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To Our Clients and Friends:

2016 NEW DEVELOPMENTS LETTER

INTRODUCTION

It seems that keeping up with the rapid pace of tax changes and developments becomes more difficult each year. On December 18, 2015, the President signed the ***Protecting Americans From Tax Hikes Act Of 2015 (PATH Act).*** Although the *PATH Act* is sometimes referred to as an "extenders bill," because it extended many tax provisions that expired at the end of 2014, it also contains other significant tax changes. In addition, Congress passed several other pieces of legislation between June 29, 2015 and February 24, 2016 containing new tax provisions that are ***first effective in 2016.*** These new laws include the Defending Public Safety Act, the Trade Preference Extension Act, the Surface Transportation Act, and the Consolidated Appropriations Act.

To help you adjust to (and plan for) the most significant tax changes that have occurred over the last year, we are sending this letter providing a summary of the new legislative tax provisions that we believe will have the greatest impact on our clients. ***As a Preview*** – Some of the ***Major Tax Changes*** from this legislation that we highlight in this letter are new provisions that: Extend and enhance the first-year 50% 168(k) bonus depreciation deduction and the Section 179 write-off for certain business property (including certain improvements to depreciable real property); Expand and extend the research and experimentation credit; Reduce the period an S corporation must wait to avoid the corporate built-in gains tax; Make permanent the special tax break for qualifying IRA contributions to charities; Modify the due dates for certain tax returns; Modify the required documentation for certain education tax benefits; Enhance certain tax benefits of §529 plans; and more!

CAUTION!

We highlight only *selected* legislative tax developments. If you have heard about other tax developments not discussed in this letter, and you need more information, please call our office for details. Also, ***we suggest that you call our firm before implementing any tax planning technique discussed in this letter.*** You cannot properly evaluate a particular planning strategy without calculating your overall tax liability (including the alternative minimum tax and any state income tax) with and without that strategy. **Please Note!** This letter contains ideas for Federal income tax planning only. ***State income tax issues are not addressed.***

We have grouped these legislative tax developments discussed below into two categories:

1) **LEGISLATIVE TAX DEVELOPMENTS IMPACTING PRIMARILY "INDIVIDUALS"**

2) **LEGISLATIVE TAX DEVELOPMENTS IMPACTING PRIMARILY "BUSINESSES"**

LEGISLATIVE TAX DEVELOPMENTS IMPACTING PRIMARILY INDIVIDUALS

Background. As noted in the above "Introduction," Congress has passed no less than five separate pieces of legislation since June 29, 2015 containing various new tax provisions. Of that legislation, the most significant is the ***Protecting Americans From Tax Hikes Act Of 2015 (PATH Act)*** which: Extends ***through 2016*** many tax provisions that had expired at the end of 2014; Extends other expired tax breaks ***through 2019;*** and Makes other expired tax breaks ***permanent.*** In addition, the PATH Act significantly expands certain existing tax breaks and also contains several new tax provisions. The following are highlights of key tax provisions contained in the PATH Act (and other recent legislation) that we believe will have the greatest impact on *"individual"* taxpayers:

Selected "Individual" Tax Breaks Extended Through 2016. The PATH Act extends several previously-expired tax breaks ***through 2016,*** such as the: Deduction (Up to $4,000) for Qualified Higher Education Expenses; Deduction for Mortgage Insurance Premiums as Qualified Residence Interest; and 10% Credit (with a lifetime $500 maximum) for Qualified Energy-Efficient Home Improvements (e.g., qualified energy-efficient windows, storm doors, roofing). **Planning Alert!** Individuals wishing to take advantage of these tax breaks ***should act by the end of 2016*** in case Congress does not extend these provisions beyond 2016. The following are several additional tax breaks scheduled to expire after ***2016:***

- **Income Exclusion For Discharge Of Qualified Principal Residence Indebtedness.** A special rule allowing an individual to exclude from income the discharge (e.g., forgiveness) of all or a portion of a mortgage loan (not exceeding $2 million) that was incurred to purchase, construct, or substantially improve the individual's principal residence**.** **Planning Alert!** The exclusion also applies to qualifying debt ***discharged after 2016*** if the discharge is made under a binding written agreement ***entered into before 2017.*** **Tax Tip.** This exclusion could potentially apply to debt forgiveness involving the "short sale" or foreclosure of a principal residence.

