
11 Simple,
Often-Overlooked
Tax Secrets
+
How To Write Off
Practically Anything
& Completely Protect
Yourself Against The Stress
of IRS Audits

Stephan Brewer Presents:

The Tax Domination Report

11 Simple, Often-Overlooked Tax Secrets
+
How To Write Off Practically *Anything* & Completely Protect Yourself Against The Stress of IRS Audits

Plus a very special gift for you towards the end ...

Dear New Friend,

Believing you are all square with the IRS each year can be a little tricky.

Most people file their taxes "in the dark" -- not really knowing for sure if they have filed everything accurately. With life being so busy, who has the time (or wants to take the time if they had it) to actually keep up with the new tax law changes each year?

With complications from the ACA and all the changes we see each year, **filing a relatively straight-forward tax return correctly, is truly a Herculean task these days.**

But at the end of the day, we all still have to fill out our tax forms and file by the IRS deadline or we're in for a bunch of trouble ...

Should filing your taxes be easier?

Yes.

But we live in the world of what *is* ... not the one of fairytale dreams.

Now, you are good at what you do for a living -- and when it comes to taxes, we're pretty darn good ourselves. We are The He's The Taxman Team. We save taxpayers like YOU time, money and IRS aggravations for a living.

We live and breathe taxes ... eating tax audit notices from the IRS for breakfast. As people who specialize in this stuff, let me say: *You should not be embarrassed about not feeling "peace" when filing your taxes*. If most people were honest with their true feelings, the majority of your friends, neighbors and co-workers would say the same thing.

But we come in peace -- to give YOU peace.

My team and I are here to help. Now is a GREAT time to still affect your tax strategy for the rest of this year and take some nice deductions.

Regardless of whether these apply to you, this is just a small sampling. There are certainly others that apply to you.

Let us help you find them. (Because we will.)

11 Overlooked Tax Deductions

"The important work of moving the world forward does not wait to be done by perfect men." - George Eliot

Pet Food and Veterinary Bills: You can deduct veterinary bills and pet food, only if they are for your foster pet. As an example, Jan Van Dusen, a California family lawyer, devoted most of her time outside of work caring for feral cats, 70 to 80 at one time. A tax court found that she was entitled to much of her claimed $12,068 in cat care expenses as a charitable deduction on her income taxes. In another case, Seawright v. Commissioner (http://www.ustaxcourt.gov/InOpHistoric/SEAWRIGHT.TC.WPD.pdf), a couple ran a junkyard. They put out food to attract wild cats to control snakes and rats, making the junkyard safer for customers. When they claimed the cat food as a business expense, the IRS said no way. However, the tax court disagreed.

Moving Fido: If you are changing jobs and meet a couple of tests, you can deduct your moving expenses–including the cost of moving your dog, cat, or other pet from your old residence to your new home.

Swimming Pools: If swimming pools are used for medical purposes, as prescribed by a doctor, they can be tax-deductible. In Cherry v. Commissioner (http://www.leagle.com/decision/1983107746hztcm1031_1844.xml), the taxpayer had emphysema and installed a swimming pool after his doctor ordered an exercise regimen. The primary purpose of the pool was medical care, so he was able to deduct the pool, part of the cost of heating the pool, pool chemicals and part of insuring the pool area.

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Fitness: Fitness is tax-deductible, if your doctor signs off on it, and tells you that your life might be in danger if you don't start exercising and lose weight. The cost for remedies that help you drop a few pounds, improve your heart rate, or reduce your cholesterol might all be deductible.

Significant others: Couples who can claim their significant other as a dependent can also use them as a tax break. In order to do so, couples must have lived together for an entire tax year and the significant other must have an annual salary of less than $3,900. Also, the individual claiming the tax break must show they have paid for more than half of their significant other's expenses. A total of $3,900 can be claimed if all the qualifications are met.

Deadbeat Friends: Did you lend a friend cash in a pinch, never to see the money again? Don't despair–all is not lost. You can write off the unpaid amount if there's no hope to collect payment.

Organ Donation: Organ donors can deduct not only any medical costs associated with the donation, but also costs of transportation.

