§1091(a) 83
§338 383	§469(g)(2)(A) 202	§1221 85, 381, 506
§351 379–380, 493	§469(k) 170	§1221(b)(3) 482
§355(b)(3)(A) 482	§469(1) 376	§1231 379–381, 388–391
§355(b)(3)(D) 482	§471 514	§1239 380–381
§401 219, 583	§475(f) 84	§1245 436
§401(c)(1) 297	§481 493	§1245(a)(3) 390
§402 583	§501 587	§1245(b)(4) 140
§402(c)(8) 225	§501(c)(3) 562	§1250 436
§402(e)(4) 113	§502 562	§1250(d)(4) 141
§402(e)(4)(A) 113	§521 181	§1256 112
§402(g) 224	§530 535, 539	§1271(a) 167
§404 583	§613(a) 47	§1301 503
§408 583, 585	§613(b) 45	§1362(a) 523
§408(d)(1) 585	§613A(c)(6)(H) 486	§1362(b) 523
§408(d)(3) 585	\$631(c) 38, 40	§1362(b)(5) 523
\$408(d)(3)(1) 585	§671 207	§1362(d)(3) 369–370
	§691(a)(3) 202	§1362(d)(3)(C)(i) 371
\$408(d)(8) 479		
§408(d)(9) 21	§691(a)(5) 199	\$1362(d)(3)(E) 369
§408A 197	§691(c) 194	§1366 162, 164, 409
§408A(d)(5) 197	§704 162, 164	§1366(d) 406
§409 583	§704(b) 171	§1366(d)(1) 411
§409A 219, 221, 582	§707(b)(2)(A) 381	§1366(d)(1)(B) 411
§412(i) 234	§709 179–180	§1366(e) 347
§414 583	§721 379, 381	§1366(f)(3) 370
§415 583	§731 398	§1367 406
§415(c) 224	§731(a) 365	§1367(a)(2)(B) 361
§416 583	§731(a)(1) 134	§1367(b)(2) 406
§422 548–549	§731(b) 365	§1368(b) 360
§422(a)(2) 549	§732(b) 398	§1368(c)(2) 367
§446 507	§732(d) 398	§1368(e)(3) 367–368, 371

§1371(a) 365	§6165
§1371(c)(1) 358	§6166
§1372 352	§6166(a)
§1372(b) 352	§6305
§1375 368	§6330
§1375(b)(1)(B) 370	§6330(a)
§1375(d) 371	§6330(a)
§1398 512	§6330(c)
§1400(f)(1) 482	§6402
§1400(f)(2) 482	§6402(b)
§1400N(d)(6) 482	§6404
§1400N(e)(2) 482	§6501
§1401 343	§6501(a)
§1402 346, 431, 504	§6501(c)
§1402(a) 297	§6501(c)
§1402(a)(1) 429–430	§6511
§1402(a)(13) 180	§6513
§1402(g) 332	§6513(d)
§1563 396	§6651
§2032 202	§6654
§2032A 202–203, 428–429	§6662
§2032A(b)(5) 203	§6662(d)
§2033 539	§6664(c)
§2036 541	§6672
§2039 539	§6673
§2053 539, 541	§6694
§2055(e)(2) 101	§6694(a)
§3101 537	§6694(a)
§3102 537, 587	§6695A
§3111 535, 537	§6702
§3121 346, 538	§6724 (d
§3121(a) 355	§6871
§3121(a)(2)(B) 355	§7122
§3121(b)(10) 538	§7402
§3121(d)(1) 348	§7428
§3127 334	§7436
§3211 343	§7443a .
§3301 535, 537	§7479
§3306(i) 348	§7520
§3401 536, 588	§7602
§3402 537	§7623
§3509 539	§7701
§6012(a)(1) 512	§7701(a)
§6015 550–551	§7701(a)
§6015(f) 551	§7872
§6039(a) 482	§7872(e)
§6039(b) 482	§7872(f)
§6041 581	§7872(h)
§6045 559	§9802
§6045(e) 559	
§6049 557	
§6050H 484	
§6050S 564	
§6103(d)(5)(B) 482	
§6159 260	

```
. 565
. 428–429, 565
)(1) ... 565
. 271
. 554, 560
(2) \dots 561
)(3) ... 561
)(4) ... 560
. 512
) ... 512
. 555
. 513, 563
... 563
) ... 563
(1) ... 563
. 558, 568
. 512
1) ... 512
. 569
. 569
. 518, 522, 544, 548, 576
l)(2)(B)(ii) ... 568
) ... 519
. 412, 513
. 535, 569
. 568
... 568
)(2) ... 57
... 571
. 485, 587
d)(1)(B)(xix) ... 482
. 513
. 263
. 549
. 562
. 539
.. 487
. 565
. 210, 539
. 557
. 487
. 413, 537
.) ... 537
)(36) ... 57
. 384
(1) \dots 384
)(2) ... 385
)(4) ... 482
. 529
```

REGULATIONS

Treasury Decisions

9285 ... 511 9314 ... 135

Treasury Regulations

```
§1.61-3(a) ... 514
§1.62-2(c)(1) ... 589
§1.105-11(b)(2) ... 297
§1.110-1(b)(3) ... 387
§1.118-1 ... 387
§1.119-1(a)(1) ... 300
§1.119-1(a)(2)(ii)(b) ... 300
§1.119-1(b) ... 301
§1.119-1(c) ... 301
§1.119-1(f) ... 301
§1.121-1(b)(3) ... 439
§1.121-1(e) ... 438
§1.125-1 ... 304
§1.132-5(a)(1) ... 306
§1.132-5(b)(1)(i) ... 307
§1.132-9 ... 308
§1.162-2(e)(2) ... 378
§1.162-3 ... 313
§1.163(d)-1(c) ... 25
§1.165-8(a)(2) ... 522
§1.167(a)-1 ... 47
§1.170A-6 ... 100
§1.171-1(a)(1) ... 94
§1.179-2(c)(ii) ... 175
§1.179-2(c)(iii) ... 176
§1.179-4 ... 390
§1.183-1(d)(1) ... 580
§1.199-1 ... 179
§1.199-1 through -9 ... 179
1.213-1(e)(1)(v)(a) \dots 575
§1.217-2(a)(1) ... 307
§1.217-2(c)(4)(i)(a) ... 307
§1.262-1(b)(5) ... 531
§1.263(a)-1(b) ... 315
§1.263A-1(e)(3)(iii)(A) ... 518
§1.274-2(c)(2) ... 302
§1.402(a)-1(b)(1)(i)(b) ... 113
§1.415(c)-1 ... 240
§1.446-1(e)(2)(ii)(d)(2) ... 324
§1.446-1(e)(2)(ii)(d)(3) ... 324
§1.446-1(e)(2)(ii)(d)(5)(i) ... 324
§1.446-1(e)(2)(iii) ... 324
§1.451-2 ... 220
§1.457-2(b)(1) ... 223
§1.460-1(a)(2) ... 394
```

§1.460-1(c)(3) ... 394

81 460 4(1) 204	81 1045(1)(1) 140	D 100
\$1.460-4(d) 394	§1.1245(d)(1) 140	Proposed Treasury
§1.461-1(a)(2)(i) 374	§1.1301-1(d)(1) 434	Regulations
§1.461-4(d)(2) 374	§1.1301-1(d)(2) 433	§1.63-3(g) 318
§1.461-4(d)(6)(ii) 374–375	§1.1301-1(e)(1)(ii)(B) 433	§1.63-3(g)(10) 321
§1.461-4(d)(6)(iv) 375	§1.1301-1(e)(2)(i) 434	§1.63-3(g)(10) 321 §1.63-3(g)(11) 320
§1.461-5 375	§1.1362-2(c) 370	
§1.461-5(b)(1) 375	§1.1362-2(c)(5)(ii)(A)(2) 370	§1.63-3(g)(3) 319
§1.468B-4 98	§1.1362-2(c)(5)(ii)(B)(2) 370	§1.63-3(g)(4)(iv) 320
§1.469-2(f)(6) 357, 376	§1.1366-2 411	§1.63-3(g)(5)(ii) 320
§1.469-4 182	§1.1366-4(c) 370	§1.63-3(g)(5)(iii) 320
§1.469-4(a) 357	§1.1367-1(e) 165	§1.63-3(g)(6) 318
§1.469-4(c) 378	§1.1367-1(f) 163, 361	§1.63-3(g)(6)(iii) 318
§1.469-4(c)(1) 357	§1.1367-1(g) 361	§1.63-3(g)(7) 319
§1.469-4(d)(1)(i)(C) 377	§1.1367-2 167, 408	§1.72-6 540
§1.469-4(e) 378	§1.1367-2(a) 407	§1.152-4 532
§1.469-9(g)(3) 580	§1.1367-2(b) 407	§1.263(a)-3 315
§1.611-1(b) 38, 47	§1.1367-2(d) 407–408	§1.263(a)-3(d)(2)(vii) 315
§1.611-1(b)(2) 40	§1.1368-1(f)(1) 367	§1.402(e)-2(d)(1)(v) 114
§1.611-2(b)(2) 47	§1.1368-1(f)(2)(ii) 368	§1.1301-1(b) 432
§1.612-3(b)(1) 40	§1.1368-1(f)(3) 368, 371	§1.1367(a)(2) 406
§1.613-2(a) 45	§1.1368-1(f)(3)(ii) 368	
§1.631-3(a) 38	§1.1368-1(f)(4) 368	COURT CASES
§1.631-3(a)(2) 38	§1.1368-1(f)(5) 367–368	COUNT GASES
§1.631-3(b)(1) 38	§1.1368-2 364	Aaron L. Katz and Judith L. Miller v.
§1.631-3(c)(2) 43	§1.1375 1(f) 369	U.S 558
§1.691(a)-2(a)(1) 194	§1.1402(a)-2 180	Albany Medical Center v. U.S 538
§1.691(a)-2(b) 201	§1.1402(a)-4(c)(2) 429	Albers v. Comm'r 427
§1.691(a)-5(a) 199	§1.1402(c)-7 337	Alderson v. Comm'r 125
§1.702-1 398	§1.2631(a)-1 312	Allen v. Comm'r 563
§1.706-1(c)(3)(ii) 200	§1.6662-3(b)(3) 58	Alron Engineering 404
§1.706-1(c)(3)(v) 200	§1.6664-4(c)(1) 519	American Benberg Corp. v.
§1.709-1(b) 180	§1.7872-3(b)(3(ii) 385	Comm'r 317
§1.709-2(a) 180	§20.2031-1(b) 202	Andre v. Comm'r 560
§1.751-1(a)(3) 382	§31.3121(d)-1(b) 348	Arnett v. Comm'r 569
§1.752-2 399	§31.3306(i)-1(e) 348	Arrowsmith v Comm'r 389
§1.752-2(b) 399	§170A-13(a)(1) 574	Barker v. Comm'r 125
§1.752-2(k)(1) 399	§301.7701 133, 412	Barker v. U.S 133
§1.752 2(k)(1) 399	§301.7701-1 537	Barron v. Comm'r 349
§1.755 383	§301.7701-3(b)(1)(ii) 413	Bedell & Company, CPAs et al v.
§1.761-1(a) 133	§301.9100-2 383	U.S 557
§1.1001-1(a) 129	§301.9100-2 580	8eecher v. Comm'r 376
§1.1001-1(a) 123 §1.1012-1(c)(2) 95	\$301.7100-3 300	
§1.1012-1(c)(2) 95 §1.1016-5(b)(3) 94	Temporary Treasury	Bennett v. U.S 438 Bernard v. Comm'r 133
§1.1031(a)-2(b) 127		Biggs v. Comm'r 133
§1.1031(a)-2(b) 127 §1.1031(a)-2(b)(1) 127	Regulations	Bissonnette and Cone v.
§1.1031(a)-2(b)(1) 127 §1.1031(a)-2(b)(2) 127	§1.62-1T(e) 302	Comm'r 589
§1.1031(a)-2(b)(2) 127 §1.1031(a)-2(c) 127	§1.168(i)-6T(d)(3) (iii) 139	
§1.1031(a)-2(c) 127 §1.1031(a)-2(c)(1) 128	§1.168(i)-6T(k) 135	Black v. Comm'r 133 Bolker v. Comm'r 133
§1.1031(a)-2(c)(1) 128 §1.1031(c)(1) 122	§1.404(b)-1T(b)(1) 375	
§1.1031(c)(1) 122 §1.1031(j)-1 150	§1.448-1T(e)(3) 401	Borntrager v. Comm'r 333
§1.1031(j)-1 130 §1.1031(k)-1(b)(2)(iii) 145	§1.448-1T(e)(4)(iv)(A) 404	Bot v. Comm'r 430
§1.1031(k)-1(b)(2)(iii) 143 §1.1031(k)-1(g)(4) 579	§1.448-1T(e)(5)(i) 401	Brewer Quality Homes, Inc. v.
§1.1031(k)-1(g)(4) 379 §1.1034-1(c)(3)(ii) 438	§1.448-1T(e)(iv)(B) 404–405	Comm'r 347
§1.1034-1(c)(3)(11) 438 §1.1034-1(c)(4) 438	§1.469-2T(d)(6) 162, 164	Brooks 406
§1.1034-1(c)(4) 458 §1.1234-1(b) 110	§1.469-2T(e)(1) 357	Brooks v. Comm'r 407
51.1237 1(<i>0</i>) 110		Buckland v. Comm'r 316

