



DEALER TAX WATCH

DEALER TAX WATCH OUT

If you had called me personally to ask, "What's happening lately with IRS audits of dealers and dealerships that I need to know about?" ... Here's what I'd say:

#1. FALL TAX CONFERENCES. In this issue, I want to pass along the highlights of three presentations I heard at the AICPA National Auto Dealership Conference in Baltimore in late October.

One week later, the AICPA (Federal) Income Tax Conference was held in Washington, D.C. This was immediately followed by the National CPA/IRS Tax Issues Meeting. Both were excellent.

Also in December, I presented a 2-hour dealer update teleconference of my own. An abbreviated version of the discussion outline is on pages 24-27.

#2. THE BEST OF THE BEST. In summarizing one of the Conference presentations that I heard, I've gone out of my way on page 22 to try to convince you to get the tape and listen to it. This session on estate planning for dealers started out with the admonition that the dealer should spend 30 minutes (now) to plan out the next 30 years, writing down what he'd like to do during those years. So that the urgent doesn't overtake the important.

Premised on the strong likelihood that the Estate Tax will not be repealed, this session addressed a wide range of scenarios presented by twin brother dealers, one of whom continued to look to Ed McMahon to satisfy his needs for insurance. Interestingly, every time he met with his CPA at 10 year intervals to discuss his estate planning, his current wife had just celebrated her 41st birthday, and his feeling was that it might be "a little early to be putting assets in his wife's name right now."

#3. WHAT DO YOU DO FOR AN ENCORE? After suggesting that your dealer have a cost segregation study (which saves him a ton of money), what do you do for an encore? I'm going to go out on a limb here. I'm going to venture into a non-tax area in order to call your attention to something you can suggest to your dealers. Much like the idea of a cost segregation

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study, this might be another no-brainer because the benefits far exceed the costs. Maybe there's even another practice niche in it for you. See page 3 for my suggestion.

#4. THE MOST DISTURBING DEVELOPMENT ON THE HORIZON. If I there were only one development that I could pass along to you, it would be this. And, pardon me, if you've already heard about it.

This "development" is not official yet. But, *when* ... not *if* ... it becomes official, it will significantly complicate all of our lives, as tax return preparers. It will affect not only all dealer clients, but all other clients, as well, and every situation where we are asked to provide copies of our client's tax returns to other parties.

LOOKING FOR ADDITIONAL & "VALUE ADDED" SERVICES FOR DEALER CLIENTS?

Look no further... Just use the *Dealer Tax Watch* for a head start in golden consulting opportunities and activities to help dealer clients—and, in the process, to help yourself.

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