VOL 10
JUNE 2014

MEADOWS COLLIER

ATTORNEYS AT LAW

MEADOWS, COLLIER, REED, COUSINS,
CROUCH & UNGERMAN, L.L.P.

901 MAIN STREET, STE 3700, DALLAS, TX 75202 ▪ P 214.744.3700 ▪ F 214.747.3732
TOLL FREE 800.451.0093 ▪ WWW.MEADOWSCOLLIER.COM

DAVID NORMAN REED

NOVEMBER 24, 1949 – DECEMBER 31, 2013

IN THIS ISSUE

Like-Kind Exchanges of Oil and Gas Properties – Planning Around the Pitfalls 2

Increased IRS Examinations of Captive Insurance Agreements 3

New Automatic Extension for Filing Estate Tax Returns and Electing Portability 4

Determining "Applicable Large Employer" Status under the Affordable Care Act 5

David Norman Reed died Tuesday, December 31, 2013 in Dallas from a heart attack. He was 64 years old.

David was born and grew up in Fort Worth, TX graduating from Fort Worth's Paschal High School. David received his B.A. from the University of Texas at Austin in 1971. While attending the University of Texas at Austin, he was a member of the Pi Kappa Alpha Fraternity. David received his J.D. in 1974 from Southern Methodist University Dedman School of Law. During law school, he was the recipient of the Russell M. Baker Moot Court Award.

In 1974, David began his legal career as a trial attorney with the U.S. Securities and Exchange Commission. In 1979, he left government service and went into private practice joining the firm of Durant Mankoff. In 1983, David became a founding partner of the firm now known as Meadows, Collier, Reed, Cousins, Crouch & Ungerman, L.L.P. For over 30 years, David counseled his clients on a wide array of legal issues while practicing Corporate and Securities Law, and White Collar and Government Regulatory Litigation. David also served as the "in-house counsel" for the firm.

David was a member of the American and Dallas Bar Associations. He was a Fellow of the Dallas Bar Foundation. David was a member of the State Bar of Texas, the Business Law Section and served on the Securities Law Committee. He was also a member of the Texas Association of Bank Counsel. In October 2013, David was recognized as a Top Rated Lawyer in White Collar Criminal Defense Law by ALM as published in *The American Lawyer*, *Corporate Counsel* and *The National Law Journal*.

He loved to read news stories or books about historical or political topics. Winston Churchill, widely regarded as one of the greatest wartime leaders of the twentieth century, was one of his favorites. David also enjoyed sports, particularly watching Longhorn football and playing golf.

David was a thoughtful, supportive and patient person. He lived his life guided by the principles of kindness and forgiveness. Chuck Meadows regards David as, "the nicest attorney he had the pleasure of practicing law with." David was the "conscience" of the firm. He is truly missed by many.

LIKE-KIND EXCHANGES OF OIL AND GAS PROPERTIES — THE RESULTS MAY SURPRISE YOU

BY THOMAS G. HINEMAN, J.D., LL.M.

In general, section 1031 provides that no gain or loss is recognized upon an exchange of property held for use in a trade or business or for investment for like-kind property which is also held for use in a trade or business or for investment. However, gain is recognized to the extent of any money and the fair market value of property received which is not of like-kind ("boot"). Any net liability relief in the exchange is treated as money received. The term "like-kind" refers to the nature or character of the property rather than its grade or quality. Whether real property is improved or unimproved is immaterial as that relates only to its grade or quality and not to its kind or class.

In many respects, the treatment of a like-kind exchange of oil and gas property is similar to a like-kind exchange of any real property. In fact an oil and gas mineral fee, working interest or royalty is treated as like-kind to such diverse real property interests as a city lot[1], improved real estate[2], a ranch[3] or other forms of oil and gas interests. Dealer property is excluded from like-kind exchange treatment. However, in other respects exchanges involving oil and gas properties present potential traps not present in conventional real property exchanges.

Trap Number One. Avoid retention of a royalty when exchanging a mineral fee or working interest. In *Crooks v. Commissioner*, 92 T.C. 816, the taxpayer exchanged mineral rights in a farm in exchange for four other farms and new farm equipment and retained a one-fourth royalty interest. The Tax Court held that the transaction constituted a lease. Citing *Burnet v. Harmel*, 287 U.S. 103 (1932), the Court concluded that an assignment of a mineral interest in exchange for cash and retention of a specified percentage of oil and gas produced constitutes a lease. Thus, the farms and equipment received in the exchange constituted a lease bonus taxable as ordinary income. The court expressly rejected the taxpayer's contention that the transaction constituted a 1031 exchange.