DL C	I' C' 514	D. d
Burke v. Comm'r 410	Janis v. Comm'r 514	Rutherford v. Comm'r 127
Calif. Interiors, Inc. v. Comm'r 376	Johnson v. U.S 522	Salesky v. Comm'r 528
Californians Helping to Alleviate	Kadillak v. Comm'r 506	Schlicher v. Comm'r 438
Medical Problems, Inc, v.	Klarkowski v. Comm'r 133	Schwendeman and Butler v.
Comm'r 519	Koch v. Comm'r 128	Comm'r 550
Calvao v. Comm'r 518	LaFavor v. Comm'r 356	Settimo v. Comm'r 515
Campbell v. Comm'r 316	Land Dynamics v. Comm'r 134	Shore v. Comm'r 317
Carlos v. Comm'r 357	Letz v. Weinberger 351	<i>Smith v. Comm'r</i> 406
<i>Chin v. Comm'r</i> 357	Lewis v. Comm'r 560	Snelgrove, Sr. v. Comm'r 534
Click v. Comm'r 133	Littriello v. U.S 412	Snorek v. Comm'r, 427
Colorado Mufflers Unlimited, Inc. v.	Load, Inc. v. Comm'r 517	Somers v. Gardner 351
Comm'r 535	Lohrke v. Comm'r 346	Speltz v. Comm'r 6, 426
Comm'r v. Anderson 301	Lokan v. Comm'r 438	Starker v. United States 131
Comm'r v. Groetzinger 81, 518	Loughborough Development Corp. v.	Stoeltizing v. Comm'r 316
Contreras v. Comm'r 572	<i>Comm'r</i> 133	Sweeney v. Comm'r 409
CRSO v. Comm'r 562	Ludeking v. Finch 351	Teruya Brothers, Ltd. & Subsidiaries
D'Angelo v. Comm'r 356	Mages v. Johanns 418, 420, 425	v. Comm'r 157
Davis v. Comm'r 348	Magneson v. Comm'r 134	Topping v. Comm'r 579
Deihl v. Comm'r 346	Maloney v. Comm'r 134	Total Health Center Trust, et al v.
Dugan v. Comm'r 430	Marrin v. Comm'r 85	Comm'r 514
Duronio v. Comm'r 584	Mason v. Barnhart 352	Toth v. Comm'r 516
Estate of Campbell v. Comm'r 438	McNamara v. Comm'r 430	Trentadue v. Comm'r 505
Estate of Davenport v. Comm'r 539	McNamee. v. U.S 537	Tschetschot v. Comm'r 516
Estate of Freedman v. Comm'r 521	Miller v. Comm'r 410, 534	U.S. v. Bishop 348
Estate of Goldstein v. U.S 568	Moore v. Comm'r 154, 548, 577	U.S. v. Brockamp 558
Estate of Roski v. Comm'r 565	Moss v. Comm'r 317	U.S. v. Gilmore 98
Estate of Stewart v. Comm'r 541	Munroe Land Co. v. Comm'r 317	U.S. v. Indianapolis Baptist
Evans v. Comm'r 317	Nagan Irrevocable Trust v.	<i>Temple</i> 333
FedEx Corp. v. U.S 314, 316	U.S 547	U.S. v. Lee 337
Fifty Below Sales & Marketing, Inc. v.	Neal T. Baker Enterprises, Inc. v.	U.S. v. Tuff 546
<i>U.S.</i> 554	<i>Comm'r</i> 133	<i>U.S. v. White</i> 513
Finzer v. U.S 570	Nelson v. U.S 332	Val Farms v. Espy 424
Francis v. Comm'r 427	Nichols v. Birdsell 512	Wagensen v. Comm'r 133
Fundenburger v. Comm'r 348	Northen and Cox v. Comm'r 316	Wallace v. Comm'r 547
Gardner v. Hall 351	Oberman Mfg. v. Comm'r 317	Warren v. Comm'r 574
Geiger v. Comm'r 522	Packard v. U.S 332	Weaver v. Comm'r 396
Gibson v. Comm'r 544	Paoli v. Comm'r 82	Weisenfeld v. Richardson 351
Gilbert v. Comm'r 551	Peno Trucking, Incorporated v.	Westbrook v. Comm'r 347
Glass v. Comm'r 571	Comm'r 536	White's Ferry, Inc. v. Comm'r 347
<i>Grey v. Comm'r</i> 349	Picha v. Shalala 351	Whiteco Indus., Inc, v. Comm'r 505
Groetzinger v. Comm'r 430	<i>Price v. Comm'r</i> 180	Wiechens v. U.S 129
Handke v. Comm'r 346	<i>Radtke v. U.S.</i> 348	Women Involved in Farm Economics
Hartsock v. Comm'r 576	Rainbow Tax Service, Inc 403	v. USDA 419
Hasbrouck v. Comm'r 430	Ray v. Comm'r 429	Wuebker v. Comm'r 429
Helvering v. LeGierse 353	Regina Felton PC v. Comm'r 402	Weeker V. Comm 7 129
Henderson v. Flemming 430	Reid v. U.S 438	
Hinck, Et Ux. v. U.S 555	Reynolds v. Comm'r 176	REVENUE RULINGS
	•	
Hubert Enterprises, Inc. v. Comm'r 510	Riley v. Comm'r 508	55-749 129
	Robertson, Strong, & Apgar	57-244 129
Humana, Inc. v. Comm'r 353	Architects 402	58-234 110
Illinois Merchants Trust Co 317	Robinson v. U.S 332	58-436 201
J. Grant Farms, Inc. v.	Rowe v. Comm'r 524	59-221 346
Comm'r 301	Roy v. Comm'r 357	60-17 94

 $60-32 \dots 429$

Rudkin Testamentary Trust v.

Comm'r ... 541

J.B. Lindeman v. Comm'r ... 301

Jamie v. Comm'r ... 84

64-161 125
64-178 389
64-289 201
65-149 429
68-44 429
69-184 181
70-285 575
70-598 107
71-588 425
72-358 577
72-515 128
73-348 516
73-476 578
74-44 348
75-241 299
75-291 133
75-292 133
76-96 581
77-297 133
77-337 133
78-72 128
78-340 575
80-249 437
81-222 300
84-115 126
84-121 131, 133
86-69 300
87-56 505
89-7 175
91-26 311, 396
92-105 131
93-80 528
2002-3 299
2002-75 577
2002-83 155–156
2003-56 143
2004-41 413
2004-60 535
2004-86 130
2004-98 310
2006-46 503
2006-56 378–379, 588
2006-57 309
2007-3 374
2007-12 530
2007-28 531

REVENUE PROCEDURES

84-58	568
87-56	127
91-64	220
91-65	220
97-27	324

99-17 84
2000-22 130, 133
2000-37 148
2002-9 324, 507
2002-19 377, 386
2002-22 133
2002-28 313
2003-16 585
2004-11 507
2005-14 151
2005-27 146
2006-49 588
2006-53 203
2007-11 544
2007-36 22, 355, 520
2007-40 553

OTHER IRS RELEASES

Chief Counsel Advice

200637032 ... 528

Internal Revenue Bulletins

IRB 2006-39 ... 312-313

IRS Fact Sheets

FS-2007-11 ... 565 FS-2007-12 ... 586

IRS Letter Rulings

200646003 534
200704001 574
200704010 529
200704017 396
200704042 585
200706001 155, 158, 578
200709003 530
200712013 578
200721012 523
200721013 581
200721017 545
200728016 580

IRS News Releases

IR-2004-21 235
IR-2006-161 540
IR-2006-162 583
IR-2006-183 525
IR-2006-192 571
IR-2006-196 566
IR-2007-4 3
IR-2007-8 525
IR-2007-17 538
IR-2007-18 507
IR-2007-19 575
IR-2007-22 525
IR-2007-28 525
IR-2007-29 525
IR-2007-37 587
IR-2007-42 159
IR-2007-55 1, 23, 37
IR-2007-61 587
IR-2007-64 525
IR-2007-95 525
IR-2007-96 525
IR-2007-108 525
IR-2007-112 566
IR-2007-113 552
IR-2007-115 568
IR-2007-121 561
IR-2007-128 554
IR-2007-130 553
IR-2007-131 562
IR-2007-132 555
IR-2007-133 525
IR-2007-134 557
IR-2007-137 556
IR-2007-156 525

IRS Notices

98-24	113,	116
89-35	384	
94-3 3	355	
97-5 3	369	

2000-4 135, 139, 142
2004-2 355
2004-6 312
2004-50 529
2006-72 564
2006-87 546
2006-91 504
2006-93 557
2006-96 571
2006-108 428, 504
2006-110 575
2007-7 253
2007-22 299, 527
2007-30 587
2007-34 582
2007-39 49
2007-47 531
2007-54 428, 568
2007-63 431

Technical Advice Memoranda

9212001 ... 429 200035005 ... 128 200424001 ... 126

IRS Publications

- 225, Farmers' Tax Guide ... 432 525, Taxable and Nontaxable Income ... 242 526, Charitable Contributions ... 102
- 535, Business Expenses ... 38, 47
- 550, Investment Income and Expenses ... 23, 86, 112
- 553, Highlights of 2007 Tax Changes ... 16, 21
- 561, Determining the Value of Donated Property ... 572
- 575, Pension and Annuity Income ... 241
- 590, Individual Retirement Arrangements (IRAs) ... 228, 242
- 783, Instructions on How to Apply for a Certificate of Discharge of Property From a Federal Tax Lien ... 257
- 784, How to Prepare an Application for a Certificate of Subordination of Federal Tax Lien ... 257
- 939, General Rules for Pensions and Annuities ... 241–242

946, How to Depreciate Property ... 390 1450, A Certificate of release of Federal Tax Lien ... 257 1457, Actuarial Values ... 102 1660, Collection Appeal Rights ... 261

FORMS & SCHEDULES

IRS Forms

- 56, Notice Concerning Fiduciary Relationship ... 189 433A, Collection Information
- 433A, Collection Information
 Statement for Wage Earners
 and Self Employed
 Individuals ... 267
- 433B, Collection Information Statement for Businesses ... 267
- 433F, Collection Information Statement ... 259
- 656, Offer in Compromise ... 258
- 656-L, Offer in Compromise (Doubt as to Liability) ... 267, 270
- 706, United States Estate (and Generation-Skipping Transfer) Tax Return ... 192, 203–204
- 709, United States Gift (and Generation Skipping Transfer) Tax Return ... 191
- 720, Quarterly Federal Excise Tax Return ... 554
- 911, Request for Taxpayer Advocate Service Assistance ... 255
- 940, Employer's Annual Federal Unemployment (FUTA) Tax Return ... 538
- 972, Consent of Shareholders to Include Specific Amount in Gross Income ... 553
- 990, Return of Organization Exempt From Income Tax ... 276
- 990-EZ, Short Form Return of Organization Exempt from Income Tax ... 276
- 990-N, Electronic Notice for Tax-Exempt Organizations not Required To File Form 990 or 990 ... 276

- 1040, U.S. Individual Income Tax Return ... 104, 189, 391
- 1041, U.S. Income Tax Return for Estates and Trusts ... 190,
- 1065, U.S. Return of Partnership Income ... 383
- 1098 Mortgage Interest Statement ... 476
- 1098-T, Tuition Statement ... 564
- 1099-B, Proceeds from Broker and Barter Exchange Transactions ... 91
- 1099-INT, Interest Income ... 385
- 1099-LTC, Long-Term Care and Accelerated Death Benefits. . . . 478
- 1099-MISC, Miscellaneous Income ... 41, 195, 547
- 1099-OID, Original Issue Discount ... 95
- 1099-PATR, Taxable Distributions Received from Cooperatives ... 181
- 1099-R, Distributions for Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc. ... 103, 116
- 1120, U.S. Corporation Income Tax Return ... 404
- 2031, Revocation of Exemption
 From Self-Employment Tax
 for Use by Ministers,
 Members of Religious
 Orders, and Christian Science
 Practitioners ... 333
- 2553, Election by a Small Business ... 351
- 2678, Employer/Payer Appointment of Agent ... 561
- 2848, Power of Attorney ... 260
- 3115, Application for Change in Accounting Method ... 84, 324, 326–329, 386, 507
- 3800, General Business Credit ... 445, 525
- 3949-A, Information Referral. ... 51
- 4029, Application for Exemption from Social Security and Medicare Taxes and Waiver of Benefits ... 332

- 4361, Application for Exemption from Self-Employment Tax for Use by Ministers, Members of Religious Orders and Christian Science Practitioners ... 333
- 4506-T, Request for Transcript of Tax Return ... 561
- 4562, Depreciation and Amortization ... 136, 487
- 4797, Sale of Business Property ... 39–40, 42, 195, 379–380, 389–390
- 4952, Investment Interest Expense Deduction ... 23, 27, 376, 384
- 5305-SEP, Simplifies Employee Pension-Individual Retirement Accounts Contribution Agreement ... 232
- 5452, Corporate Report of Nondividend Distributions ... 359
- 5498, IRA Contribution Information ... 241
- 5500 Annual Return/Report of Employee Benefit Plan ... 236
- 5884, Work Opportunity Credit ... 445
- 6198, At-Risk Limitations ... 163,
- 6251, Alternative Minimum Tax Individuals ... 6
- 6252, Installment Sale Income ... 195, 437
- 6781, Gains and Losses from Section 1256 Contracts and Straddles ... 92, 112
- 8082, Notice of Inconsistent
 Treatment or Administrative
 Adjustment Request ... 187,
 200
- 8275, Disclosure Statement ... 58, 506
- 8275-R, Regulation Disclosure Statement ... 58
- 8283, Noncash Charitable Contributions ... 102, 177
- 8300, Report of Cash Payments Over \$10,000 Received in a Trade or Business ... 280, 292, 295

- 8308, Report of a Sale or Exchange of Certain Partnership Interests ... 382
- 8332, Release of Claim to
 Exemption for Child of
 Divorced or Separated
 Parents ... 533
- 8582, Passive Activity Loss Limitations ... 159, 169, 378, 380
- 8594, Asset Acquisition Statement ... 381
- 8606, Nondeductible IRAs and Coverdell ESAs ... 195
- 8812, Additional Child Tax Credit ... 36
- 8822, Change of Address ... 276
- 8824, Like-kind Exchanges ... 124
- 8832, Entity Classification Election ... 412
- 8846, Credit for Employer Social Security and Medicare Taxes Paid on Certain Employee Tips, ... 489
- 8849, Claim for Refund of Excise Taxes ... 554
- 8850, Pre-Screening Notice and Certification Request for the Work Opportunity Credit ... 441, 445
- 8853, Archer MSAs and Long-Term Care Insurance Contracts ... 478
- 8857, Request for Innocent Spouse Relief ... 551
- 8867, Paid Preparer's Earned Income Credit Checklist ... 60
- 8879, IRS e-file Signature Authorization ... 553
- 8886 Reportable Transaction
 Disclosure Statement ... 395
- 8889, Health Savings Accounts ... 17–19
- 8903, Domestic Production
 Activities Deduction ... 178
- 8910, Alternative Motor Vehicle Credit (... 525
- 9061, Individual Characteristics Form ... 445
- 9465, Installment Agreement Request ... 258
- 12153, Request for a Collection Due Process Hearing ... 560