- **30% Credit For Qualified Energy-Efficient Fuel Cell Property, Small Wind Energy Property, And Geothermal Heat Pump Property.** An individual is allowed a 30% tax credit known as the residential energy efficient property (REEP) credit, for the cost of installing the following energy-efficient property in the individual's residence: **1)** ***Qualified fuel cell property,*** **2)** ***Qualified small wind energy*** **property; and 3)** ***Qualified geothermal heat pump property.*** These credits are scheduled to *expire for property placed-in-service after 2016.* **Planning Alert!** The 30% REEP credit for ***"Qualified Solar Electric Property"*** and ***"Qualified Solar Water Heating Property"*** doesn't expire after 2016 as discussed in the next paragraph.

The 30% REEP Credit For Qualified Solar Electric And Solar Water Heating Property Begins Phasing Out After 2019. The 30% REEP credit for qualifying solar electric and solar water heating property was scheduled to expire after 2016. However, the Consolidated Appropriations Act extends the 30% REEP credit for qualifying ***solar electric property*** and ***solar water heating property through 2019.*** The credit drops to 26% for qualifying solar property placed-in-service in 2020, to 22% if placed-in-service in 2021, and expires altogether if placed-in-service after 2021.

Selected "Individual" Tax Breaks Made "Permanent." The following individual tax breaks had previously expired at the end of 2014. However, the PATH Act retroactively reinstates these provisions and ***makes them permanent:*** **1)** Election to Deduct State and Local Sales Taxes; **2)** Enhanced American Opportunity Tax Credit up to $2,500 for Qualified Tuition; **3)** Enhanced "Refundable" Child Tax Credit up to $1,000 for Dependents Under Age 17; **4)** Enhanced Earned Income Tax Credit (EITC) Provisions; **5)** Expanded Deduction and Carryover Limits for Charitable Contributions of Conservation Easements, **6)** Special Tax Break Allowing IRAs of Individuals Who Are at Least Age 70½ to Make Charitable Contributions, and **7)** Special "Above the Line" Deduction Allowed for Certain Expenses of Teachers.

- **Enhancement Of School Teachers' Deduction.** Historically, teachers have been allowed an "above the line" deduction (with annual cap of $250) for various school supplies. However, starting ***in 2016,*** in addition to allowing teachers a deduction for school supplies, the PATH Act allows teachers an "above-the-line" deduction (with an overall annual cap of $250) for amounts paid ***for certain professional development courses.*** Such courses must be related **1)** To the curriculum in which the teacher provides instruction, ***or*** **2)** To the students for whom the teacher provides instruction. Before this change, a teacher's unreimbursed expenses for professional

development were classified as *miscellaneous itemized deductions* subject to the 2% threshold which, many times, caused the teacher to get little or no tax benefit from the expenditure. ***Starting in 2016,*** teachers should be aware of this change and retain documentation of unreimbursed costs they incur for professional development courses. Also the $250 annual cap on this deduction is indexed for inflation starting in 2016. However, for 2016, the cap remains at $250 even after considering inflation.

Expanded Tax Benefits For Section 529 Education Savings Plans (529 Plans). ***Generally effective after 2014,*** the PATH Act makes several pro-taxpayer changes to the tax rules that govern 529 plans, including: Expanding qualified tax-free distributions to the purchase of computer-related expenditures; Providing a new 60-day window to re-contribute previously distributed 529 plan funds where qualifying education expenditures (e.g., tuition) are refunded; and, Removal of the aggregation rules for multiple 529 plans for determining whether and to what extent a non-qualifying distribution represents taxable income.

Starting In 2016 Taxpayers Must Have Form 1098-T In Order To Claim Education Credits Or Tuition Deductions. Generally, educational institutions are required to provide Form 1098-T to attending students and file a copy of Form 1098-T with the IRS. This form contains information regarding the student's qualifying tuition and related fees that are used to determine various education-related tax credits and deductions. ***Effective for tax years beginning after June 29, 2015,*** the Trade Act provides that the following education tax breaks will not be allowed unless the taxpayer possesses a valid Form 1098-T from the educational institution: **1)** The ***American Opportunity Tax Credit*** (up to $2,500 per qualifying student – generally used for the first four years of post-high school education); **2)** The ***Lifetime Learning Credit*** (up to $2,000 per qualifying taxpayer – generally used for graduate school), **and 3)** The college ***Tuition and Fees Deduction*** (up to $4,000). This new documentation requirement effectively means that, if you qualify for any of these education tax benefits, ***you will need Form 1098-T*** before you can claim an education credit or deduction on your 2016 return. **Planning Alert!** As mentioned above, the ***American Opportunity Tax Credit*** (as well as the Lifetime Learning Credit) is now permanent; however, the ***Tuition and Fees Deduction*** of up to $4,000 is ***scheduled to expire after 2016.***