Hunting: As long as business discussions are conducted and you are attempting to do business on the hunting trip, it would be possible to deduct this type of expense. However, these types of deductions may be heavily scrutinized.

Bariatric Surgery: The IRS ruled that obesity is a medical disease, which means that specific treatments aimed at curbing obesity are allowable deductions, including bariatric surgery. As with all medical expenses, you can only deduct unreimbursed expenses that exceed 7.5% of your adjusted gross income (AGI).

Addiction Treatment: Drinking, smoking, and drug abuse are serious medical hazards, so the IRS has ruled that you can write off expenses related to quitting. Eligible deductions can include the cost of any products or programs designed to help you quit, including nicotine patches or other aids. In-patient treatment at a drug or alcohol facility including meals, lodging and some transportation expenses can also be deducted as medical expenses. Additionally, transportation to and from meetings like Alcoholics Anonymous or Narcotics Anonymous, if attended based on doctor's orders, can also be written off.

Bingo: Bingo-playing taxpayers can deduct the amount lost in a given year, up to the amount that was won. The IRS allows taxpayers to deduct losses for other types of wagering, too. To do so, they must keep a detailed diary of the kind of wager, where they

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placed it, who they were with, and how much they won or lost.

These are just a <u>start</u> to the sort of things that we can help you find in your tax year. There are *certainly* more that we could find for you. But you never know until you ask...

Oh -- your current software or tax professional didn't help you find these? Hmm ... maybe it's time you found someone who could? (*Ahem.*)

"Writing Off" Almost Anything

"The people who get on in this world are the people who get up and look for the circumstances they want, and, if they can't find them, make them." - George Bernard Shaw

I get all kinds of questions throughout the year when it comes to taxes. But whether at social gatherings, sporting events or even business networking functions, one of the most common ones I receive is: **Can I write this off?**

Well, allow me, today, to set the record straight on all this for you.

In my experience, there are 3 primary mindsets of people out there:

Mindset 1: These are the people who want to write off everything, whether it's legal or not, and figure the cost of an IRS audit won't be "that bad". Or else they think they can't ever get caught. They are invisible, or so they think. That's more common than you would ever want to know.

Mindset 2: These folks don't want to write ANYTHING off. In fact, I've known some who will tell me that they want to purposely overpay their taxes. If the tax due is $10,000, they'll write a check for $11,000. They figure that will keep the IRS away.

But the IRS doesn't take bribes. This plan doesn't work.

Mindset 3: These are the people who want to pay less in tax, but they are cautious. They still want to sleep at night.

Well, I've got good news and bad news about this one. First the good: **it's easier than you might think.** But the bad: **you really have to do it right.**

There are four primary steps for this, and you have to follow them all...

#1: <u>You must have a business</u>. If you've been running a tax loss in your business after you take all of your deductions, you could run the risk of the IRS calling your business a hobby. If you have a hobby, you can't take the deductions.

There are actually 9 factors that the IRS uses to determine if you have a business.

These 9 factors break down into 4 categories:

1. Are you running your business in a business-like manner?
2. Are you putting in enough time and effort to reasonably expect success in your business?
3. Do you have past success in a business like this? Or, if not, do you have a mentor, coach or advisor who does have past success?
4. And finally, the big one, do you have a true profit motive for your business? You might be losing money now, but do you have a plan that will get you to the cash?

This first step is the hardest. It trips all kinds of people up. BUT, at the end I'll give you an example for how it may not be as hard as you think...

#2: <u>The expense must have a business purpose.</u> The expense must be "ordinary and necessary to the production of income". But, that's about all the guidance you're going to get. And that's the reason why so many people get stuck, especially in the beginning. What's deductible? *It depends!*

If you can prove that this expense helps your business, you've covered #2. I'm going to go over the next two steps and then, again, an illustration for how you can write off almost anything (provided you follow the steps, of course).

#3: <u>You have proof you paid the expense</u>. This is pretty much a no-brainer. No receipt = no deduction. When you're out, use your smartphone to take a picture of receipts. It's a whole lot easier to keep track of pictures than it is loose slips of paper. Then, if you paid for the deduction with cash, check or credit, you've got the deduction.