- 13711, Request of Appeal of Offer in Compromise ... 275
- 13844, Application for Reduced User Fee for Installment Agreements ... 566
- RRB-1099-R, Annuities or Pensions by the Railroad Retirement Board ... 227
- SSA-1099 Social Security Benefit Statement ... 461
- W-2, Wage and Tax Statement ... 195, 306, 334
- W-4P, Withholding Certificate for Pension or Annuity Payments ... 250

IRS Schedules

1040, U.S. Individual Income Tax Return

- Schedule A, Itemized Deductions ... 28
- Schedule B Interest and Ordinary Dividends ... 93
- Schedule D, Capital Gains and Losses ... 5, 94, 99, 105, 107–109, 111
- Schedule E, Supplemental Income and Loss ... 46, 331, 377, 384, 390
- Schedule H, Hospitals ... 555 Schedule J, Income Averaging for Farmers and

Fishermen ... 434 1041, U.S. Income Tax Return for Estates and Trusts

Schedule K-1, Beneficiary's Share of Income, Deductions, Credits, etc. ... 183, 214

1065, U.S. Return of Partnership Income

Schedule K-1, Partner's Share of Income, Deductions, Credits, etc. ... 170, 173

1120S, U.S. Income Tax for an S Corporation

Schedule M-3, Net Income (Loss)
Reconciliation for
Corporations with Total
Assets of \$10 Million or
More ... 395