New Due Date And Allowable Extensions For FinCEN Form 114 (FBAR). Generally, if you own (or have signatory authority over) foreign financial accounts exceeding an aggregate value of $10,000 at any time during the year, you are required to file FinCEN Form 114 ("*Report of Foreign Bank and Financial Accounts*" or "FBAR"). Previously, the due date for filing this FinCEN Form 114 was June 30 of the year immediately following the reporting year, and no extensions were available. ***For years beginning after 2015,*** the Transportation Act provides that the ***initial due date*** for ***FinCen Form 114*** will be ***April 15th*** of the following year (i.e., generally the same initial due date for your Form 1040). The Act also provides for a maximum ***extended due date*** until the following ***October 15th***. In addition, the IRS is authorized to waive the penalty for failure to timely request an extension for filing the form for any taxpayer who is required to file FinCEN Form 114 for the first time. **Planning Alert!** According to proposed regulations issued by the Treasury Department in March 2016, the ***due date for the 2016 FinCEN Form 114*** is ***April 15, 2017.*** The proposed regulations also provide that "extensions to October 15 of the reporting year are available upon request." However, the regulations do not say how the extension is to be requested or whether the extension request will be automatically approved.

LEGISLATIVE TAX DEVELOPMENTS IMPACTING PRIMARILY BUSINESSES

Background. As previously discussed in this letter, over recent months Congress has passed several bills containing a variety of tax provisions that impact businesses of all sizes. This segment provides an overview of these provisions which may have an impact on your *"business"* activities.

Selected **"Business" Tax Breaks Extended Through 2016.** The PATH Act extends the following business tax breaks through ***2016:*** **1)** Deductions for certain energy-efficient commercial buildings; **2)** Credit for sale of certain energy-efficient new homes; **3)** 7-year depreciation period for certain motor sports racetrack property; **4)** Several tax benefits for qualified energy-efficient expenditures and for qualifying investments in Empowerment Zones; and **5)** 3-year depreciation period for certain race horses.

Selected* "Business" Tax Breaks Made "Permanent."** The PATH Act also retroactively reinstates the following provisions which had previously expired at the end of 2014 – and makes the provisions ***permanent for future years: **1)** 15-year (instead of 39-year) depreciation period for "Qualified" Leasehold Improvement Property, Restaurant Property, and Retail Improvement Property; **2)** Enhanced charitable contribution rules for qualifying business entities contributing food inventory; **3)** Favorable S corporation provisions for charitable contributions of capital gain property; **4)** Parity between employer-provided parking and transportation fringe benefits; **5)** 5-year (instead of 10-year) waiting period for S corporations to avoid the built-in gains tax; **6)** Exclusion of 100% of gain on the sale of certain small business stock for both regular tax and AMT purposes; and **7)** The 20% Differential Wage Credit for qualifying differential wages paid to employees that are called to active military duty (**Note!** Employers of any size may now qualify for this credit).

In addition, the PATH Act not only made the following business tax breaks ***permanent,*** it also ***expanded these tax breaks*** to make them more beneficial:

- **Research & Experimentation Credit Made Permanent And Expanded For Certain Small Businesses.** For ***taxable years beginning after 2015, the PATH Act*** not only made the R&E Credit permanent, but also expanded it by: **1)** Allowing a ***"eligible small business"*** (generally a business that meets a $50 million or less average gross receipts threshold) to use the R&E Credit to offset both *"regular"* tax and the *"alternative minimum tax (AMT),"* and **2)** Allowing ***"qualified small businesses"*** to elect to offset its R&E credit against its employer portion of the OASDI payroll tax liability. A **"qualified small business"** is generally a business **1)** With ***gross receipts of less than $5 million*** for the taxable year, ***and* 2)** That ***did not have gross receipts*** for any taxable year ***before the five-taxable-year period*** – *ending with the current taxable year.* **Practice Alert!** In August, the IRS released a draft copy of new Form 8974 to be used by *"qualified small businesses"* to claim the R&E credit against the employer's share of OASDI liability.

