



On The Inside

Volume 2, Issue 5

August 10, 2011

Limited Window of Opportunity

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Last December, Congress extended a number of the Bush-era tax breaks, but only for a limited length of time. It is probably a safe bet that most won't get extended further, considering the size of the national debt. Although numerous tax breaks were extended, only a few provide you with an opportunity to take actions that can reduce your tax bite. But if you want to take advantage of those tax breaks, you need to act this year or next. Here is a list of those extended tax breaks and what will happen when they expire.

Individual Tax Rates – The Bush-era tax cuts reduced and replaced individual tax rates with six tax brackets that increase with income: 10, 15, 25, 28, 33, and 35 percent. They will revert to their original higher levels of 15, 28, 31, 36, and 39.6 percent beginning in 2013. That will result in the lowest bracket increasing by 5 percentage points and the highest bracket increasing by 3.6 percentage points, affecting all taxpayers from low to high incomes. In certain circumstances, it may be appropriate to accelerate income to take advantage of the lower rates.

Capital Gains and Qualified Dividends – Under the Bush-era tax cuts, the maximum tax on long-term capital gains (assets owned for more than one year) was reduced from 20 percent to 15 percent for taxpayers in the 25 percent and higher tax brackets. The tax cuts also provided for a zero tax rate to the extent a taxpayer is in the 10 and 15 percent income tax brackets. These lower rates will revert to the higher rates in 2013, impacting taxpayers in all tax brackets. Do you have potential capital gains that you might sell before 2013 to take advantage of the current lower rates?

American Opportunity Tax Credit – The American Opportunity Tax Credit (AOTC) replaced the Hope Education Credit in 2009 and provides a maximum tuition credit of \$2,500, of which up to 40 percent can be refundable and applies to the first four years of post-secondary education. This enhanced credit will expire after 2012 and is set to be replaced by the Hope Education Credit that provides a reduced maximum credit of \$1,800, of which none is refundable; the Hope credit is only applicable to the first two

Here we *grow* again...

News, Events, and Happenings

Event Calendar

Washington Institute for Graduate Studies hopes to see you at:

- NAEA National Conference Aug 7-9, 2011
Las Vegas, NV
- NATP National Conference & Expo Aug 15-18, 2011
St. Louis, MO
- **International Tax Seminar** **Oct 20, 2011**
Lehi, UT

Topic: Navigating International Taxes:
What You *Must* Know About Global Taxes

Keynote Speaker: David Kerzner

See the flyer at the end of this newsletter and for more information please contact studentservices@wsltax.org

- AICPA National Conference Nov 7-8, 2011
Washington D.C.



Like us on [Facebook](#) and check our page often for more information on exciting news about the school, upcoming events, course update information, contests, awards, and more!

Tax Research Library Now Available!

Washington Institute for Graduate Studies recently announced that the school is now offering an on-line tax library to students; the *fully expanded* version of **RIA Checkpoint**, which includes federal, state, local, and international tax components, as well as a variety of useful business/practice tools!

This new library is accessible to all current and future students as an optional, annual subscription. Active students may purchase a subscription through the school for a highly competitive rate of **\$299!** This is not the truncated, student version, but the fully expanded RIA Checkpoint that can be used not only for their courses, but professionally too.

Current students may contact Student Services at: studentservices@wsltax.org or 858-546-2838 for subscription information. Don't wait, subscribe now!

Continued...

lower income families. Note: The administration wants to make the AOTC permanent so watch for further developments.

Home Energy-Savings Improvement Credit – This on-again, off-again credit has been extended for one additional year, 2011, but it has been substantially reduced and only provides a credit up to \$500 (it was \$1,500 in 2010) and a reduced credit percentage of 10 percent (down from 30 percent in 2010). In addition, the \$500 credit limit is reduced by any credit taken after 2005. To take advantage of this credit for energy-saving exterior windows, skylights, doors, insulation, heating systems, etc., you need to act before the end of 2011.

Coverdell Educational Accounts – The \$2,000 maximum contribution to Coverdell education accounts will revert to a \$500 maximum after 2012. If you want to maximize the contributions for a child’s future education needs, you need to do so before 2013.

Sales Tax Deduction – If you are planning to make a big ticket purchase and want to deduct the sales tax as part of your itemized deductions, you need to act before the end of 2011. The option to deduct the larger of state and local income tax or sales tax expires after 2011.

Tax-Free IRA to Charity Distributions - The provision that permits taxpayers age 70½ and over to make direct distributions (up to \$100,000 per year) from their Traditional or Roth IRA account to a charity will expire at the end of 2011. The distribution is tax-free, but there is no charitable deduction. This provision can be very beneficial to taxpayers who have Social Security income and/or do not itemize their deductions.