5500, Annual Return/Report of Employee Benefit Plan

Schedule P, Annual Return of Fiduciary Benefit
Trust ... 253

Index

demand loans 384 Accoleration depreciation 482 Accounting method accrual prepayment for future services 374 exceptions 375 change in 507 change in 504 controlled hitiv 380 controlled blusiness 381 controlled hitiv 380 controlled blusiness 381 controlled hitiv 380 controlled blusiness 381 controlled hitiv 380 controlled hi		Applicable federal rate (AFR)	partnership 160
Acceleration depreciation 482 Accounting method accrual prepayment for future services 374 cxceptions 375 change in 507 change in 508 chedule K-1 168 defined 205 chedule K-1 168 defined 205 creation 482 defined 205 creation 381 transfer 379 closely-held business 381 controlled entity 380 Al-Tisk 510 rules 168 controlled entity 380 Altransition 398 nonrecourse liabilities 399 recourse liabilities 398 haltonative minimum tax (AMT) 433 harriportaul particular in 168 cheind chin	Α	demand loans 384	S corporation 162, 362
Accounting method accrual prepayment for future services 374 exceptions 375 change in 507 hybrid 385-386, 393 percentage completion 394 Accrued interest paid 92 Accumulated adjustments account (AAA) 362 Accumulated earnings and profits (AEP) 362, 493 Corporation 360 Active trade or business test 482 Adjusted gross income (AGI) limitations farm program payments 416 Alimony 528 Automated Collection System (ACS) 255 Scoporation 360 Active trade or business test 482 Adjusted gross income (AGI) limitations farm program payments 416 Alimony 528 Automated Collection System (ACS) 255 Scoporation amounts 2 farm income averaging 433 incentive stock options 506 individual 1 more averaging 433 incentive stock options 506 individual 37 National Taxpayer Advocate report 3 refundable credit 8 taxpayer advocate report 3 refundable credit 8 taxpayer advocate report 3 farm income averaging 433 farm income a	Abandonment 528	term loans 384	guaranteed loans 410
Accounting method accrual prepayment for future services 374 exceptions 375 change in 507 hybrid 385–386, 393 percentage completion 394 Accrumelated adjustments account (AAA) 362 Accumulated adjustments account (AAA) 360 Active trade or business test 482 Adjusted gross income (AGI) limitations farm program payments 416 Altimony 528 Alternative minimum tax (AMT) 433 AMT phaseouts 2 farm income averaging 433 incentive stock options 506 individual 1 minimum tax credit 7 National Taxpayer Advocate report 35 AM 2007-003 386 AM 2007-009 374 Amended return 433 farm income averaging 433 American Jobs Creation Act of 2004 (AICA) 49, 221, 260, 433, 503, 559 AMT See Alternative minimum tax (AMT) Annuities 539–540 Annuity contract (AMT) Annuities 539–540 Annuity contract exchanges 379 closely-held business 381 controlled entity 380 controlled entity 380 exchanges 379 slae 379 closely-held business 381 controlled entity 380 to controlled LLC 381 transfer 389 stock 380 At-risk 580 Atrask 599 single-member LLC (SMILLC) 398 Automated Collection System (ACS) 255 Bad debt 510 safe harbor provisions 511 Bank Secrecy Act (BSA) 280 money laundering 281 Bank Servey Act (BSA) 280 money laundering 281 Banks Servey Act (BSA)		Artwork	stock 360
accrual prepayment for future services 374 exceptions 375 change in 507 hybrid 385-386, 393 percentage completion 394 Accrued interest paid 92 Accumulated adjustments account (AAA) 362 Accumulated carnings and profits (AEP) 362, 493 C corporation 360 Active trade or business test 482 Adjusted gross income (AGI) limitations farm program payments 416 Alimony 528 Alternative minimum tax (AMT) phaseouts 2 farm income averaging 433 incentive stock options 506 individual 1 minimum tax credit 7 National Taxpayer Advocate report 256 work opportunity credit 492 AM 2007-009 374 Amended return 433 farm income averaging 433 AMTI spayer advocate report 256 work opportunity credit 492 AM 2007-009 374 Amended return 433 farm income averaging 433 American Jobs Creation Act of 2004 (AJCA) 49, 221, 260, 433, 503, 559 AMT See Alternative minimum tax (AMT) Annuitics 539-540 Annuity contract exchanges 379 slack 379 slack 380 Art is 150 controlled LLC 381 transfer 380 to controlled LLC 381 transfer 380 At-risk 510 controlled LLC 381 transfer 380 accrued interest paid 92 premium paid	=	valuation 514	Schedule K-1 160
exchange 379 selection services 374 exceptions 375 change in 507 hybrid 385-386, 393 percentage completion 394 Accrued interest paid 92 Accrued add adjustments account (AAA) 362 Accrued add adjustments account (AAA) 362 Accrued add adjustments account (AAA) 362 C corporation 359 C corporation 359 S corporation 360 Active trade or business test 482 Adjusted gross income (AGI) limitations farm program payments 416 Alimony 528 Alternative minimum tax (AMT) 433 AMTI phaseouts 2 farm income averaging 433 incentive stock options 506 individual 1 minimum tax credit 7 National Taxpayer Advocate report 256 work opportunity credit 492 AM 2007-003 386 AM 2007-009 374 Amended return 433 farm income averaging 433 American Jobs Creation Act of 2004 (AICA) 49, 221, 260, 433, 503, 559 AMT See Alternative minimum tax (AMT) Annuity contract (AMT) 433 American Jobs Creation Act of 2004 (AICA) 49, 221, 260, 433, 503, 559 AMT See Alternative minimum tax (AMT) Annuity contract exchanges 379 scheduled business 381 controlled entity 381 transfer 389 to controlled LLC 381 transfer 389 to controlled LLC 381 transfer 389 to controlled LLC 381 transfer 389 stock 380 At-risk 510 rules 168, 398 nonrecourse liabilities 399 recourse liabilities 399 series H and HI 197 U.S. savings 198 bonds accrued interest paid 92 redemption of tax-exempt bonds 92 redemption of		Assets	trust 168
services 374 exceptions 375 change in 507 hybrid 385-386, 393 percentage completion 394 Accrued interest paid 92 Accumulated adjustments account (AAA) 362 Accumulated earnings and profits (AEP) 362, 493 C corporations 359 S corporation 360 Active trade or business test 482 Adjusted gross income (AGI) limitations farm program payments 416 Alimony 528 Alternative minimum tax (AMT) 433 AMT1 phaseouts 2 Aarsistant 507 exemption amounts 2 farm income averaging 433 incentive stock options 506 individual 1 minimum tax credit 7 National Taxpayer Advocate report 3 refundable credit 8 taxpayer advocate report 256 work opportunity credit 492 AM 2007-009 374 Amended return 433 farm income averaging 433 American Jobs Creation Act of 2004 (AJCA) 49, 221, 260, 433, 503, 559 AMT See Alternative minimum tax (AMT) Annuities 539-540 Annuity contract exchanges 577 sale debt 510 remainder 209 bonds accrued interest paid 92 redemption of tax-excmpt bonds 399 scorp siballites 399 single-member LLC 381 transfer 379 stock 380 At-risk 510 rules 168, 398 nonrecourse liabilites 399 single-member LLC 381 lutansfer 379 stock 380 Attribations 399 single-member LLC 381 lutansfer 379 stock 380 norecourse liabilites 399 single-member LLC 381 lutansfer 379 stock 380 norecourse liabilites 399 single-member LLC 381 lutansfer 379 stock 380 norecourse liabilites 399 single-member LLC 381 like-kind cxchange 511 Bank Secrecy Act (BSA) 280 more laundering 281 Bankruptcy 512-513 Chapter 11 512 Banks stock 380 correction Act of 2004 like-kind exchange 121, 1		exchange 379	Below market loans 482
exceptions 375 change in 507 hybrid 385–386, 393 percentage completion 394 Accrued interest paid 92 Accumulated adjustments account (AAA) 362 Accumulated adjustments account (AAA) 362 Accumulated earnings and profits (AEP) 362, 493 C corporations 359 S corporation 350 Active trade or business test 482 Adjusted gross income (AGI) limitations farm program payments 416 Alimony 528 AMT J See Alternative minimum tax (AMT) 37 National Taxpayer Advocate report 3 refundable credit 8 taxpayer advocate report 37 refundable credit 492 AM 2007-003 386 AM 2007-009 374 Amended return 433 farm income averaging 433 farm income averaging 433 farm income averaging 433 American Jobs Creation Act of 2004 (AJCA) 49, 221, 260, 433, 503, 559 AMT See Alternative minimum tax (AMT) Annuities 539-540 Annuity contract exchanges 577 Closely-held business 381 toontrolled LLC 381 transfer 379 stock 380 At-risk 510 rules 168, 398 nonrecourse liabilities 399 recourse lia		sale 379	Beneficiary
change in 507 hybrid 385–386, 393 percentage completion 394 Accrumalated adjustments account (AAA) 362 Accumulated adjustments account (AAA) 362 Accumulated adjustments account (AAA) 362 C corporations 359 C corporations 359 S corporation 360 Active trade or business test 482 Adjusted gross income (AGI) limitations farm program payments 416 Alimony 528 Alternative minimum tax (AMT) 433 AMTT phaseouts 2 farm income averaging 433 incentive stock options 506 individual 1 minimum tax credit 7 National Taxpayer Advocate report 3 refundable credit 48 AM 2007-009 374 Amended return 433 farm income averaging 433 American Jobs Creation Act of 2004 (AJCA) 49, 221, 260, 433, 503, 559 AMT See Alternative minimum tax (AMT) Annuities 539–540 Annuity contract exchanges 577 controlled LLC 381 transfer 379 stock 380 Atrisk 510 rules 168, 398 nonrecourse liabilities 399 sigle-member LLC (SMLLC) 398 Automated Collection System (ACS) 255 Bad debt 510 rules 168, 398 nonrecourse liabilities 399 sigle-member LLC (SMLLC) 398 Automated Collection System (ACS) 255 Bad debt 510 safe harbor provisions 511 Bank Secrecy Act (BSA) 280 money laundering 281 Bankruptcy Abuse Prevention and Consumer Protection Act of 2004 Consumer Protection Act of 2004 adjusted Consumer Protection Act of 2004 adjusted like-kind exchange 121, 135 adjustments S corporation 364 allocation like-kind exchange 121, 135 adjustments S corporation 364 allocation like-kind exchange 121, 135 adjustments S corporation 364 allocation 168 inherited property 202–203 inside controlled LLC 381 transfer 379 secrets Pad II 192 Banks cercey Act (BSA) 280 money laundering 281 Banks cercey Act (BSA) 280 money laundering 281 Banks s		closely-held business 381	basis 168
hybrid 385–386, 393 percentage completion 394 Accrued interest paid 92 Accumulated adjustments account (AAA) 362 Accumulated earnings and profits (AEP) 362, 493 C corporation 359 S corporation 359 S corporation 359 S corporation 359 Active trade or business test 482 Altimony 528 Alternative minimum tax (AMT) 433 AMT phaseouts 2 Assistant, 507 exemption amounts 2 farm income averaging 433 incentive stock options 506 individual 1 minimum tax credit 7 National Taxpayer Advocate report 256 AM 2007-003 386 AM 2007-009 374 Amended return 433 farm income averaging 433 farm income averaging 433 American Jobs Creation Act of 2004 (AJCA) 49, 221, 260, 433, 503, 559 AMT See Alternative minimum tax (AMT) Annuities 539–540 Annuity contract exchanges 577 It controlled LLC 381 transfer 379 stock 380 Atrisk 510 rules 168, 398 nonrecourse liabilities 399 recourse liabil	=	controlled entity 380	defined 205
percentage completion 394 Accrued interest paid 92 Accumulated adjustments account (AAA) 362 Accumulated adjustments account (AEA) 362 Accumulated armings and profits (AEP) 362, 493 C corporations 360 Active trade or business test 482 Adjusted gross income (AGI) limitations farm program payments 416 Alimony 528 Alternative minimum tax (AMT) 433 AMTI phaseouts 2 farm income averaging 433 incentive stock options 506 exemption amounts 2 farm income averaging 433 incentive stock options 506 andividual 1 minimum tax credit 7 National Taxpayer Advocate report 256 work opportunity credit 492 AM 2007-003 386 AM 2007-003 386 AM 2007-009 374 Amended returm 433 farm income averaging 433 farm income averaging 433 farm income averaging 433 American Jobs Creation Act of 2004 (AJCA) 49, 221, 260, 433, 503, 559 AMT See Alternative minimum tax (AMT) Annuities 539-540 Annuity contract exchanges 577 transfer 3/9 stock 380 At-risk 510 rules 168, 398 nonrecourse liabilities 399 single-member LLC (SMLLC) 398 Automated Collection System (ACS) 255 U.S. savings 197 Boot common sources 143 like-kind exchange 122, 142 offset rules 144 Broad-based stock index options 112 Business entertainment. See Fringe benefits expense accrued interest paid 92 redemption of tax-exempt bonds 93 Scries E, EE and I 197 Series H and HH 197 U.S. savings 197 Boot common sources 143 like-kind exchange 122, 142 offset rules 144 Broad-based stock index options 112 Business entertainment. See Fringe benefits expense actual cost method 321 inventory 514 inventory cost 515 incidental expenses 322 inventory 514 inventory cost 517 meals deduction 321 medical marijuana 519 professional gambler 516, 518 standard meal allowance 322 start-up expenses 516 sale bad debt 389 cries E, EE and I 197 Series H and HH 1	=	to controlled LLC 381	remainder 209
Accrumulated adjustments account (AAA) 362 Accumulated earnings and profits (AEP) 362, 493 C corporations 359 S corporation 360 Active trade or business test 482 Adjusted gross income (AGI) limitations farm program payments 416 Alimony 528 Alternative minimum tax (AMT) 433 AMT phaseouts 2 Assistant, 507 exemption amounts 2 farm income averaging 433 incentive stock options 506 individual 1 minimum tax credit 7 National Taxpayer Advocate report 256 work opportunity credit 492 AM 2007-003 386 AM 2007-003 386 AM 2007-003 374 Ameneder feur 492 AM 2007-003 374 Ameneder feur 493 American Jobs Creation Act of 2004 (AJCA) 49, 221, 260, 433, 503, 559 AMT See Alternative minimum tax (AMT) Annuities 539-540 Annuity contract exchanges 577	•	transfer 379	Bonds
Accumulated adjustments account (AAA) 362 Accumulated adjustments account (AAA) 362 Accumulated earnings and profits (AEP) 362, 493 C corporation 359 S corporation 359 S corporation 360 Active trade or business test 482 Adjusted gross income (AGI) limitations farm program payments 416 Alimony 528 Alternative minimum tax (AMT) 433 AMTI phaseouts 2 Assistant, 507 exemption amounts 2 farm income averaging 433 incentive stock options 506 individual 1 minimum tax credit 7 National Taxpayer Advocate report 25 work opportunity credit 492 AM 2007-003 386 AM 2007-003 386 AM 2007-009 374 Amended return 433 farm income averaging 433 American Jobs Creation Act of 2004 (AICA) 49, 221, 260, 433, 503, 559 AMT See Alternative minimum tax (AMT) Annuities 539–540 Annuity contract exchanges 577 Atorical Mary and the stock in the stock and the stock in the stock and the stock in the stock options 121 Banks reprevention and Consumer Protection Act of 2005 (BPACPA) 512 Banks stock 493 Basis adjusted like-kind exchange 121, 135 adjusted like-kind exchange 122, 142 offset rules 144 Broad-based stock index options 114 Broad-based stock index options 114 Broad-based stock index options 124 Internation and the schange 125 Internation and the schange 121, 135 adjusted like-kind exchange 121, 135 adjusted like-kind exchange 121, 135 adjusted like-kind exchange 122, 142 offset rules 144 Broad-based stock index options 144 Broad-based stock index options 144 Broad-ba		stock 380	accrued interest paid 92
rules 168, 398 Accumulated earnings and profits (AEP) 362, 493 C corporations 359 S corporation 360 Active trade or business test 482 Adjusted gross income (AGI) limitations farm program payments 416 Alimony 528 Alternative minimum tax (AMT) 433 AMTI phaseouts 2 Assistant, 507 exemption amounts 2 farm income averaging 433 incentive stock options 506 individual 1 minimum tax credit 7 National Taxpayer Advocate report 3 refundable credit 8 taxpayer advocate report 256 work opportunity credit 492 AM 2007-009 374 Amended returm 433 farm income averaging 433 AMT See Alternative minimum tax (AMT) 439 AMT See Alternative minimum tax (AMT) Annuities 539-540 Annuity contract exchanges 577 rules 168, 398 nonrecourse liabilities 399 recourse liabilities 399 single-member LLC (SMLLC) 398 Automated Collection System (ACS) 255 Bad debt 510 safe harbor provisions 511 Bank Secrecy Act (BSA) 280 money laundering 281 Bankruptcy 512-513 Chapter 11 512 Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (BPACPA) 512 Banks stock 493 Basis adjustments S corporation 364 allocation like-kind exchange 121, 135 adjustments S corporation 364 allocation like-kind exchange 121, 135 adjustments S corporation 364 allocation like-kind exchange 122 start-up expenses 516 sale bad debt 388 C corporation accumulated earnings and profits (ACS) 255 Series H and HH 197 U.S. savings 197 Boot common sources 143 like-kind exchange 122 oost of goods sold 514 daycare 515 incidental expenses 322 inventory 512 sale bad debt 388 C corporation 364 allocation like-kind exchange 122 start-up expenses 516 sale bad debt 389 C corporation actual cost method 321 media dargiural 519 profes		At-risk 510	
Accumulated earnings and profits (AEP) 362, 493 C corporations 359 S corporation 360 Active trade or business test 482 Adjusted gross income (AGI) limitations farm program payments 416 Alimony 528 Alternative minimum tax (AMT) 433 AMTI phaseouts 2 Assistant 507 exemption amounts 2 farm income averaging 433 incentive stock options 506 individual 1 National Taxpayer Advocate report 3 refundable credit 8 taxpayer advocate report 256 work opportunity credit 492 AM 2007-009 374 Amended returm 433 farm income averaging 433 American Jobs Creation Act of 2004 (AJCA) 49, 221, 260, 433, 503, 559 AMT See Alternative minimum tax (AMT) Annuity contract exchanges 577 ononrecourse liabilities 399 recourse liabilities 399 single-member LLC (SMLLC) 398 Automated Collection System (ACS) 255 Bad debt 510 safe harbor provisions 511 Bank Secrecy Act (BSA) 280 money laundering 281 Bankruptcy Abuse Prevention and Consumer Protection Act of 2004 (Explanation of the second of 2005 (BPACPA) 512 Banks stock 493 Basis adjusted like-kind exchange 121, 135 incidental expenses 322 inventory 514 inventory costs 517 meals deduction 321 medical marijuana 519 professional gambler 516, 516 sale bad debt 388 Corporation 364 allocation like-kind exchange 121, 135 incidental expenses 322 inventory 514 inventory costs 517 meals deduction 321 medical marijuana 519 professional gambler 516, 516 sale bad debt 388 Corporation 369 actual cost method 321 medical marijuana 519 professional gambler 516, 516 sale bad debt 389 boot common sources 143 like-kind exchange 122 inventory costs 517 meals deduction 321 medical marijuana 519 professional gambler 516, 516 sale bad debt 389 boot common sources 143 like-kind exchange 122 inventory costs 517 meals deduction 321 medical marijuana 519 professio		rules 168, 398	
C corporations 359 S corporations 359 S corporations 350 Active trade or business test 482 Adjusted gross income (AGI) limitations farm program payments 416 Alimony 528 Alternative minimum tax (AMT) 433 AMTI phaseouts 2 Assistant, 507 exemption amounts 2 farm income averaging 433 incentive stock options 506 individual 1 minimum tax credit 7 National Taxpayer Advocate report 3 refundable credit 8 taxpayer advocate report 256 work opportunity credit 492 AM 2007-009 374 Amended returm 433 farm income averaging 433 American Jobs Creation Act of 2004 (AJCA) 49, 221, 260, 433, 503, 559 AMT See Alternative minimum tax (AMT) Annuities 359-540 Annuity contract exchanges 577 recourse labilities 399 single-member LLC (SMLLC) 398 Automated Collection System (ACS) 255 Bad debt 510 safe harbor provisions 511 Bank Secrecy Act (BSA) 280 money laundering 281 Bankruptcy 512-513 Chapter 11 512 Banks stock 493 Basis adjusted like-kind exchange 121, 135 adjustments S corporation and Consumer Protection Act of 2004 (AJCA) 49, 221, 260, 433, 503, 559 Sorporation 364 allocation like-kind exchange 121, 135 adjustments S ceries E. Band H 197 U.S. savings 197 Boot commons sources 144 Broad-based stock index options 112 Business entertainment. See Fringe benefits expense exempt on and to options 112 Business entertainment. See Fringe benefits expense exempt on and consumer protection and consumer protection and consumer protection and like-kind exchange 121, 135 adjustments S corporation 364 allocation like-kind exchange 121, 135 adjustments S corporation and consumer protection and like-kind exchange 121, 135 adjustments S corporation 364 allocation like-kind exchange 121, 135 adjustments S corporation 168 incidental expenses 322 inventory 51e professional gambler 516 sale C corporation 38 tandard meal allowance 322 tr			
Corporations 359 S corporation 360 Active trade or business test 482 Adjusted gross income (AGI) limitations farm program payments 416 Alimony 528 Alternative minimum tax (AMT) 433 AMTI phaseouts 2 farm income averaging 433 incentive stock options 506 individual 1 minimum tax credit 7 National Taxpayer Advocate report 3 refundable credit 8 taxpayer advocate report 256 work opportunity credit 492 AM 2007-009 374 Amended returm 433 American Jobs Creation Act of 2004 (AJCA) 49, 221, 260, 433, 36rm farm income averaging 433 American Jobs Creation Act of 2004 (AJCA) 49, 221, 260, 433, 503, 559 AMT See Alternative minimum tax (AMT) Annuities 539-540 Annuity contract exchanges 577 single-member LLC (SMLLC) 398 Automated Collection System (ACS) 255 single-member LLC (SMLLC) 398 Automated Collection System (ACS) 255 Boot common sources 143 like-kind exchange 121, 142 offset rules 144 Broad-based stock index options 112 Business entertainment. See Fringe benefits expense actual cost method 321 cost of goods sold 514 inventory 515 incidental expenses 322 inventory 515 incidental expenses 322 inventory 515 incidental expenses 516 siles standard meal allowance 322 travel days 322 standard meal allowance 325 sale bad debt 388 corporation 168 inherited property 202-203 inside partnership 161 ordering rules partnership 162 outside		recourse liabilties 399	Series E, EE and I 197
S corporation 359 S corporation 359 S corporation 360 Active trade or business test 482 Adjusted gross income (AGI) limitations farm program payments 416 Alimony 528 Alternative minimum tax (AMT) 433 American Jobs Creation Act of 2004 (AJCA) 49, 221, 260, 433, 503, 559 AMT See Alternative minimum tax (AMT) Annuities 539-540 Annuity contract exchanges 577 Storporation 360 Automated Collection System (ACS) 255 Boot common sources 143 like-kind exchange 122, 142 offset rules 144 Broad-based stock index options 112 Business entertainment. See Fringe benefits expense actual cost method 321 cost of goods sold 514 daycare 515 incidental expenses 322 inventory costs 517 meals deduction 321 medical marijuana 519 professional gambler 516, 518 standard meal allowance 322 start-up expenses 526 bad debt 388 C corporation common sources 143 like-kind exchange 122, 142 offset rules 144 Broad-based stock index options 112 Business entertainment. See Fringe benefits expense actual cost method 321 incidental expenses 322 inventory 514 inventory costs 517 meals deduction 321 medical marijuana 519 professional gambler 516, 518 standard meal allowance 322 start-up expenses 516 sale bad debt 388 C corporation common sources 143 like-kind exchange 122, 142 offset rules 144 Broad-based stock index options 112 Business entertainment. See Fringe benefits expense actual cost method 321 medical marijuana 519 professional gambler 516, 518 standard meal allowance 322 start-up expenses 516 sale bad debt 388 C corporation 348 like-kind exchange 122 determination for new client 168 inherited property 202-203 inside partnership 161 ordering rules partnership 162 outside (AEP) 359 fringe benefits expensey fringe benefits expensey actual cost method 321 inventory 514 inventory 514 inventory 514 inve		single-member LLC	
Automated Collection System (ACS) 255 Automated Collection System (ACS) 255 Boot common sources 143 like-kind exchange 122, 142 offset rules 144 Broad-based stock index options 112 Business entertainment. See Fringe benefits expense actual cost method 321 cost of goods sold 314 ilke-kind exchange 122, 142 offset rules 144 Broad-based stock index options 112 Business entertainment. See Fringe benefits expense actual cost method 321 cost of goods sold 514 daycare 515 incidental expenses 322 inventory 514 inventory costs 517 meals deduction 321 medical marijuana 519 professional gambler 516, 518 standard meal allowance 322 tart-up expenses 516 sale bad debt 319 Bask Secrecy Act (BSA) 280 money laundering 281 Bankruptcy 512-513 Chapter 11 512 Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (BPACPA) 512 Banks stock 493 Basis adjusted like-kind exchange 121, 135 adjustments S corporation 364 allocation like-kind exchange 121, 135 adjustments S corporation 364 allocation like-kind exchange 122, 142 offset rules 144 Broad-based stock index options 112 Business entertainment. See Fringe benefits expense actual cost method 321 cost of goods sold 516 incidental expenses 322 inventory costs 517 meals deduction 321 medical marijuana 519 professional gambler 516, 518 standard meal allowance 322 tart-up expenses 516 sale bad debt 388 C Corporation accumulated earnings and profits (AEP) 359 fringe benefits deductilibity 312		<u> </u>	
Adjusted gross income (AGI) limitations farm program payments 416 Alimony 528 Alternative minimum tax (AMT) 433 AMTI phaseouts 2 Assistant, 507 exemption amounts 2 farm income averaging 433 incentive stock options 506 individual 1 National Taxpayer Advocate report 3 refundable credit 8 taxpayer advocate report 256 work opportunity credit 492 AM 2007-003 386 AM 2007-009 374 Amended return 433 American Jobs Creation Act of 2004 (AJCA) 49, 221, 260, 433, 503, 559 AMT See Alternative minimum tax (AMT) Annuities 539-540 Annuity contract exchanges 577 Altional Taxpayer Advocate report 256 and partnership 161 ordering rules partnership 162 (ACS) 255 (ACS) 255 (ACS) 255 (ACS) 255 (ACS) 255 (ACS) 26 Bad debt 510 safe harbor provisions 511 Bank Secrecy Act (BSA) 280 money laundering 281 Bank Susheruptey 512 -513 Chapter 11 512 Bankruptey 512 -513 Chapter 11 512 Banks stock 493 Basis salousted like-kind exchange 121, 135 adjustments S corporation and cost method 321 incidental ex	-		•
Ilimitations farm program payments 416 Alimony 528 Alternative minimum tax (AMT) 433 AMTI phaseouts 2 Assistant, 507 exemption amounts 2 farm income averaging 433 incentive stock options 506 individual 1 minimum tax credit 7 National Taxpayer Advocate report 3 refundable credit 492 AM 2007-003 386 AM 2007-003 386 AM 2007-009 374 Amended return 433 American Jobs Creation Act of 2004 (AJCA) 49, 221, 260, 433, 503, 559 AMT See Alternative minimum tax (AMT) Annuities 539-540 Annuity contract exchanges 577 Bad debt 510 safe harbor provisions 511 Bank Secrecy Act (BSA) 280 money laundering 281 Bank Secrecy Act (BSA) 280 money laundering 281 Bank Secrecy Act (BSA) 280 money laundering 281 Bank Provad (BSA) 280 money laundering 281 Bank Secrecy Act (BSA) 280 money laundering 281 Bank Provad (BSA) 280 money laundering 281 Bank Secrecy Act (BSA) 280 money laundering 281 Bank Provad (BSA) 280 money laundering 281 Bank Secrecy Act (BSA) 280 money laundering 281 Bank Provad (BSA) 280 money laundering 281 Bank Provad (BSA) 280 money laundering 281 Bank Secrecy Act (BSA) 280 intertainment. See Fringe benefits expenses 322 inventory 514 inventory 514 i		•	common sources 143
farm program payments 416 Alimony 528 Alternative minimum tax (AMT) 433 AMTI phaseouts 2 Assistant, 507 exemption amounts 2 farm income averaging 433 incentive stock options 506 individual 1 Manioral Taxpayer Advocate report 3 refundable credit 8 taxpayer advocate report 256 work opportunity credit 492 AM 2007-003 386 AM 2007-009 374 Amended returm 433 farm income averaging 433 American Jobs Creation Act of 2004 (AJCA) 49, 221, 260, 433, 503, 559 AMT See Alternative minimum tax (AMT) Annuits 539-540 Annuity contract exchanges 577 Bad debt 510 safe harbor provisions 511 susiness entertainment. See Fringe benefits expense actual cost method 321 cost of goods sold 514 daycare 515 incidental expenses 515 incidental expenses 517 meals deduction 321 medical marijuana 519 professional gambler 516, 518 sandard meal allowance 322 start-up expenses 516 safe bad debt 320 inventory 512 sincidental expenses 517 meals deduction 321 safe harbor provisions 511 safe harbor provisions 511 safe harbor provisions 512 susiness entertainment. See Fringe benefits expense actual cost method 321 rocst of goods sold 514 daycare 515 incidental expenses 515 sincidental expenses 516 safe harbor p		, ,	
Alimony 528 Alternative minimum tax (AMT) 433 AMTI phaseouts 2 Assistant, 507 exemption amounts 2 farm income averaging 433 incentive stock options 506 individual 1 minimum tax credit 7 National Taxpayer Advocate report 256 work opportunity credit 492 AM 2007-003 386 AM 2007-009 374 Amended return 433 farm income averaging 433 American Jobs Creation Act of 2004 (AJCA) 49, 221, 260, 433, 503, 559 AMT See Alternative minimum tax (AMT) Annuities 539–540 Annuity contract exchanges 577 Assistant, 507 Bank Secrecy Act (BSA) 280 money laundering 281 Bank Recrecy Act (BSA) 280 money laundering 281 Bank Secrecy Act (BSA) 280 money laundering 281 Bankruptcy 512-513 Chapter 11 512 Bankruptcy 512-513 Cost of goods sold 514 daycare 515 incidental expenses 322 inventory 514 inventory costs 517 meals deduction 321 medical marijuana 519 professional gambler 516 518 standard meal allowance 322 travel days 322 start-up expenses 516 sale bad debt 388 C corporation accumulated earnings and profits (AEP) 359 fringe benefits deductilibity 312		D	
Alternative minimum tax (AMT) 433 AMTI phaseouts 2 Assistant, 507 exemption amounts 2 farm income averaging 433 incentive stock options 506 individual 1 minimum tax credit 7 National Taxpayer Advocate report 256 work opportunity credit 492 AM 2007-003 386 AM 2007-009 374 Amended return 433 farm income averaging 433 American Jobs Creation Act of 2004 (AJCA) 49, 221, 260, 433, 503, 559 AMT See Alternative minimum tax (AMT) Annuities 539-540 Annuity contract exchanges 577 Bad debt 510 safe harbor provisions 511 Bank Secrecy Act (BSA) 280 money laundering 281 Bank Secrevation 261 bank daycare 515 incidental expenses 322 inventory 514 inventory costs 517 meals deduction 321 medical marijuana 519 professional gambler 516, 518 standard meal allowance 322 travel days 322 start-up expenses 516 sale bad debt 388 C corporation accumulated earnings and profits (AEP) 359 fringe benefits		В	Broad-based stock index
AMTI phaseouts 2 Assistant, 507 exemption amounts 2 farm income averaging 433 incentive stock options 506 individual 1 minimum tax credit 7 National Taxpayer Advocate report 3 refundable credit 8 taxpayer advocate report 256 work opportunity credit 492 AM 2007-003 386 AM 2007-009 374 Amended return 433 farm income averaging 433 farm income averaging 433 farm income averaging 433 AMTI See Alternative minimum tax (AMT) Annuities 539-540 Annuity contract exchanges 577 Bank Secrecy Act (BSA) 280 money laundering 281 Bankruptcy 512-513 Chapter 11 512 Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (BPACPA) 512 Banks stock 493 Basis adjusted Consumer Protection Act of 2005 (BPACPA) 512 Banks stock 493 Basis adjusted like-kind exchange 121, 135 adjustments S corporation 364 allocation like-kind exchange 122 determination for new client 168 inherited property 202-203 inventory 514 inventory costs 517 meals deduction 321 medical marijuana 519 professional gambler 516, 518 standard meal allowance 322 start-up expenses 516 sale bad debt 388 C corporation accumulated earnings and profits (AEP) 359 fringe benefits expense		Rad debt 510	options 112
AMTI phaseouts 2 Assistant, 507 exemption amounts 2 farm income averaging 433 incentive stock options 506 individual 1 minimum tax credit 7 National Taxpayer Advocate report 3 refundable credit 8 taxpayer advocate report 256 work opportunity credit 492 AM 2007-003 386 AM 2007-009 374 Amended return 433 farm income averaging 433 American Jobs Creation Act of 2004 (AJCA) 49, 221, 260, 433, 503, 559 AMT See Alternative minimum tax (AMT) Annuities 539-540 Annuity contract exchanges 577 Bank Secrecy Act (BSA) 280 money laundering 281 Bank secrecy Act (BSA) 280 cost of goods sold 514 daycare 515 incidental expenses 322 inventory 516 sale batadard meal allowance 322 start-up expenses 516 sale bad debt 388 C corporation 364 sale bad debt 388 C corporation 364 sale bad debt 388 C corporation 364 sale bad deb			_
Assistant, 507 exemption amounts 2 farm income averaging 433 incentive stock options 506 individual 1 minimum tax credit 7 National Taxpayer Advocate report 3 refundable credit 8 taxpayer advocate report 256 work opportunity credit 492 AM 2007-003 386 AM 2007-009 374 Amended return 433 farm income averaging 433 American Jobs Creation Act of 2004 (AJCA) 49, 221, 260, 433, 503, 559 AMT See Alternative minimum tax (AMT) Annuities 539-540 Annuity contract exchanges 577 money laundering 281 Bankruptcy 512-513 Chapter 11 512 Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (BPACPA) 512 Banks stock 493 Basis adjusted like-kind exchange 121, 135 adjustents S corporation 364 allocation like-kind exchange 122 determination for new client 168 estate 168 inherited property 202-203 inside C corporation actual cost method 321 cost of goods sold 514 daycare 515 incidental expenses 322 inventory 514 inventory costs 517 meals deduction 321 medical marijuana 519 professional gambler 516, 518 standard meal allowance 322 travel days 322 start-up expenses 516 sale bad debt 388 C corporation accumulated earnings and profits (AEP) 359 fringe benefits deductilibity 312		=	
exemption amounts 2 farm income averaging 433 incentive stock options 506 individual 1 minimum tax credit 7 National Taxpayer Advocate report 3 refundable credit 8 taxpayer advocate report 256 work opportunity credit 492 AM 2007-003 386 AM 2007-009 374 Amended return 433 farm income averaging 433 American Jobs Creation Act of 2004 (AJCA) 49, 221, 260, 433, 503, 559 AMT See Alternative minimum tax (AMT) Annuities 539-540 Annuity contract exchanges 577 Bankruptcy 512-513 Chapter 11 512 Bankruptcy Abuse Prevention and Consumer Protection Act of 2004 2005 (BPACPA) 512 Banks stock 493 Basis adjusted like-kind exchange 121, 135 adjustments S corporation 364 allocation like-kind exchange 122 determination for new client 168 inherited property 202-203 inside C corporation actual cost method 321 cost of goods sold 514 daycare 515 incidental expenses 322 inventory 514 inventory costs 517 meals deduction 321 medical marijuana 519 professional gambler 516, 518 standard meal allowance 322 travel days 322 start-up expenses 516 sale bad debt 388 C corporation accumulated earnings and profits (AEP) 359 fringe benefits deductilibity 312			_
cextingtion aniothic in income averaging 433 incentive stock options 506 individual 1 minimum tax credit 7 National Taxpayer Advocate report 3 refundable credit 8 taxpayer advocate report 256 work opportunity credit 492 AM 2007-003 386 AM 2007-009 374 Amended return 433 farm income averaging 433 American Jobs Creation Act of 2004 (AJCA) 49, 221, 260, 433, 503, 559 AMT See Alternative minimum tax (AMT) Annuities 539-540 Annuity contract exchanges 577 Chapter 11 512 Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (BPACPA) 512 Banks stock 493 Basis adjusted like-kind exchange 121, 135 adjustments S corporation 364 allocation like-kind exchange 121, 135 sale bad debt 388 Chapter 11 512 cost of goods sold 514 daycare 515 incidental expenses 322 inventory 514 inventory costs 517 meals deduction 321 medical marijuana 519 professional gambler 516, 518 standard meal allowance 322 travel days 322 start-up expenses 516 sale bad debt 388 C corporation accumulated earnings and profits (AEP) 359 fringe benefits deductilibity 312			=
incentive stock options 506 individual 1 minimum tax credit 7 National Taxpayer Advocate report 3 refundable credit 8 taxpayer advocate report 256 work opportunity credit 492 AM 2007-003 386 AM 2007-009 374 Amended return 433 farm income averaging 433 American Jobs Creation Act of 2004 (AJCA) 49, 221, 260, 433, 503, 559 AMT See Alternative minimum tax (AMT) Annutites 539-540 Annuity contract exchanges 577 Banks stock 493 Basis stock 493 Basis adjusted like-kind exchange 121, 135 adjustments S corporation 364 allocation like-kind exchange 122 determination for new client 168 estate 168 inherited property 202-203 inside partnership 161 ordering rules partnership 162 outside Dankruptcy Abuse Prevention and Consumer Protection Act of 2004 alocation 121, 135 incidental expenses 322 inventory 514 inventory costs 517 meals deduction 321 medical marijuana 519 professional gambler 516, 518 standard meal allowance 322 travel days 322 start-up expenses 516 sale bad debt 388 C corporation accumulated earnings and profits (AEP) 359 fringe benefits deductilibity 312			
individual 1 individual 1 National Taxpayer Advocate report 3 refundable credit 8 taxpayer advocate report 256 work opportunity credit 492 AM 2007-003 386 AM 2007-009 374 Amended return 433 farm income averaging 433 American Jobs Creation Act of 2004 (AJCA) 49, 221, 260, 433, 503, 559 AMT See Alternative minimum tax (AMT) Annuities 539-540 Annuity contract exchanges 577 Consumer Protection Act of 2005 (BPACPA) 512 Banks stock 493 Basis adjusted like-kind exchange 121, 135 adjustments S corporation 364 allocation like-kind exchange 122 determination for new client 168 inherited property 202-203 inside partnership 161 ordering rules Consumer Protection Act of 2004 inventory 514 inventory 514 inventory costs 517 meals deduction 321 medical marijuana 519 professional gambler 516, 518 standard meal allowance 322 travel days 322 start-up expenses 516 sale bad debt 388 C corporation accumulated earnings and profits (AEP) 359 fringe benefits deductilibity 312		=	=
minimum tax credit 7 National Taxpayer Advocate report 3 refundable credit 8 taxpayer advocate report 256 work opportunity credit 492 AM 2007-003 386 AM 2007-009 374 Amended return 433 farm income averaging 433 American Jobs Creation Act of 2004 (AJCA) 49, 221, 260, 433, 503, 559 AMT See Alternative minimum tax (AMT) Annuities 539-540 Annuity contract exchanges 577 Sanks stock 493 Basis adjusted like-kind exchange 121, 135 adjustments S corporation 364 allocation like-kind exchange 122 determination for new client 168 inherited property 202-203 inside partnership 161 ordering rules partnership 162 outside counts (AEP) 359 fringe benefits deductilibity 312			
National Taxpayer Advocate report 3 refundable credit 8 taxpayer advocate report 256 work opportunity credit 492 AM 2007-003 386 AM 2007-009 374 Amended return 433 farm income averaging 433 American Jobs Creation Act of 2004 (AJCA) 49, 221, 260, 433, 503, 559 AMT See Alternative minimum tax (AMT) Annuities 539-540 Annuity contract exchanges 577 Banks stock 493 Basis adjusted like-kind exchange 121, 135 adjustments S corporation 364 allocation like-kind exchange 122 determination for new client 168 estate 168 inherited property 202-203 inside C corporation accumulated earnings and profits (AEP) 359 fringe benefits deductilibity 312			=
report 3 refundable credit 8 taxpayer advocate report 256 work opportunity credit 492 AM 2007-003 386 AM 2007-009 374 Amended return 433 farm income averaging 433 American Jobs Creation Act of 2004 (AJCA) 49, 221, 260, 433, 503, 559 AMT See Alternative minimum tax (AMT) Annuities 539-540 Annuity contract exchanges 577 stock 493 Basis adjusted like-kind exchange 121, 135 adjustments S corporation 364 allocation like-kind exchange 122 determination for new client 168 estate 168 inherited property 202-203 inside partnership 161 ordering rules partnership 162 outside creunt 493 meals deduction 321 medical marijuana 519 professional gambler 516, 518 standard meal allowance 322 travel days 322 start-up expenses 516 sale bad debt 388 C C corporation accumulated earnings and profits (AEP) 359 fringe benefits deductilibity 312			
refundable credit 8 taxpayer advocate report 256 work opportunity credit 492 AM 2007-003 386 AM 2007-009 374 Amended return 433 farm income averaging 433 American Jobs Creation Act of 2004 (AJCA) 49, 221, 260, 433, 503, 559 AMT See Alternative minimum tax (AMT) Annuities 539–540 Annuity contract exchanges 577 Basis Basis adjusted like-kind exchange 121, 135 adjustments S corporation 364 allocation like-kind exchange 122 determination for new client 168 estate 168 inherited property 202–203 inside D C C corporation accumulated earnings and profits (AEP) 359 fringe benefits deductilibity 312			
taxpayer advocate report 256 work opportunity credit 492 AM 2007-003 386 AM 2007-009 374 Amended return 433 farm income averaging 433 American Jobs Creation Act of 2004 (AJCA) 49, 221, 260, 433, 503, 559 AMT See Alternative minimum tax (AMT) Annuities 539-540 Annuity contract exchanges 577 adjusted like-kind exchange 121, 135 adjustments S corporation 364 allocation like-kind exchange 122 determination for new client 168 inherited property 202-203 inside C corporation accumulated earnings and profits (AEP) 359 fringe benefits deductilibity 312	-		
work opportunity credit 492 AM 2007-003 386 AM 2007-009 374 Amended return 433 farm income averaging 433 American Jobs Creation Act of 2004			
AM 2007-003 386 AM 2007-009 374 Amended return 433 farm income averaging 433 American Jobs Creation Act of 2004 (AJCA) 49, 221, 260, 433, 503, 559 AMT See Alternative minimum tax (AMT) Annuities 539–540 Annuity contract exchanges 577			
AM 2007-009 374 Amended return 433 farm income averaging 433 American Jobs Creation Act of 2004 (AJCA) 49, 221, 260, 433, 503, 559 AMT See Alternative minimum tax (AMT) Annuities 539–540 Annuity contract exchanges 577 Amended return 433 S corporation 364 allocation like-kind exchange 122 determination for new client 168 estate 168 inherited property 202–203 inside partnership 161 ordering rules partnership 162 (AEP) 359 fringe benefits deductilibity 312			
Amended return 433 American Jobs Creation Act of 2004 (AJCA) 49, 221, 260, 433, 503, 559 AMT See Alternative minimum tax (AMT) Annuities 539–540 Annuity contract exchanges 577 Amended return 433 allocation like-kind exchange 122 determination for new client 168 inherited property 202–203 inside partnership 161 ordering rules partnership 162 Occorporation accumulated earnings and profits (AEP) 359 fringe benefits deductilibity 312		•	
farm income averaging 433 American Jobs Creation Act of 2004 (AJCA) 49, 221, 260, 433, 503, 559 AMT See Alternative minimum tax (AMT) Annuities 539–540 Annuity contract exchanges 577 American Jobs Creation Act of 2004 determination for new client 168 estate 168 inherited property 202–203 inside partnership 161 Ordering rules partnership 162 Octoorporation accumulated earnings and profits (AEP) 359 fringe benefits deductilibity 312		•	
American Jobs Creation Act of 2004 (AJCA) 49, 221, 260, 433, 503, 559 AMT See Alternative minimum tax (AMT) Annuities 539–540 Annuity contract exchanges 577 determination for new client 168 estate 168 inherited property 202–203 inside partnership 161 ordering rules partnership 162 Ot corporation accumulated earnings and profits (AEP) 359 fringe benefits deductilibity 312			
American Jobs Creation Act of 2004 (AJCA) 49, 221, 260, 433, 503, 559 AMT See Alternative minimum tax (AMT) Annuities 539–540 Annuity contract exchanges 577 action include clear minimum to include the minimum to			bad debt 388
inherited property 202–203 AMT See Alternative minimum tax (AMT) Annuities 539–540 Annuity contract exchanges 577 inherited property 202–203 inside partnership 161 ordering rules partnership 162 outside C corporation accumulated earnings and profits (AEP) 359 fringe benefits deductilibity 312			
AMT See Alternative minimum tax (AMT) Annuities 539–540 Annuity contract exchanges 577 annuity contract exchanges 577 inside partnership 161 cacumulated earnings and profits (AEP) 359 fringe benefits deductilibity 312			0
(AMT) partnership 161 C corporation Annuities 539–540 ordering rules accumulated earnings and profits Annuity contract partnership 162 (AEP) 359 exchanges 577 outside fringe benefits deductilibity 312			C
Annuities 539–540 ordering rules accumulated earnings and profits Annuity contract partnership 162 (AEP) 359 exchanges 577 outside fringe benefits deductilibity 312			C corporation
Annuity contract partnership 162 (AEP) 359 exchanges 577 outside fringe benefits deductilibity 312		• •	<u> </u>
exchanges 577 outside fringe benefits deductilibity 312			
chemanges s / /			
particising 101 Carcteria bians, bee i fing fortering	Cachanges 377	partnership 161	Cafeteria plans. See Fringe benefits