- **Section 179 Deduction Expanded And Made Permanent.** For tax years beginning in 2010 through 2014, the maximum Section 179 deduction for the cost of qualifying new or used depreciable tangible personal property (e.g., business equipment, computers, etc.) was temporarily increased to $500,000. During that same period, the phase-out threshold of the Section 179 deduction for qualifying Section 179 property acquisitions was temporarily increased to $2,000,000. In addition, for purchases in 2010 through 2014, taxpayers were temporarily allowed to treat up to $250,000 of *"qualified real property"* (discussed below) as Section 179 property.

  The **PATH Act** ***makes these "expanded" Section 179 provisions permanent*** (i.e., the $500,000 Section 179 cap; the Section 179 deduction for "qualified real property;" and the $2,000,000 phase-out threshold). The PATH Act also permanently allows taxpayers to take the Section 179 deduction for off-the-shelf computer software and to make or modify the Section 179 election on an amended return. In addition, for property placed-in-service in tax years beginning ***after 2015,*** the Act permanently indexes the Section 179 caps for inflation.

- **Separate $250,000 Cap For *"Qualified Real Property"* Eliminated.** For tax years beginning in 2010 through 2015, the Section 179 deduction for "*Qualified Real Property*" was capped at $250,000. For *Qualified Real Property* ***placed-in-service in tax years beginning after 2015,*** the PATH Act removes the $250,000 cap. Thus, *Qualified Real Property* is now subject to the overall Section 179 cap of $500,000 (as indexed for inflation). **Caution!** The $500,000 overall cap is reduced by any Section 179 deduction taken for *Qualified Real Property.*

  "Qualified Real Property" includes property within any of the following three categories: **1)** *Qualified Leasehold Improvement Property* (generally capital improvements to the interior portion of certain leased buildings that are used for nonresidential purposes); **2)** *Qualified Retail Improvement Property* (generally capital improvements made to certain buildings which are open to the general public for the retail sale of tangible personal property); and **3)** *Qualified Restaurant Property* (generally capital expenditures for the improvement, purchase, or construction of a building, if more than 50% of the building's square footage is devoted to the preparation of, and seating for, the on-premises consumption of prepared meals).

<u>Selected "Business" Tax Breaks Extended Through 2019.</u> The PATH Act extends certain business tax breaks fully ***through 2019.*** For example, the 30% business credit for certain ***solar energy property*** is extended fully through 2019, but begins phasing ***out after 2019.*** In addition, the following business tax breaks were not only ***extended through 2019,*** but ***were also expanded*** so that they will benefit more taxpayers:

- **<u>First-Year 168(k) Depreciation Deduction Expanded And Extended Through 2019.</u>** The 50% first-year 168(k) bonus depreciation deduction was previously scheduled to expire for qualifying property placed-in-service after 2014. The PATH Act extends the 168(k) deduction for *qualifying* "new" business property placed-in-service ***through December 31, 2019*** (through December 31, 2020 for certain long-production-period property and qualifying noncommercial aircraft), as follows: **1)** A ***50% bonus*** depreciation allowance for qualified property placed-in-service ***in 2015 through 2017*****; 2)** A ***40% bonus*** depreciation allowance for qualified property placed-in-service ***in 2018*** (2019 for certain long-production-period property and qualifying noncommercial aircraft); and **3)** A ***30% bonus*** depreciation allowance for qualified property placed-in-service ***in 2019*** (2020 for certain long-production-period property and qualifying noncommercial aircraft*).* Property qualifying for the 168(k) bonus depreciation deduction generally includes *"new"* business property that has a depreciable life for tax purposes of *20 years or less* (e.g., machinery and equipment, furniture and fixtures, cars and light general purpose trucks, sidewalks, roads, landscaping, depreciable computer software, farm buildings, and qualified motor fuels facilities).

  - **"Qualified Leasehold Improvement Property" Replaced With "Qualified Improvement Property."** For property placed-in-service ***before 2016,*** "*Qualified Leasehold Improvement Property*" (QLIP) qualified for the 168(k) bonus depreciation deduction. QLIP generally includes capital improvements to the interior portion of a commercial (nonresidential) building, if the building is at least three years old and the **improvements are made pursuant to a lease –** ***provided the lease is not between related parties.*** Thus, any improvements to an otherwise qualifying building pursuant to a *"related-party"* lease ***did not*** qualify for the 168(k) bonus depreciation deduction.