<h2>IRS NEWS</h2>
<u>Two-Year Limit No Longer Applies to Many Innocent Spouse Requests</u>
The Internal Revenue Service announced on July 25, 2011 that it will extend help to more innocent spouses by eliminating the two-year time limit that now applies to certain relief requests.
<h2>WORLD NEWS</h2>
<u>US Airline Ticket Tax Approval Runs Out</u>
by Leroy Baker, Tax-News.com, Washington Tuesday, July 26, 2011
In what appears to be another example of Democrat and Republican disagreement over federal spending, the United States Congress failed to renew authorization for the airline passenger ticket tax and other aviation-related taxes by midnight on July 22, and several Federal Aviation Administration (FAA) programs have thereby expired.

Happy Birthday!!

- Peter Anderson 1
- Cathryn Smith 2
- Richard Crow 5
- Allan Weagle 6
- Michael Brewer 6
- Ken Allen 8
- Rupert Agius-Pease 9
- Holly Carlin 10
- Paul Daigle 10
- Mohammad Ismail 12
- John Caldwell 12
- Kimberly Trimpey 13
- Drew Williams 13
- Aaron Perkins 14
- Angela Wittholt 14
- Raphael Umpierre 15
- Susan Schaeffer 15
- Daniel Mazzola 15
- Floyd Moeller 16
- Martin Roth 16
- Jude Nzeako 16
- Dale Van De Loo 16
- Jigisha Shah 17
- Victor Stanley 18
- Nathalie Birotte 19
- Heidi Bates 19
- John Buchheim 20
- Alpa Shah 21
- Paul Cullen 22
- David Glenwinkel 24
- Kevin Schnell 24
- Karen Reinagel 27
- Georgia Mitchell 29
- Ted Watkins Jr. 31
- Carrie Lyon 31
- Christian Genitrini 31

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Over Taxed...

When the Only Thing Left to do is Laugh



Tax Lawyers vs. Accountants

What do accountants do for fun?

Add up the telephone book.

If a tax lawyer's wife can't get to sleep, what does she do?

Leans over to her husband and says "Tell me about work today, Honey."

Hardy har har

A man piloting a hot air balloon discovers that he has wandered off course and is hopelessly lost. He descends to a lower altitude and locates a man on the ground. He lowers the balloon further and shouts, "Excuse me, can you tell me where I am?"

The man below says, "Yes, you are in a hot air balloon, about thirty feet above this field."

"You must be an accountant," says the balloonist.

"Yes I am" replies the man. "And how did you know that?"

"Well" says the balloonist, "what you tell me is technically correct, but of no use to anyone."

The man below says, "You must be a manager."

"Well, yes I am" replies the balloonist, "how did you know?"

"Well", says the accountant, "you don't know where you are, or where you're going, but you expect my immediate help. You're in the same position you were before we met, but now it's my fault."

IRS Circular 230 Disclosure: To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. federal tax advice contained in this document is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code, or (ii) promoting, marketing, or recommending to another party any transaction or matter that is contained in this document.

Spotlight...

Washington Institute for Graduate Studies' spotlights some of our amazing students, staff members or faculty. It's a great way to get to know the people who make this institution the success that it is.

Robert Evart-MST Alumni & PhD Candidate

Robert Evart grew up in Santa Rosa, California, and moved to Oklahoma in the late 70's. In 1983 he settled in Texas and with a well-developed southern drawl he says, "been in Texas ever since."

Bob entered college as a pre-med chemistry major, but his freshman class was informed by administrators that without a straight A average, they wouldn't make it in to med school. "As gullible freshmen – we believed it to be true" he says. He changed his major to accounting his sophomore year. While in college he participated in ROTC and was commissioned into the Army after graduation and served in the Artillery branch. Having been an accounting major, he was assigned to all administrative positions, but artillery while serving.

Over the years, Bob's work experiences have covered the gamut from working in CPA firms, to internal auditing, from municipal finance director, to his current position as director of tax services in a financial services company. Although, if he weren't involved in these endeavors, he says he'd probably go in to photography, which he enjoys because of the broad technical aspect that computers now provide in photography.

Bob's experience at Washington Institute for Graduate Studies "has allowed me to have a pseudo classroom experience, but complete [it] at my own pace. Also, having the ability to email the professor questions was an added benefit and from my experience [they] were always promptly answered." Bob says these two aspects combined not only made him feel part of a class, but supported a greater feeling of success in understanding the materials since he could review his notes and the DVDs at his leisure and convenience in preparation for course completion.

Bob has been married for over 25 years, and has two sons who are both currently pursuing challenging engineering degrees in college.

Although his children are his greatest accomplishment, Bob is also proud to have graduated summa cum laude from Washington Institute for Graduate Studies, and doing so "as an old fart" (as his kids would say). At this point, he's looking forward to retirement "in twenty or so years", but first completing his Doctorate degree in Taxation at the school. Bob hopes to find a job teaching taxation at a college to pass on his experience and help the "kids" learn how the tax system works and prepare them for the "real" world, not just the theory.