#4: <u>Make sure you properly report on your tax return</u>. There are three steps to a successful tax strategy.

Strategy + Implementation + Reporting.

The tax return is the final part of a strategy. That's where we come in, of course.

Now for my illustration...

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Let's say your spouse has a thing for eating organically.

Well, here's a plan that would get this spouse writing off some of that food.

(And how about you? Do you have something you really wish you could take a write-off for? Consider that through the lens of this illustration.)

Your spouse is familiar with social media like Twitter and Facebook and had been talking about starting a blog. Perfect! You set up a blog about eating organically. Then, you set up an arrangement with an "affiliate marketer" for a variety of organic food and supplement suppliers.

On the blog, your spouse highlights various foods, and talks about things like taste, price, how to cook them, what to pair them with, downsides to eating too much of them -- essentially all the things that fellow organic food lovers would care about.

The spouse now has a business. Commissions are coming in as food is purchased from the site. And your spouse necessarily must purchase, prepare and eat organic food, in order to write about it for her readers -- that is, in order to deliver her business' fundamental service.

Is that all it took? No, the spouse has to meet the 4 steps above as well.

But here's the thing:
Sometimes the best way to get the answer is to change your question.

If you've been asking, "What can I deduct?" Change it to "How can I deduct THIS?" The answers may surprise you.

Protect Yourself From The Stress of IRS Audits

"Problems are only opportunities in work clothes." - Henry J Kaiser

This doesn't have to be as hard as some people (or other tax professionals) make it to be.

First, <u>retain a paper copy or receipt of any tax-relevant transaction</u>. Scan these documents and archive them electronically, or acquire them in an electronic format. If the purchase has a manual or warranty, store all the documents in the same electronic and physical location.

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Sadly, the IRS has ruled bank or credit card records to be insufficient documentation. As a result, just keep your statements long enough to reconcile your account.

If the purchase was a business or tax-deductible expense, record the expense and why it justifies the deduction. Store this information with or on the receipts.

Second, keep brokerage statements indefinitely for taxable accounts. You are responsible for reporting the cost basis of any security you sell to calculate the capital gains tax. For a mutual fund with 30 years of reinvested dividends, each dividend payment is part of the cost basis. As a result, the cost basis can sometimes be computed only if you have the complete transaction history.

Without knowing the cost basis, the IRS could argue that the entire value of the investment be treated as gain.

If you have lost the record of how much you originally paid for an investment, instead of selling and paying 15% or more of the value in taxes, you can use that investment as part of your charitable giving. Gifting appreciated stock avoids the tax owed and still qualifies for a full deduction. Oddly enough, the IRS still asks for the original purchase date and price for gifted securities, but leaving these blank has no effect on your tax owed.

Many custodians keep several years of electronic copies of brokerage statements available. And they are now required to send any known cost basis electronically when you transfer securities to a new custodian. If your current custodian has the correct cost basis of your securities, you probably no longer need to keep brokerage statements. However, an approach of "better safe than sorry" is always advisable with the IRS.

Third, keep IRA nondeductible contribution records forever. You may need those records every year that you withdraw money in retirement to show that a portion of the withdrawal is not tax deductible.

Or to avoid the hassle, clear out nondeductible IRA contributions by converting all of your IRA accounts to Roth accounts.

Fourth, keep partnership documents, contracts, commission or royalty structures forever. This includes property records, deeds and titles, especially those relating to intellectual property. It also includes any transfers of value for estate planning purposes.

Finally, save all of your tax returns. After you file, save the paper and/or electronic

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copies with the rest of that year's financial documents.

Tax returns and all the supporting documentation must be kept at least seven years. The IRS can audit your return for up to three years from your filing date. However, the three-year limit only applies to good-faith errors.

If the IRS suspects you underreported your gross income by 25% or more, they have up to six years to challenge your return. And because you may file for an extension at the October 15 deadline, you must keep your records for at least seven years.