    For ***property placed-in-service after 2015,*** the PATH Act provides that the168(k) bonus depreciation deduction applies to *"Qualified Improvement Property."* ***"Qualified Improvement Property"*** (QIP*)* is generally an improvement to the interior portion of an existing commercial building (provided the improvement is not attributable to an enlargement of the building, elevators or escalators, or the internal structural framework of the building). **<u>Planning Alert!</u>** The definition of *QIP* largely follows the definition of *QLIP* – except that building improvements constituting *QIP* do not have to be made pursuant to a *lease* and the improvements only have to be placed-in-service *"after"* the building was initially placed-in-service (i.e., the improvement no longer has to be made more than *"3 years"* after the building was first placed-in-service). Therefore, an otherwise qualifying improvement to a building where the improvements are placed-in-service after 2015, may qualify for the 168(k) bonus depreciation deduction **1)** Where the property is not subject to a lease, or **2)** Where the property is subject to a lease and the lease is between related parties or unrelated parties. Thus, for property ***placed-in-service after 2015,*** otherwise qualifying improvements to a commercial building under a related-party lease may qualify for the 168(k) bonus depreciation – even though the very same improvements would not have qualified if placed-in-service before 2016!

- **Acceleration Of 168(k) Deduction For Certain Fruit/Nut-Bearing Trees, Vines, And Plants.** The PATH Act also allows a taxpayer to *"elect"* to accelerate the date the 168(k) bonus depreciation deduction can be taken with respect to ***certain trees, vines, and plants*** bearing fruit or nuts to the tax year the trees, vines, and plants ***are planted or grafted*** (if planted or grafted after 2015), rather than the tax year they are placed-in-service.

- **<u>168(k) Bonus Depreciation Deduction For Passenger Automobiles, Trucks, And SUVs Extended Trough 2019.</u>** The maximum annual depreciation deduction (including the Section 179 deduction) for most *business automobiles* is capped at certain dollar amounts. For a business auto first placed-in-service in ***calendar year 2016,*** the maximum first-year depreciation deduction is generally capped at $3,160 ($3,560 for trucks and vans not weighing over 6,000 lbs). However, Congress previously increased the first-year depreciation cap by $8,000 through 2014 for qualifying new vehicles otherwise qualifying for the 168(k) depreciation deduction. The PATH

Act extends this $8,000 increase in the first-year depreciation deduction limitation to 2015 through 2017 (i.e., for qualifying vehicles placed-in-service in 2016 the cap is $11,160, and $11,560 for trucks and vans). For new vehicles placed-in-service after 2017, the increase in the depreciation limit will be reduced to $6,400 for 2018, $4,800 for 2019, and no increase for 2020 and subsequent years.

- **Work Opportunity Tax Credit Expanded And Extended Through 2019.** For the past two decades, many employers have taken advantage of the popular ***"Work Opportunity Tax Credit"*** (WOTC) by hiring employees from certain disadvantaged groups. The PATH Act extends the WOTC for qualifying individuals who ***begin work before 2020.*** In addition, with respect to individuals who begin work for an employer ***after 2015,*** the Act expands the credit to apply to wages paid to ***"Qualified Long-Term Unemployment Recipients"*** (i.e., a new employee who has been unemployed for 27 consecutive weeks or more). **Planning Pointer!** The instructions to the Form 8850 provide detailed information on the categories of workers who qualify for the WOTC (including the new category of ***"Qualified Long-Term Unemployment Recipients"***). You can locate Form 8850 at www.irs.gov. **Planning Alert!** To qualify for the WOTC, employers must complete IRS ***Form 8850*** ("Pre-Screening Notice and Certification Request for the Work Opportunity Credit") and the employer generally must submit that form to the State Workforce Agency ***no later than 28 days*** after the employee begins work. The IRS previously announced for qualifying employees ***hired on or after January 1, 2015 through August 31, 2016,*** employers ***had until September 28, 2016*** to submit the Form 8850 to the State Workforce Agency.

Revised Due Dates For Various Tax Returns. For ***tax years beginning after 2015***, the Transportation Act revises the initial due dates and/or the extended due dates for various tax returns including: ***Form 1065*** (partnership return) and ***Form 1120*** ("C" corporation tax return). **Planning Alert!** Since these new due date provisions are effective for ***tax years beginning after 2015***, the new deadlines ***will first apply*** to ***2016 returns*** – which are filed ***after 2016.***

The following are just a few examples of the new due dates and extended due dates provided by the Transportation Act for ***returns for tax years beginning after 2015:***

- **Partnership Returns (Form 1065).** The ***"Initial"*** due date for a ***Partnership Return*** (Form 1065) will be the 15th day of the ***"third"*** month following year-end (i.e., March 15 of the following year for a calendar-year partnership). Previously, partnership returns were due the 15th day of the ***"fourth"*** month (i.e., April 15 of the following year for a calendar-year partnership). However, the ***"Extended"*** due date for partnership returns will not change (i.e., it is the 15th day of the ninth month of the following year under both old and new law - September 15 for calendar-year partnerships).