Capital account	Form 656 - OIC worksheet 264	online payment agreement
partnership	installment agreement 258	(OPA) 260
Schedule K-1 161	application of refunds 261	partial payment installment
Capital gain	business 259	agreement (PPIA) 260
farm income averaging 434	eligibility 258	process 258
S corporations 492	establishing 258	Combat pay 482
zero tax rate 86	streamlined 258	EIC 481
planning 87–88	installment agreements	Commodity futures options 112
Capital loss	user fees 259	Commodity transactions 90
embezzlement 522	offer in compromise (OIC) 258,	Company vehicle 544
limitations 38	261	Completed contract method 393
CCA	acceptance 275	Computer software
200117003 181	acceptance conditions 270–	IRC §179 495
200325002 504	271	Condemnation
200524001 353	allowable expenses 274	like-kind exchange 131
200646014 533	appeal 275	Conservation easement 571
200650014 398	application fee 270	charitable contributions 571
Cellulosic biomass ethanol	asset analysis 271	like-kind exchange 131
property 486	compliance test 270	Conservation reserve program (CRP).
Charitable contribution 571, 574–	conditional expenses 274	See Farm payments
575	financial analysis 271	Conservation security program 503
conservation easement 571	financial standards 268	Construction
IRA distribution. See Individual	Form 13711, Request of Appeal	allowance
retirement arrangement	of Offer in	leasehold improvements 388
(IRA)	Compromise 275	tax treatment 386
itemized deductions 574	Form 433 errors 268	completed contract method 393
recordkeeping requirements 575	Form 433A, Collection	percentage-of-completion 394
Schedule K-1 177	Information Statement for	Controlled group
Charitable donations 571	Wage Earners and Self	accrued liabilities 395
Charitable Remainder Annuity Trust	Employed	Corporation
(CRAT) 100	Individuals 267	dividends
advantages 100	Form 433-B, Collection	zero tax rate planning 89
Charitable Remainder Unitrust	Information Statement for	liquidating distributions 398
(CRUT) 100	Businesses 267	S election 523
Check-the-box	Form 656 – OIC	Corpus 205
election	checklist 263	Cost basis
LLC 413		mutual funds 94
	Form 656 common	
Child tax credit 32	errors 267	Credits
nonrefundable 37	Form 656-L, Doubt as to	alternative incremental
Circular 230	Liability 270	research 483
monetary penalties 49	Form 656-L, Offer in	child
Class action lawsuit settlements 97	Compromise (Doubt as to	noncustodial parent 534
Clean renewable energy bonds 482	Liability) 267	child tax
Coal mining 38	low income guidelines 269	religious sects 343
Coal royalty payments 38	necessary expenses 269	earned income 524
Collateralized Mortgage Obligations	net realizable equity	diligence test 60
(CMOs) 95	(NRE) 271	limitations 34
Collection due process (CDP) 560	payment terms 269	religious sects 337
hearing 494	reasonable collection potential	temporary absence 524
Collections	(RCP) 271	enhanced oil recover 182
child support liabilities 271	rejected 275	general business
collection appeals program	retained refunds 271	mining 485
(CAP) 261	share expenses 274	GO Zone 493
delayed 258	unassessed liabilities 270	hybrid vehicle 525
extension to pay 258		low income housing 171