Trap Number Two. Care must also be taken that the exchange of a fractional working interest does not constitute an exchange of a partnership interest for federal income tax purposes. Generally, joint operation of oil and gas properties as fractional undivided working interest owners constitutes a partnership for tax purposes. Under section 1031(a)(2)(D) partnership interests are excluded from 1031 exchanges. However, if the fractional working interest owners have elected out of subchapter K under section 761 the fractional working interest should qualify for like-kind exchange treatment.[4]

Trap Number Three. While oil and gas interests may be exchanged for various types of real property interests under section 1031, the exchange may produce surprising results under the recapture rules of section 1254 that differ from conventional exchanges of real property. Under the general rules of section 1031, recapture is recognized to the extent not in excess of the amount of gain recognized on the exchange. However, under Reg. § 1.1254-2(d) if natural resource recapture property is disposed of and gain (determined without regard to section 1254) is not recognized, in whole or in part, under section 1031, the amount of gain taken into account under section 1254(a)(1) includes not only the amount of gain recognized (as determined without regard to section 1254) but also the fair market value of any replacement property which is not natural resource recapture property. Thus, even though the gain recognized without regard to section 1254 is less than the amount of potential recapture, additional recapture may nevertheless be triggered on the exchange to the extent of the fair market value of replacement property which is not natural resource recapture property.

For instance, assume that Wildcat Oil and Gas exchanges oil and gas working interests with a basis of $1,000 and a fair market value of $6,000, which is subject to recapture of IDC and depletion in the amount of $2,000. Wildcat receives, in return, other working interests worth $3,500 and a city lot worth $2,500 (which is not natural resource recapture property). Even though the exchange qualifies as a like-kind exchange for which gain is not recognized (without regard to section 1254), the full $2,000 recapture amount is triggered because the city lot received in the exchange (valued at $2,500) is not natural resource recapture property.

In the case of property placed in service by the taxpayer after 1986, natural resource recapture property is property with respect to which deductions pursuant to sections 263, 616 or 617 (which are section 1254 costs) are properly chargeable, or property the adjusted basis of which includes adjustments for depletion under section 611. Section 1254 costs are deductions pursuant to sections 59(e), 263(c)and (i), 291(b)(2), 616 or 617 with respect to the property which would have been included in the basis of the property, or depreciable property associated with the property, and depletion which reduced the basis of the property. Therefore, percentage depletion in excess of basis is not taken into account for purposes of section 1254. In general, most oil and gas property placed in service after 1986 may constitute section 1254 property because either a deduction for IDC or depletion will result in a characterization as 1254 property.[5]

Thomas G. Hineman is a firm partner practicing in the areas of Income Tax and Business Planning, Estate Planning and Probate, Corporate and Securities and State Tax Planning and Litigation. Mr. Hineman is Board Certified in Tax Law by the Texas Board of Legal Specialization.

thineman@meadowscollier.com

[1] *Commissioner v Crichton*, 122 F.2d 181 (5th Cir. 1941).
[2] PLR 8135048.
[3] Rev. Rul. 68-331, 1968-1 C.B. 352.
[4] Reg. §1.1031(a)-1(a).
[5] Such expenditure is properly chargeable to the property if – (1) The property is an operating mineral interest with respect to which the expenditure has been deducted . . . (emphasis added). Reg. §1.1254-1(b)(2)(iv).

IRS INCREASES SCRUTINY OF CAPTIVE INSURANCE — RED FLAGS FROM THE IRS PLAYBOOK

BY JOSH O. UNGERMAN, J.D., CPA

With IRS examinations of captive insurance arrangements on the rise, the time is now to revisit your captive insurance arrangement or ask targeted questions to your provider about past and proposed captive insurance transactions.

Captive insurance is a very powerful tool in insuring against business risks. In a successful captive scenario, an IRC § 162 deduction is available for insurance premiums paid by the insuring business and up to $1.2 million of the captive insurance company's earnings may escape taxation. The IRS is aware of these powerful benefits and believes that numerous abusive arrangements exist that do not, in fact, offer valid insurance.