- **Calendar-Year "C" Corporation Returns (Form 1120).** The ***"Initial"*** due date for a calendar-year "C" corporation return will be April 15 of the following year (previously the initial due date was March 15 of the following year). However, the ***"Extended"*** due date for calendar-year "C" corporation returns will be September 15 of the following year which is the same as the extended due date for calendar-year C corporation returns under prior law.

- **Due Dates For "S" Corporation Returns Remain Unchanged (Form 1120S).** The Transportation Act does not change the initial due date or the extended due date for "S" corporation tax returns.

- **W-2s And 1099s.** In order to cut down on identity theft, for ***information returns filed after 2016*** (e.g., 2016 forms filed in 2017), the PATH Act requires Forms W-2, W-2AS, W-2CM, W-2GU, W-2VI, W-3 and W-3SS to be filed with the Social Security Administration (SSA) ***by January 31*** (i.e., the same date these forms are due to be filed with the recipient of the compensation). **Caution!** In addition, there is no longer an extended filing date for forms filed electronically. Furthermore, ***extensions of time to file Forms W-2 with the SSA are no longer automatic***. For filings due on or after January 1, 2017, ***employers may request one 30-day extension to file Form W-2*** by submitting a complete application to the IRS **on Form 8809,** including a detailed explanation of why additional time is needed. The instructions to Forms W-2 and W-3 say that **an *extension will only be granted in extraordinary circumstances or catastrophe*.**

The Act also provides that ***Forms 1099-MISC which report nonemployee compensation*** must be filed with the IRS ***on or before January 31*** of the following year beginning with 2016 Forms 1099-MISC whether or not the forms are filed electronically. If the Form 1099-MISC does not show nonemployee compensation in Box 7, the form continues to be due with the IRS by February 28th of the following year or by March 31st of the following year if filed electronically.

- **Other Returns.** In addition to the Forms listed above, the Transportation Act changes the due dates and/or the extended due dates for several other forms for tax years beginning after 2015, including: "C" Corporation Returns With Fiscal Years; Form 990 (Return For Exempt Organizations); and Form 4720 (Return For Certain Excise Taxes).

Failure To Timely File Certain "Information" Returns Has Become More Costly. Effective for returns ***required to be filed after 2015,*** the Trade Act significantly increases the monetary penalties for failing to file certain information returns (e.g., the Form 1099 series, and the new Affordable Care Act Forms 1095-B and 1095-C). For example, the penalty for failing to file a Form 1099 with the payee is increased from $100 in 2014 to $260 for 2016 (as indexed for inflation) for each Form 1099. In addition, the failure to file a Form 1099 with the IRS is also increased from $100 to $260 for 2016. Therefore, failure to file a 2016 Form 1099 ***required to be filed in 2017*** with both the payee and the IRS would generally trigger a total ***penalty of $520*** ($260 for failing to file with the payee, plus $260 for failing to file with the IRS).

Temporary Suspension Of 2.3% Medical Device Tax – For 2016 And 2017 Only! Effective ***for sales after 2015,*** the PATH Act temporarily suspends the 2.3% medical device excise tax for a period of two years (i.e., suspended for sales ***on or after January 1, 2016 and before January 1, 2018).***

FINAL COMMENTS

Please contact us if you are interested in a tax topic that we did not discuss. Tax law is constantly changing due to new legislation, court cases, regulations, and IRS rulings. Our firm closely monitors these changes. In addition, please call us before implementing any of the planning ideas discussed in this letter, or if you need additional information. **Note!** The information contained in this letter represents a general overview of tax developments and should not be relied upon without an independent, professional analysis of how any of the items discussed may apply to a specific situation.

Disclaimer: Any tax advice contained in the body of this material was not intended or written to be used, and cannot be used, by the recipient for the purpose of promoting, marketing, or recommending to another party any transaction or matter addressed herein. The preceding information is intended as a general discussion of the subject addressed and is not intended as a formal tax opinion. The recipient should not rely on any information contained herein without performing his or her own research verifying the conclusions reached. The conclusions reached should not be relied upon without an independent, professional analysis of the facts and law applicable to the situation.