passive activity 171	office in home 356	Disposition
qualified research expenses 483	payroll taxes 530	§179 property 176
research 483	prepaid postage 530	Distributable net income (DNI)
work opportunity 491	prepayment for future	defined 205
Currency options 112	services 374	Distributions
• •	worthless partnership	accumulated adjustments account
D	interest 528	(AAA) 362
D	Deductions in respect of a decedent	IRA
Day trader 81	(DRD) 201	10% penalty 584
Death. See Decedent	items not included 202	noncash
Debt Decedent	Defined benefit plans 219, 238	S corporation 365
open account 406	USERRA 245	partnership
Debt options 112	Defined contribution plans 219	hot assets 382
Decedent Decedent	USERRA 245	S corporation 362–363, 367,
assets not part of estate 193	Delinquent payroll taxes 554	382
elections on behalf of 197	Demutualization 547	S corporation with AEP 362
estate and trust return 190	Dependency 532	Dividends
	Dependency exemption 532	income in respect of a decedent
filing status 189 gift tax 191	noncustodial parent 534	(IRD) 198
e	religious sects 337	S corporation 367
inherited property basis 202	Dependent care assistance programs.	Divorce 532
	See Fringe benefits	B1.01cc 332
holding period 204	Depletion deductions 45, 47	
installment sale proceeds 199	Depreciable tangible personal property	E
life insurance proceeds 201	like-kind exchange 127	F. 1. 1. 1. 4
medical bills 190	Depreciation 507, 509	Early deduction benefit 530
MSAs and HSAs 201	accounting method change 324	Earned income credit (EIC) 482,
reporting Schedule K-1	bonus	524
income 200	qualified cellulosic biomass	2007 limitation 34
returns 189	ethanol property 486	diligence test 60
final Form 1040 189	changes not requiring Form	Earnings and profits (E&P) 358,
Roth IRA distributions after	3115 324	493
death 197	changes requiring Form	Economic Growth and Tax Relief
sale of former residence 203	3115 324	Reconciliation Act of 2001
suspended losses 202	farming 508	(EGTRRA) 119
Deductions	immediate expensing 389	Educational assistance programs. Se
§179 174, 176, 391, 508	aggregate approach 391	Fringe benefits
limitations 38	heating and air	Electing small business trusts
limits 487	conditioning 390	(ESBT) 493
§199 178, 486	income limitation 391	Elections
alimony 528	lodging 389	§179 495, 508
business expenses	like-kind exchange 135	§179 expense 174
inventory 518	other than passenger	§454 197
charitable contribution	vehicles 136	§754 172, 383
trusts 209		§83(b) 506
charitable contributions	passenger vehicles 138	check-the-box 413
passthrough entities 177	recapture	grouping rental activities 377
depletion 182	§1245 382	mark-to-market 83–84
domestic production	§1250 382	QSUB 383, 493
activities 178, 486	§1250 property 141	revoke or change 495
health plans 529	like-kind exchange 140	S corporation
health savings account	recovery periods 505	bypass AAA 367
(HSA) 527	relinquished vehicle 138	deemed dividend 368
HSA contributions 529	replacement vehicle 138	S corporation distributions 36
lodging 531	vehicles 509	Electronic filing 552
medical insurance costs 353	Disability benefits. See Social security	electronic PIN 553