In examining a captive arrangement, the IRS will initially demand copies of all promotional materials. Throughout the IRS examination, the IRS will look for the following "red flags":

1. Materials emphasizing the income tax goals of the captive insurance arrangement. The IRS will evaluate whether such materials emphasize premium deductions as opposed to insurance needs.
2. The realistic probability of coverage applying to the business. If the likelihood of the insurable event happening is low, the IRS believes the cost of coverage should likewise be low. To illustrate, there would be little need for hurricane coverage in a land locked area or earthquake coverage where there is no fault line within hundreds of miles.
3. Reverse engineering the amount of premiums to equal exactly the $1.2 million exemption amount to the penny. The IRS believes certain taxpayers are exploiting this advantage by signing up for premiums exactly at the $1.2 million level.
4. An impermissible circular flow of funds where the premium monies, either through loans or distributions, ultimately end up in the hands of the business or a closely related party. The IRS has a history of suspicion over the "circular flow" of funds.
5. Lack of adequate risk distribution to be considered an insurance company for tax purposes. This arises where the captive insures only the single business and simply holds the premium monies in the event of a claim. The IRS is very focused on a perceived lack of risk distribution and risk shifting in certain captive arrangements.
6. Failure to obtain an actuarial study supporting the premiums charged by the captive for the insurance. The IRS will examine the underwriting process.
7. Lack of an analysis of the cost and availability of commercial insurance in the non-captive market. The IRS believes that insurance rates far in excess of commercially available rates defy common sense.
8. Materials emphasizing the estate planning benefits of the captive insurance structure. For instance, the IRS will scrutinize a captive insurance company owned by a family limited partnership or irrevocable trusts that benefits the business owners' family members. The IRS takes the position that I.R.C. § 831(b) was not enacted as an estate planning tool, but to assist taxpayers who want to manage risk.
9. The existence of guarantees. The IRS believes that guarantees may be an indication of inadequate capitalization.
10. Lack of claims history. The IRS believes that no claims may indicate that the insurance pool is insufficient and risk shifting may not exist.

The existence of these so called "red flags" by no means automatically invalidates a captive arrangement. The IRS will instead use "red flags" as indicators to argue that in substance the captive arrangement lacks risk shifting, risk distribution, and fails to qualify as insurance in the commonly accepted sense. The post hoc review of the facts by the IRS is oftentimes limited to semantics in marketing materials and one or two technical missteps. The IRS is using the soft-doctrine of substance over form as a blunt weapon to attack certain captive insurance arrangements which the IRS perceives as one of the new dangers to the national fisc. Essentially, the IRS is taking the position that in substance, certain captives simply act as a self-insurance bank account.

Josh O. Ungerman, J.D., CPA is a firm partner practicing in the areas of Income Tax Litigation, Estate and Gift Tax Litigation, White Collar and Government Regulatory Litigation, State Tax Planning and Litigation, and Estate Planning and Probate.

jungerman@meadowscollier.com

NEW AUTOMATIC EXTENSION FOR FILING ESTATE TAX RETURNS AND ELECTING PORTABILITY

BY ERIC D. MARCHAND, J.D., LL.M.

Revenue Procedure 2014-18, issued by the IRS on January 27, 2014, provides an automatic extension for certain qualifying estates to file a federal estate tax return and make a portability election.

Background. For decedent's dying after December 31, 2010, IRC §2010(c) allows the surviving spouse of a decedent to use (during life and at death) the decedent's unused exclusion amount in addition to the surviving spouse's own basic exclusion amount [$5 million in 2011, $5.12 million in 2012, and $5.25 million in 2013]. The amount received by the surviving spouse is referred to as the deceased spousal unused exclusion (DSUE) amount.

IRC §2010(c)(5)(A) provides a DSUE amount may be taken into account by a surviving spouse in determining the surviving spouse's applicable exclusion amount. However, the DSUE amount may only be taken into account if the executor of the deceased spouse timely files a federal estate tax return ("Form 706") for the deceased spouse's estate, on which the executor computes the DSUE amount and makes a "portability" election.

For estates not required to file Form 706 (i.e., the value of the gross estate and adjusted taxable gifts was less than the basic exclusion amount for the year of death), it was unclear what constituted a timely filed return for purposes of making a portability election. The portability regulations clarify that if an executor is not required to file an estate tax return but does so to elect portability, the due date for filing such return is 9 months after the decedent's date of death or 15 months if the return is extended.

Because it is the regulations and not the statute that imposes a filing deadline for estates under the basic exclusion amount, the Service has authority under §301.9100-3 to grant an extension of time to file an estate tax return and elect portability in situations in which the decedent's estate was not required to file an estate tax return. After issuing several rulings under §301.9100-3, the Service determined it appropriate to provide a simplified method to obtain an extension of time to elect portability in certain circumstances.

New Automatic Extension (Rev. Proc. 2014-18). A taxpayer who meets the requirements listed below will be treated as satisfying the relief requirements under Reg. §301.9100-3 and will be granted an extension of time until December 31, 2014 to file Form 706 and make a portability election.