Bob stays plenty busy with work, and with his hobbies of photography and designing websites, but occasionally enjoys reading a good mystery that takes him out of his comfort zone, like a Dan Brown novel.

Taking advantage of his high school campaign slogan, Bob describes himself in five words as:

E – Energetic

V – Versatile

A – Articulate

R – Responsible

T – The one you should vote for (and best why I've stayed out of politics)



Navigating International Taxes

WHAT YOU MUST KNOW ABOUT GLOBAL TAXES

October 20, 2011

8 AM - 4 PM

Thanksgiving Point

3900 N. Garden Drive
Lehi, Utah 84043
{ Garden Room }



REGISTRATION

\$450 per person
Before September 30

\$500 per person
After September 30

Space is limited. Register now.
Registration closes October 7.

BUSINESS ATTIRE PLEASE

A One-Day Seminar About the Vital Role of Tax in Global Business Management

Learn about the critical value proposition in integrating international tax planning with global business management through a one day intense case study and seminar.

WHO SHOULD ATTEND

CEO's	Entrepreneurs
CFO's	MBA's (faculty, graduates, students)
CTO's	Accountants & Enrolled Agents
COO's	Attorneys

ABOUT THE SEMINAR LEADER

David Kerzner is an Adjunct Professor in Taxation at Queen's University Faculty of Law in Canada, a Research Fellow in the Department of Law and Economics at Monash University in Australia, and Professor (Emeritus) at the Washington Institute for Graduate Studies, in San Diego. David currently practices law in New York City and Toronto, and has many years of advising public and private companies on international tax management, including "Fortune 50" companies while previously working in the National Headquarters of KPMG in Washington, D.C.

David is the Editor-In-Chief and Principal Co-Author of the *Tax Advisor's Guide to the Canada-U.S. Tax Treaty*, published by Thomson-Reuters, the largest treatise in the world on the combined tax laws of Canada and the United States, and is also Co-author of *The Manager's Guide to International Tax*.

David holds two Master of Laws degrees from NYU School of Law, and is a member of the bar in New York, Ontario, and the Supreme Court of England and Wales.

TOPICS COVERED

- Global Business Design and Project Management
- Global Corporate Finance
- Transfer Pricing Management
- Managing Global Intellectual Property
- Global Tax Compliance

KIRTON & McCONKIE
ATTORNEYS AT LAW





Navigating International Taxes

WHAT YOU MUST KNOW ABOUT GLOBAL TAXES

EVENT SCHEDULE & MAP

October 20, 2011

8 AM - 4 PM

Thanksgiving Point

3900 N. Garden Drive
Lehi, Utah 84043
{ Garden Room }



REGISTRATION

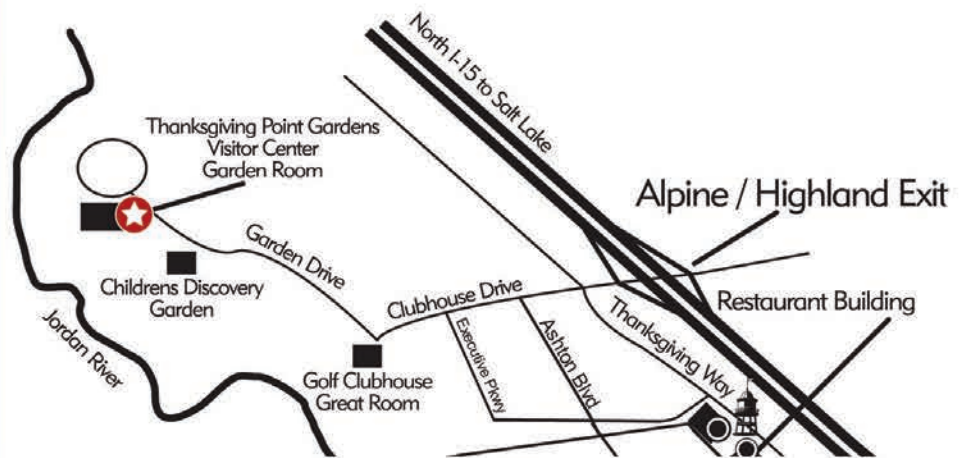
\$450 per person
Before September 30

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After September 30

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BUSINESS ATTIRE PLEASE

8:00 am	Sign in & Refreshments	All
8:30 am	Program Begins	
8:30 am	Welcome & Program Overview	Robert Hanson & Paul Savage
8:35 am	Opening Remarks & Introduction of Speaker	Robert Hanson
8:40 am	Speaker	David Kerzner
10:00 am	Break	All
10:15 am	Program Resumes	David Kerzner
11:45 am	Lunch	All
12:45 pm	Survey & Program Resumes	Robert Hanson & David Kerzner
2:45 pm	Q&A	David Kerzner
3:30 pm	Closing Remarks	Robert Hanson & Paul Savage



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