Electronic payment options 565	Ethical dilemmas 65–68, 74–79	Farm program payments 415
Employee business expenses 572	Ethics	active engagement test 420, 422
Employee stock ownership plan	Circular 230	AGI limitation 416
(ESOP) 113, 219	penalties 49	business planning
Employee stock purchase plan	EIC diligence test 60	implications 423
(ESPP) 482	engagement letters	combination rules 418
Employer Support of the Guard and	contents 72	conservation reserve program
Reserve (ESGR) 245	ethical dilemmas 65-68, 74-79	(CRP) 428, 504
Employment taxes 433	indictments of tax preparers 54	court rulings 429
agent appointment 561	licensing tax preparers 56	SE tax 428
expense allowance	malpractice 57	contributions of labor and
payments 378	calculation errors 61	management 421
farm income averaging 433	documentation 62	contributions of land, capital or
installment agreement 554	election errors 62	equipment 421
S corporation 350	engagement letters 61	corporation rules 423
student exception 538	inaccurate advice 60	definition of a person 416
trust fund penalty 412	late tax filing 61	entity eligibility 416
Energy efficient commercial	phantom tax returns 62	family operations 422
buildings 482	referrals 63	Form 1099 431
Energy Policy Act of 2005 525	risk management 63	limited partnership rules 423
Engagement letter	OPR	partnership rules 421
contents 72	allegation letters 69	rules for trusts 417
negative 73	appeals of sanctions 71	scheme or device rule 425
E-Postcard 276	disciplinary proceedings 70	separate and distinct
Equitable relief 551	pre-litigation procedures 70	requirement 417
Equity options 106	referrals 68	significant contributions 421
Erroneous claims 494	settlement negotiations 69	spouses 419
ESOP	preparer penalities 59	substantive change rule 424
Form 1099-R reporting 116	reporting tax fraud 51	tenant rules 422
	Whistleblower Office 51	
lump-sum distribution 114 Estate	willful and reckless conduct 59	three-entity rule 424
		FICA. See Employment taxes
business interest valuation for	Exchange accommodation titleholder	Fiduciary
minority interest 204	(EAT) 148	defined 205
deductible expenses 201	Expense reimbursements	Fiduciary responsibility
deductions in respect of a decedent	employment tax 378	defined 205
(DRD) 201	nonaccountable plan	Filing requirements
example 217	arrangements 378	Form 1099
final return 190		farm program payments 431
funeral expenses 539	F	Filing status
income distribution deduction	-	farm income averaging 434
(IDD) 190–191	Farm Bill	First-time homebuyers 482
income in respect of a decedent	2002 415	Fix and flip transactions
(IRD) 194	2007 415	like-kind exchange 131
loss reporting 191	Farm income averaging 431, 503	Flexible spending arrangement (FSA)
medical bills 193	amended return 433	transfers to HSA 21
net operating loss (NOL) 191	AMT 433	Flexible spending arrangements
pass-through entity	capital gain 434	(FSA) 247
valuation 204	elected farm income (EFI) 432	Formation
property valuation 202	employment tax 433	entity 379
returns 190	filing status 434	gain or loss 379
tax brackets 191	kiddie tax 433	recapture 379
tax reporting 192	ordinary income 434	Fraud
Estate tax	tax planning 433	reporting 51
bond 565	Farm operations 508	Fringe benefits 297
deposit 568	-	2% shareholder 352, 426

2007 developments 426 business entertainment associated test 302 directly related test 302	FSA. <i>See</i> Flexible spending arrangement (FSA) Funeral expenses 193 FUTA. <i>See</i> Employment taxes	Health reimbursement arrangements (HRA) 527 rollovers to HSA 299 See also Fringe benefits
business premise defined 301 cafeteria plans 303 nondiscrimination rules 304 types of benefits covered 304 company vehicles 307, 544	Future services economic performance 374 prepayments accounting method 374 Futures contracts 90	Health savings accounts (HSA) 15, 248, 529 2007 and 2007 amounts 520 changes TRHCA of 2006 20 contribution limitations 16
deductibility according to entity type 310–312		deductible contributions 20
dependent care assistance	G	guidance 529
programs 305	Compling	nondiscrimination rules 22
requirements 305	Gambling business expenses 516	rollovers to 527
educational assistance	trade or business 518	S corporation 354
programs 304	Gas and oil well	transfers from HRA or FSA 21
health insurance 299, 425	percentage depletion 486	transfers from IRA 21
health reimbursement arrangements	Gift tax	See also Fringe benefits
(HRA) 298	decedent 192	High deductible health plans
health savings accounts	exclusion 37	(HDHP) 248, 529
(HSA) 299	limitations 37	deductible contributions 20
job-related moving	Gifting	inflation adjustments 16
expenses 307	zero tax rate planning 89	Home equity
minimum distance	GO Zones. See Gulf Opportunity	reverse mortgage 470
requirements 308	Zones	Home-sale exclusion 437, 485
minimum employment	Grain cooperatives 181	Hospitals
period 307	Grantor	tax-exempt status 555
timing requirement 307	defined 205	Hot assets 382
lodging 301	Grantor trusts 207	HR 5441 572
meal reimbursements	reporting income 208	HRA. See Health reimbursement
accountable plan rules 302	Gross income	arrangements (HRA)
meals and lodging 300	discrimination settlement 549	HSA. See Health savings accounts
medical reimbursement	law suit settlement 544	(HSA)
plans 297, 425	property rebate program 545	Hurricanes
classification test 298	stock options 546, 548	victims relief 557
nondiscriminatin rules 298	therapeutic work program 547	
percentage test 298	Gulf Opportunity Zone Act of	
qualified transportation 308 commuter highway	2005 532, 559	
vehicle 309	Gulf Opportunity Zones (GO	Immediate expensing
qualified parking 309	Zones) 493, 495	income limitation 391
transit passes 309	bonus depreciation 482	Imported prescription drugs 572
qualified tuition reduction 300		Imputed interest 383
S corporation 352	Н	computing 385
employment taxes 355		Incentive stock option (ISO) 219,
health savings accounts	HDHP. See High deductible health	244, 482 alternative minimum tax
(HSA) 354	plan	(AMT) 506
meals and lodging 355	Health flexible spending arrangements	Income
parking and transit 355	(health FSAs) 527	nonpassive 376
tax-exempt 297	Health insurance. See also Fringe	rental
transit passes 542	benefits Health Opportunity Petiant	nonpassive 376
working condition benefit 306	Health Opportunity Patient	recharacterization 376
Frivolous tax returns	Empowerment Act of 2006 527	self-rental rule 376
penalties 485	2000 321	

Insurance	reinvested dividends 94
group health plans	REMIC 95
parity requirements 482	speculating 91
qualified long-term care (LTC)	sale of ESOPs 113
taxability of payments 477	speculative commodity reporting
Intelligence community 485	errors 90
Interest	trader
income in respect of a decedent	court cases 82, 84
(IRD) 198	definition 81
reporting	IRS forms to use 86
state and local tax-exempt	mark-to-market election 83
bonds 557	substantial, continuous and
Interest abatement 555	regular test 82
Interest expense	traders 81
mortgage insurance	traders vs. investors 81
premium 484	wash sale rules 83
Internal Revenue Manual 271–274	IRA. See Individual retirement
Interrelated activities 579	arrangement (IRA)
Investment advice 541	IRD. See Income in respect of a
Investment income	decedent (IRD)
election 25	IRS
Investment interest	bad checks 494
definition 24	Commissioner's Advisory Group
expense 23	(CAG) 279
Investment property	Financial Crimes Enforcement
controlled entity 380	Network (FinCEN) 280
like-kind exchange 132	Information Reporting Program
sale 380	Advisory Committee
Investments	(IRPAC) 279
capital gains	Internal Revenue Service Advisory
zero tax rate 87	Counsel (IRSAC) 279
	levies 494
	money service business (MSB)
=	anti-money laundering
	compliance
	program 287
	civil penalties 295
	compliance reviews 281
<u> -</u>	criminal penalties 295
=	FinCEN Form 103, Currency
	Transaction Report by
	Casino 292
	FinCEN Form 104, Currency
	Transaction
	Report 287
	FinCEN Form 109, Suspicious
	Activity Report, 288
	Form 8300, Report of Cash
	Payments Over \$10,000
	Received in a Trade or
	Business 292, 295
	Letter 1112, Title 31 Violation
accrued interest 92 redemption of tax-exempt	Notification 282 registration as MSB 287
	group health plans parity requirements 482 qualified long-term care (LTC) taxability of payments 477 Intelligence community 485 Interest income in respect of a decedent (IRD) 198 reporting state and local tax-exempt bonds 557 Interest abatement 555 Interest expense mortgage insurance premium 484 Internal Revenue Manual 271–274 Interrelated activities 579 Investment advice 541 Investment income election 25 Investment interest definition 24 expense 23 Investment property controlled entity 380 like-kind exchange 132 sale 380 Investments capital gains zero tax rate 87 common reporting errors 90 ESOP lump-sum distributions 114 hedging 91 investment interest rule 83 investor initiated lawsuit settlements 97 municipal bonds 93 puts and calls 106 definitions 106 equity options 106 nonequity options 110 writer (seller) 106 qualified dividends zero tax rate 86 reporting charitable remainder trust income 100 reporting errors

money service businesses	offer in compromise (OIC) 271	like-kind requirement 126
(MSB) 281	release from 257	personal property and
office of audit (OA) 277	secondary to another lien 257	intangibles 127
office of investigation (OI) 278	Life annuity	long-term triple-net lease 130
penalties	§412(i) retirement plans 234	luxury auto limitations 138
erroneous claim for	Life estate 210	MACRS property 135
refund 494	remainder interest value 211	multi-party exchange 578
penalties for bad checks 494	Like-kind exchange	multiple asset exchanges 150
reporting misconduct 278	§1245 property 140	new construction 154
Treasury Inspector General for Tax	§1250 property 140	oil, gas and mineral
Administration	basis 135	interests 128
(TIGTA) 277	allocation 122	overview 119
IRS collections. See Collections	multiple asset exchanges 151	partial interests 129
IRS transparency	boot 122, 142	partnership
taxpayer advocate report 256	avoiding 144	interest 132
Itemized deductions	common sources 143	tenant-in-common interest in
Canadian prescription drugs 572	offset rules 144	real estate 152
charitable contributions 574	seller financing 153	transactions 134
employee business expense 572	capital gain vs equity 121	personal residence in multiple asset
medical expenses 574	condemnation 131	exchange 151
residency agreement 570	conservation easements 131	planning pointers 124
residency agreement 570	co-ownership 133	qualified intermediary (QI) 122
-	dealer properties 131	function 123
J	delayed exchange 145	restricted parties 122
7.1. 1.G. 1.T. D.W.C.	180-day rule 146	role 123
Jobs and Growth Tax Relief	200% rule 145	qualified property
Reconciliation Act of		requirement 126
2003 23, 367	3-property rule 145	=
Joint tenancy	45-day rule 145 95% rule 145	real property 128
like-kind exchange 134		refinanced property 121
Joint ventures	contract language 147	related parties 155, 578
husband and wife	property identification	related-party exchange
partnerships 491	rules 145	cashing out 156
	timing restrictions 145	replacement property
K	written agreement 146	adjusted basis 121
N.	depreciation	location 120
Kiddie tax 433, 494	basis allocation 122	reporting 124
	deferred exchanges 139	requirements 125
	passenger vehicles 138	reverse exchange 148
L	recapture 140	exchange accommodation
Large and mid-size business (LMSB)	§1250 property 141	titleholder (EAT) 148
directive 394	relinquished vehicle 138	qualified exchange
Leasehold improvements 482	replacement vehicle 138	accommodation
construction allowance 388	rules 135	arrangement
Lessee	election out 136	(QEAA) 148
	easements 131	safe harbors 126
construction allowance 386	exchange requirement 125	sale/leaseback 152
Lessor	fix and flip transactions 131	simultaneous exchange 149
construction allowance 386	held for test 133	Starker 145
Liabilities	holding requirement 133	tenancy-in-common (TIC) 134
nonrecourse 399	improvement exchange 149	arrangements 130
recourse 399	incidental property 153	investment real estate 152
Lien 257	investment property converted to	timberland 128, 578
complex issues 257	personal use 132	title vesting 149
discharge 257	joint tenancy 134	tenants-in-common 149
inquiries 257	land sold on contract 129	types 145

unharvested crops 129 vacation home 154, 577 water rights 129 written agreement 123, 125 Limestone royalty payments 43 Limitation provisions 30 Limited liability company (LLC) liabilities basis 400 new members refinancing 400	late tax filing 61 phantom tax returns 62 referrals 63 risk management 63 Mandatory bond 565 Manufacturer's deduction Puerto Rico wages 486 Mark-to-market election 83 Meal and incidental expenses (M&IE) 588	Nonaccrual-experience method (NAE) 511 Noncustodial parent 534 Nonequity options 112 Nonprofit organizations annual information filing 276 e-Postcard 276 rental income 562 revoking tax-exempt status 277 Nonqualified deferred compensation plans 219–220, 582
Livestock replacement period 504 Loans	fringe benefits 300 Medicaid 449	general rule 242 Nonqualified stock options 219,
basis partnerships 160 S corporation 162, 165 below market 384 calculating basis for Schedule K-1 reporting 160 demand 384	Medical (Archer) savings accounts (MSA) 248, 482 Medical expenses itemized deductions 574 long-term care premiums 37 Medical insurance costs S corporation deductibility 353	North American area 531 North American Industrial Classification System (NAICS) 127 NPRM Reg-149856-03 532
inputed interest 383	Medical marijuana	0
nonrecourse 160 reverse mortgage 470 qualified nonrecourse real property indebtedness 160 recourse 160 repayments S corporation 166 term 384 Lodging fringe benefits 301 Long-term care (LTC) insurance reporting payments 478 taxability of payments 477 premiums limitations 37 Long-term triple-net lease like-kind exchange 130 Losses S corporation ordering rules 361 Lump-sum distributions 113	business expenses 519 Medical reimbursement plans 247, 425 See alsoFringe benefits self insured 396 Medicare 247, 449 Mental health benefits 482 Method of accounting completed contract 393 Military service personnel Uniform Services Employment and Reemployment Act 245 Mine safety 485 Money laundering 281 Money purchase plans 237 Money service business (MSB) 281 Mortgage reverse. See reverse mortgage Moving expenses. See fringe benefits MSA. See Medical (Archer) savings account (MSA)	Offer in compromise (OIC). See Collections Office in home S corporation 356 Office of Professional Responsibility (OPR) director 51 allegation letters 69 appeals of sactions 71 disciplinary proceedings 70 pre-litigation procedures 70 sanctions 70 settlement negotiations 69 share information with state licensing authorities 72 fraud reporting 51 referrals 68 Oil and gas industry 182 Oil, gas and mineral interests like-kind exchange 128 Omnibus Budget Reconciliation Act of 1989 279
MACRS property like-kind exchange 135 Malpractice 57 calculation errors 61 dabbling 63 documentation 62 election errors 62 engagement letters 61 inaccurate advice 60	National Taxpayer Advocate 255 priorities 562 Native American reservation accelerated depreciation 482 Net operating loss (NOL) 171 Net unrealized appreciation (NUA) ESOPs 113 New markets tax credit 482 Nexus 392	Open account debt 406 Options 106 contracts 90 Ordering rule S corporation basis 162 Ordinary income farm income averaging 434 Other adjustments account (OAA) 362

