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May 2017

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CHUCK HOEFER RETIREMENT

Chuck is happy to announce his retirement as of May 1, 2017 after fifteen years with Corporate Farmer.

This doesn't come as a surprise to his clients and those of you that speak with Chuck on the phone. Retirement is something he has been hinting at for several years.

He started with Corporate Farmer on January 2, 2002. Previously he worked for Lee Enterprises as a controller and in public accounting with McGladrey & Pullen LP, now known as RSM US LLP.

Chuck grew up in Williams, Iowa on a family farm. After high school he was drafted into the army and served in Vietnam. When he returned from duty he enrolled at the University of Northern Iowa where he received his accounting degree.

Chuck's wife Carolyn was also a CPA and worked for many years with RSM US LLP in the Mason City office. She passed away on January 1, 2017.

His plans for retirement include moving closer to his family so that he can follow his nieces and nephews activities.

We want to thank Chuck for his commitment to Corporate Farmer and our clients. Everyone at Corporate Farmer wishes him well in retirement.

DECLINING AUDIT RATES A RESULT OF IRS BUDGET CUTS

Declining audit rates reflect budget cuts, Tammy Ripperda, deputy commissioner, Small Business/Self Employed Division, IRS, told practitioners at the May Meeting of the American Bar Association (ABA) Section of Taxation on May 12 in Washington, D.C. In response, the Service is working to improve efficiencies in operations and reduce taxpayer burdens, Ripperda said.

The IRS audited 0.7 percent of all individual income tax returns in calendar year 2015. Approximately two-thirds

of individual audits were correspondence audits and one-third were field audits, the Service reported.

The Service is doing more with less, Ripperda said, and this impacts audit coverage. One practitioner noted that entrepreneurs appear to be subject to audits more than other taxpayers.

Ripperda also described a pilot program involving online communications with taxpayers. "We can send a document request to the taxpayer and the taxpayer can upload documents in response," Ripperda said. Both the taxpayer and the taxpayer's representative have to go through an authentication process, she explained, adding that "the pilot is invitation only."

TRUMP NOMINATES KAUTTER FOR TOP TREASURY TAX POLICY POST

President Trump has nominated David J. Kautter to be the Treasury's next assistant secretary for tax policy, the White House announced on May 10. Kautter's current position is partner-in-charge with RSM US LLP, a tax and consulting services firm. Previously, Kautter served as the managing director of Kogod Tax Center, an independent tax research institute located at American University's Kogod School of Business, and spent over 30 years at Ernst & Young LLP (EY), where he served as director of national tax for over 13 years, the White House noted.

Kautter's tax policy views are said to be in-line with the Trump administration's. Kautter testified before the House Small Business Committee in 2014 that "the country would be better served if 'corporate tax reform' is approached as 'business tax reform.'"

DUE DATES FOR BUSINESS RETURNS CHANGED FOR 2016

The due dates for partnership and C corporation returns have flipped starting in 2017 with the filing of 2016 returns thanks to the Surface Transportation and Veterans Health Care Choice Improvement Act of 2015.

Partnerships

In the past partnership tax returns were due on the same day as individual income tax returns, April 15. Beginning with 2016 tax year returns, the Transportation Act accelerates the due date to March 15 for filing partnership tax returns and issuing Schedules K-1 to partners (the same due date as S corporations).

C Corporations

Calendar year C corporations will get a little break with a change in filing date from March 15 to April 15. With the extra 30 days, C corporations have additional time for final information gathering and reporting. This change may allow more companies to timely file their tax returns

One interesting note in the new law: the filing date for a C corporation with a June 30 year end does not change until the year 2026. This oddity is strictly the result of how a change to the June filing dates would impact the federal budget. The fiscal year for the US government ends September 30. Pushing the due dates for all June ending corporation into the next fiscal year would have a major impact on all budget calculations which are

typically projected out ten years into the future.

Therefore, Congress chose to delay the change in due dates for June ending corporations until 2026 so as not to mess with their budget projections.

It is important to check when tax returns are due for all states in which taxpayers operate, because individual states may not conform to the Federal filing dates. In addition, please keep in mind that the same holiday and weekend due date adjustments apply for Federal filing.

TRUMP TAX REFORM PRIORITIES REVIELED

- Grow the Economy and Create Jobs
- Simplify our Burdensome Tax Code
- Provide Tax Relief to American Families- especially Middle-Income Families
- Lower the Business Tax Rate from One of the Highest in the World to one of the Lowest

The points seem simple and the task will be great but we hope it becomes reality for 2018 and beyond.