Regardless of those rules, though, if the IRS suspects you filed a fraudulent return, no statute of limitations applies. Because the IRS is run and organized by fallible people (with all of their attendant biases, emotions, etc.), we suggest keeping your tax returns and documents forever.

Unfortunately, whenever the IRS challenges you, the burden of producing evidence that your claims are true rests entirely with you, so you had better have your documentation in order.

<u>Taxpayers collectively spend six billion hours, or 8,758 lifetimes, annually trying to comply with the tax code.</u> Fortunately, as I previously mentioned ...

YOU don't have to be the one to do all the heavy lifting. We are on your side...

If you or anyone you know has any problem with the IRS, we would consider it a privilege to help you solve your difficulties as you take steps to get yourself back on track. We'll listen to your difficulties in our office.

Your first visit, which usually lasts an average of thirty-three minutes (yes, that's 33) **is <u>FREE.</u>**

We will answer your questions, and make suggestions as to how you may proceed in solving your tax problem. Should you decide to use our services we will provide you with a written estimate of our fees and we will outline the steps we will be taking as we work on your case.

<u>We guarantee you'll be happy with the direction and strategy we will take to help you with your tax situation. If not, just say "no thanks" after our appointment and you'll owe us nothing. We want you to have no risk when it comes to speaking with us about how to</u>

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keep the IRS off your back. *(Now that's a personal, straight-forward, real world guarantee.)*

You might be asking yourself, but how can I be sure I'm choosing the right tax professional to help me? Well, this is where it DOES make a difference WHO you choose to help you with your taxes and to deal with Uncle Sam for you. The total amount of YOUR money which goes to paying taxes is bigger than most families realize. So finding the right tax professional whose tax business is a good fit with your personal situation is extremely important.

That's the main reason why I've taken all of the risk out of the decision-making process of finding the right tax professional with my **personal, straight-forward guarantee --** so you have zero risk in your journey through the jungle of solving your tax filing or IRS problems and getting real answers to ALL of your other tax compliance concerns.

What To Do Next:

The ball is in your court. Depending on how fast you'd like to move forward in resolving your tax-related needs, you can take action on one or more of the following options:

WARNING:

Limited Free Consultation Appointments Available for New Clients – Time Slots Filled on a First Come, First Serve Basis.

1) Go online to http://www.legacytaxresolutionservices.com and get more information about us, our staff and our tax business. Our website has a more detailed list of the tax related items to bring if you want to expedite the process and have us get to work on your taxes as soon as possible. You can also email us at legacy@hesthetaxman.com with any questions or best appointment times for your schedule.

2) To reach someone in our tax office directly, call our office during normal business hours at (800) 829-7483. If we are busy and unable to answer the phone immediately, please leave us your name and number and the best time to call you right back. Since preparing taxes is a SERVICE business, we really want to hear your voice and eventually meet you in person. So thank you in advance for letting us help you with your tax situation.

Because our office stays very busy helping our existing tax clients, we must LIMIT the number of new clients we accept. *(Hey, if we had more than 24 hours in a day, we'd be able to accept more.)*

But for now, **<u>ONLY 9 New Client Free Consultations</u>** are available per month. So if you are interested in speaking with me or someone on my staff, now is the time to contact our office so we can work out an appointment time that's best for both of us.

We really do NOT want you to feel any more pain or frustration or lose any more sleep over your tax situation or dealing with the IRS. We are in the business of helping you sleep like a baby, never having to worry about your taxes again. And not just this year, but EVERY year.

I look forward to our meeting.

Best Regards,

Stephan Brewer, CPA

P.S. We get calls on a daily basis for our services, so <u>do not delay</u> in contacting us. This one phone call (or email or fax) could very well change your financial fortunes.

P.P.S. One last thing to make your decision real easy ...

<u>Special Tax Domination Gift Certificate</u>

$29.00 Towards Any Tax or Financial Service

Print this page, bring it to our office when we meet with you, and should you decide to move forward with us, receive an instant credit towards any service we undertake on your behalf.

Not Valid With Any Other Offer

Call or email us now.

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