P	bad checks 494	0
	Circular 230 49	
Parent	erroneous claims 494	QDRO. See Qualified domestic
noncustodial 534	interest abatement 555	relations orders (QDRO)
Partnership	other 59	QILDRO. See Qualified Illinois
§731 nonrecognition rules 398	return preparer 568	domestic relations order
at-risk 161	trust fund 412	QMCSO. See Qualified medical child
basis 160	trust fund recovery 513	support orders
capital account 161	willful or reckless conduct 59	Qualified dividend income
debt relief 179	Pension Protection Act of 2006	zero tax rate planning 89
distributions	(PPA) 253, 276, 479, 571,	Qualified dividends
hot assets 382	575	zero tax rate 86
drop and swap transaction 134	Percentage depletion	Qualified domestic relations orders
fringe benefits deductibility 310	oil and gas 486	(QDRO) 250
husband and wife joint	Percentage-of-completion	Qualified Illinois domestic relations
ventures 491	method 394	order (QILDRO) 250
liabilities	Personal residence	Qualified intermediary (QI) 122
basis 400		function 123
like-kind exchange 134	sale	restricted parties 122
medical reimbursement 396	§121 exclusion 132	role 123
new partners	income exclusions 485	written agreement 123
refinancing 400	Personal service corporation (PSC)	Qualified joint venture 491
organization fees 179	accounting firm 403	Qualified medical child support orders
publicly traded 170	architectural firm 402	(QMCSO) 250
specially allocated items 171	business valuation firm 404	Qualified personal service corporation
syndication expenses 179	function test 401	(PSC) 401
Partnership interest	law firm 402	Qualified plans 219
abandonment 528	ownership test 401	distribution rules 241
like-kind exchange 132	Phantom option plans 245	Qualified property
Passive activity	Phaseout provisions 30	like-kind exchange 126
multiple activities treated as	Postretirement health care 219	Qualified research expenses 483
single 580	Prepaid postage 530	Qualified subchapter S Subsidiary
recharacterization 377	Preparer fraud 563	(QSub) 493
rules 169	Preparer penalties 568	Qualified tuition
Passive investment income 492	Previously taxed income (PTI) 362,	reporting requirements 564
bank income 369	368	Qualified tuition reduction. See Fringe
dividend rules 369	Private Letter Ruling	benefits
planning strategies 371	104-191 353	Qualifying child 524
rents 370	Professional gambler 576	
royalities 370	Property settlement	R
S corporation 368	stock options 534	n
sources 369	Puerto Rico wages 486	Rabbi trust 220
tax on excess 370	Puts and calls	Railroad Retirement Act 227
tax-exempt interest 369	buyers 106	Real estate
Passive loss rules 168–169, 377	definitions 106	fix and flip 323
exceptions 169	equity options 106	investors vs. dealers 323
Pass-through entity	expiration	professional 169
ownership termination 409	buyer 106	Real Estate Mortgage Investment
Payments	seller 110	Conduits (REMIC) 95
coal royality 38	mark-to-market rules 112	Real property
limestone royalty 43	nonequity options 112	like-kind exchange 128
Payroll taxes	sellers 110	transfers 541
single member LLC 537		Reasonable compensation
See also employment tax		S corporation 349

Recapture	employee stock ownership plans	thrift savings plan (TSP) 226
§1245 379, 382	(ESOP) 219	top-hat plans 222
§1250 379, 382	federal employees retirement plan	Retirement plan limitations 583
Refunds 512	(FERS) 226	Return preparer fraud 586
Reinvested dividends 94	federal government plans 226	Revenue Act of 1978 536
Related parties	government plans 226	Revenue Reconciliation Act of
coal mining royalities 38	individual retirement arrangement	1990 353
definition 156	(IRA)	Reverse mortgage 470
like-kind exchange 155	aggregate balances 241	benefits 476
Relation-back doctrine 389	contribution limits 231	borrower rights and
Religious sects	contribution worksheet 228	responsibilities 475
child tax credit 343	eligibility 228	definition 470
dependency exemption 337	individual retirement arrangement	effect on social security 476
earned income credit 337	(IRAs) 228	fees, costs and payments 473
employer issues 334	Keogh plans 240	FHA-insured 471
nonqualifying employer 337	Medicare 247	home equity 470
SE exempt 332	money purchase plans 237	lender responsibilities 475
REMIC. See Real estate mortgage	nonqualified deferred	lender-insured 471
investment conduits (REMIC)	compensation plans 220	loan amounts 472
Rental activities	nonqualified plans 219	loan repayment 474
grouping 377	distribution rules 241	other alternatives 477
Rental income	general rule 242	payments from 473
recharacterization 376, 378	nonqualified stock options	qualifying for 472
Repair allowance method	(NQs) 219	risks 475
(RAM) 318	plan contributions	tax issues 476
cost limitations 319	COLA adjustments 583	types 471
eligible property 318	qualified incentive stock options	uninsured 472
ineligible costs 319	(ISO) 219	RMD. See Required minimum
limitations 320	qualified plans 219	distribution (RMD)
Required minimum distribution	distribution rules 241	Rollovers
(RMD)	rabbi trust 220	IRA
calculation 241	railroad retirement 227	60-day requirement 585
IRA	required minimum distribution	Roth 401(k) plans 236
qualified charitable	(RMD)	Kotii 401(k) pians 230
distribution 479	calculation 241	
rules 241	Roth 401(k) 236	S
Research credit 483	salary reduction arrangement	
Reserve method	plans 232	S corporation 345
banks 493	=	2% shareholder
	SAR-SEP plan 232	fringe benefits 352
Restaurant property 482 Restructuring and Reform Act of	savings incentive match plan for employees (SIMPLE) 233	accumlated adjustments account
1998 277	= -	(AAA) 362
	share value plans 219	accumulated earnings and profits
Retirement 219	SIMPLE plan 233	(AEP) 360, 362
§412(i) plans 234	simplified employee pension—	basis 162
advantages 234	individual retirement	guaranteed loans 410
disadvantages 235	arrangements (SEP-	open account debt 406
§457 plans 222 deferral limits 223	IRAs) 231	ordering rule 162
	small business plans 231	basis adjustments 362, 364
reporting distributions 225	Keogh plans 240	1983 to 1996 360
civil service retirement system	solo-401(k) plans 236	post 1996 361
(CSRS) 226	contribution limits 236	capital gain treatment 492
deferred compensation 219	deferral limitations 236	cash distributions 358
defined contribution plans 210	stock appreciation rights	compensation 348–349
defined contribution plans 219	(SARs) 219 target benefit plans 237	constructive distributions 346
	CARDOL DODOLLE DIANG 131	debt forgiveness 179

deductions	insufficient	SEP-IRA. See Simplified employee
medical insurance costs 353	compensation 347	pension - individual retirement
deemed dividend election 368,	social security benefits 351	arrangement (SEP-IRA)
371	stock basis adjustments 360	Signature requirement 552
distributions 362–363, 367, 382	termination	SIMPLE. See Savings incentive match
as salary 348	excess passive income 370	plan for employees (SIMPLE)
earnings and profits 358	Sale	Simplified employee pension -
no AEP 360	business	individual retirement
with AEP 362	bad debt 388	arrangement (SEP-IRA) 231
dividend bypass election 371	Sale of personal residence	Single-member LLC
dividends 367	information reporting 559	(SMLLC) 377, 398, 537
election to bypass AAA 367	Sales tax	at-risk rules 398
employment taxes 350	calculator 575	employment taxes
family income shifting 347	deduction 482	trust fund penalty 412
financial institutions 493	Schedule K-1 159, 391	Small Business and Work Opportunity
fringe benefits 352	§179 reporting 174	Act of 2007 (SBWOA) 369,
deductibility 311	at-risk rules 168	441, 487, 568
employment taxes 355	basis 160	
		Small Business Job Protection Act of
meals and lodging 355	basis determination for new	1996 364, 369
parking and transit 355	client 168	Small business plans
health savings accounts	charitable contributions 177	Keogh plans 240
(HSA) 354	credits 171	Social security 449
loan basis 165	enhanced oil recovery 182	benefits
repayment 166	entity loans 160	S corporation
medical fringe benefits 353	errors 186	shareholder 351
new legislation 492	estate 168, 183, 190	coordination with railroad
noncash distributions 365	Form W-2 181	retirement 227
nonpassive investments 371	grain cooperative members 181	decision to draw benefits 457
office in home 356	inconsistent treatment 187	delaying benefits 460
officer	oil and gas industry 182	disability benefits 456
compensation 348	partnership	work credits needed 456
open account debt 406	capital account 161	drawing benefits
basis 406	publicly-traded partnership 170	deision factors 458
ordering rules for losses 361	reporting 159	exemp religious sects 332
other adjustments account	gains 171	factors affecting benefits 450
(OAA) 362	information on Form	family business succession 453
passive investment income 368,	1040 171	full retirement age (FRA) 457
492	losses 171	restructuring business for
bank income 369	SE income 180	benefits 453
dividend rules 369	syndication expenses 180	return on investment 450, 452–
planning strategies 371	trust 168, 183	453
rents 370	trust reporting 206	Social Security Personal Earnings
royalties 370	SECA. See Employment tax	and Benefit Statement
tax on excess 370	Section 1244 stock losses 165	(PEBES) 455
tax-exempt interest 369	Section 179 deduction	spousal benefits 455
previously taxed income	limitations 38	taxability 461
(PTI) 362, 368	Securities violations 97	strategies to lower 468
	Self-created musical works 482	=
property rented to 356		tier I base amounts 461
reasonable compensation 349	Self-employment tax	tier II base amounts 462
rentals between corporation and	exempt religious sects 332	Social Security Publication No. 05-
shareholder 356	exemption	10029 456
self-employment tax 351	application 332	Sole proprietor
shareholder	S corporation 351	fringe benefits deductibility 310
compensation 346		Solo-401(k) plans 236

excess compensation ... 347

Standard Industrial Classification	Teacher's classroom expense	U
(SIC) Manual 128	deduction 482	U
Starker exchange 145	Tenancy-In-Common (TIC)	U.S. Troop Readiness, Veterans' Care
Stock	arrangements	Katrina Recovery, and Iraq
capital gains 521	like-kind exchange 130, 134	Accountability Appropriations
Stock appreciation rights	Theft loss	Act of 2007 441
(SAR) 219, 245	gems and jewelry 522	
Stock options 534, 548	TIGTA Report No. 2006-30-	Uniform Services Employment and
gross income 546, 548	158 503	Reemployment Act
property settlement 534	Timberland	(USERRA) 245
Stock transfer 521	like-kind exchange 128	Unlawful discrimination 549
Student exception 538	Tip credit 489	Unstated interest
Substantial authority 497	Trader	installment sale 436
evaluation of authorities 497	court cases 82	
nature of analysis 498	definition 81	V
nature of analysis 190	IRS forms to use 86	•
	mark-to-market election 83	Vehicles
T	substantial, continuous and regular	depreciation 509
	test 82	•
Tangible personal property	tax advantages and	N/
deductibility of	<u>c</u>	W
improvements 315	disadvantages 83	Wagas
expenses to improve value 315	Transfers	Wages
expenses to restore property 316	liabilities 381	§199 178
repair allowance method	of assets for stock 380	Water rights
(RAM) 316	Transit passes 542	like-kind exchange 129
cost limitations 319	Travel	Whistleblower
cost recovery 320	away from home status 589	rewards 487
eligible property 318	standard mileage rates 588	Whistleblower Office 51
ineligible costs 319	Treasury Inspector General for Tax	Will 205
repair allowance methods (RAM)	Administration (TIGTA) 277	Work opportunity tax credit
limitations 320	TRHCA of 2006	(WOTC) 491
repairs	HSA changes 20	designated community
expense vs capitalization 312	Trust document 205	resident 441
types 313	Trust fund recovery penalty 513	rural employers 441
unit of property rules 313	Trusts 205	rural renewal counties 441
Target benefit plans 237	allocations of income and	claiming the credit 445
Tax fraud 586	expenses 209	credit amount 445
dirty dozen 587	charitable contribution	eligibility requirements 445
Tax gap 556	deduction 209	rural renewal county 441
taxpayer advocate report 256	complex 207	Worker classification 535
Tax Increase Prevention and	created to save taxes 213	Working Families Tax Relief Act of
Reconciliation Act of 2005	income distribution deduction	2004 532
(TIPRA) 86, 263	(IDD)	WOTC. See Work opportunity tax
Tax preparer	reporting 208	credit (WOTC)
licensing 56	irrevocable 206	
Tax Reform Act of 1986 95	qualified personal residence trust	
Tax Relief and Health Care Act of	(QPRT) 477	
	reporting income 206	
2006 (TRHCA) 51, 299, 481	returns 190	
minimum tax credit 7	revocable 206	
Tax-exempt bonds	simple 207	
redemption 93	example 214	
Tax-exempt organizations. See	types 206	
Nonprofit organizations	Tuition deduction 482	
Taxpayer Bill of Rights 2 255	rumon deduction 402	