A taxpayer qualifies for relief only if:

1. The taxpayer is the executor of the estate of a decedent who:
   a. has a surviving spouse;
   b. died after December 31, 2010, and on or before December 31, 2013; and
   c. was a citizen or resident of the United States on the date of death.
2. The taxpayer is not required to file an estate tax return (as determined based on the value of the gross estate and adjusted taxable gifts);
3. The taxpayer did not file Form 706 within the time prescribed by the Regulations for filing Form 706 (i.e., 9 months, or 15 months if extended)

In addition, the taxpayer must satisfy two procedural requirements:

4. The executor must file a complete and properly-prepared Form 706 on or before December 31, 2014; and
5. The executor must state at the top of the Form 706 that the return is "FILED PURSUANT TO REV. PROC. 2014-18 TO ELECT PORTABILITY UNDER §2010(C)(5)(A)."

Satisfaction of the above requirements results in the taxpayer's Form 706 being considered timely filed. The taxpayer will receive an estate tax closing letter acknowledging receipt of the taxpayer's Form 706.

Limitations Period for Claim for Credit or Refund by Surviving Spouse. Rev. Proc. 2014-18 states that the time period provided in IRC §6511(a) to file a claim for credit or refund for an overpayment of tax will apply to a taxpayer that makes a portability election pursuant to the revenue procedure. IRC §6511(a) generally requires a taxpayer to file a claim within three years from the date of filing the tax return, or within two years from the date of payment of the tax, whichever period expires later.

For example, assume predeceasing spouse, S1, dies on January 1, 2011 and that S1's executor is not required to and does not file Form 706. S2 dies on January 14, 2011 with a taxable estate and S2's executor files Form 706, including the payment of estate tax, on October 14, 2011. To recover estate tax paid, S2's executor must file a claim for refund no later than October 14, 2014. This is the case even if the executor of S1's estate has not filed Form 706 pursuant to Rev. Proc. 2014-18 (such executor having until December 31, 2014 to file Form 706). The claim will be considered a protective claim for refund and may be considered and processed by the Service once S1's estate is considered to have elected portability pursuant to the new simplified procedure under Rev. Proc. 2014-18.

Pending Letter Ruling Requests. Pending letter ruling requests under §301.9100-3 that fall within the scope of the revenue procedure may be withdrawn prior to March 10, 2014 and receive a full refund of the user fee.

Eric D. Marchand is a firm partner practicing in the areas of Estate Planning and Probate, and Income Tax and Business Planning. Mr. Marchand is Board Certified in Estate Planning and Probate Law by the Texas Board of Legal Specialization.

emarchand@meadowscollier.com

APPLICABLE LARGE EMPLOYER STATUS UNDER THE AFFORDABLE CARE ACT

BY AARON P. BORDEN, J.D., CPA

Even though Notice 2013-45 has delayed employer penalties under the Affordable Care Act until 2015, employers, and their advisers, should be planning for the law now because employment decisions in 2014 will determine if the employer is an applicable large employer subject to penalties in 2015.

Employers could be subject to a penalty under section Code section 4980H in 2015 if at least one of their employees receives a tax credit or cost-sharing subsidy for purchasing health insurance through a health insurance exchange. However, the penalty is only imposed on "applicable large employers." The Code defines an applicable large employer as an employer who employed an average of at least 50 full-time employees including full-time equivalents during the preceding calendar year.

It is important to note that the applicable large employer status is determined by the employer's prior year employment. Employment in 2014 will determine whether an employer is an applicable large employer in 2015.

THE APPLICABLE LARGE EMPLOYER DETERMINATION IS A FIVE STEP PROCESS

From Code Section 4980H, Treas. Reg. Section 54.4980H-1, -2, and -3, a five step process can be developed for determining if an employer is an applicable large employer. First, determine if the employer is a member of a group of employers that must be consider as a single employer. Second, determine which employees are included in the calculation of the average number of employees. Third, determine the hours of service for each employee. Fourth, calculate the average number of employees, and finally determine if the employer is an exempted seasonal employer.

STEP 1: DETERMINE IF THE EMPLOYER IS A MEMBER OF A GROUP OF EMPLOYERS THAT IS CONSIDERED A SINGLE EMPLOYER

The employer is a member of a group that must be considered a single employer for purposes of determining applicable large employer status if the group would be a single employer under sections 414(b), (c), (m) & (o) of the Code (the employer is a member of a controlled group of corporations, a member of a group of businesses under common control, or a member of an affiliated group). All employees of all members of the group of employers are included in a single calculation of average number of employees to determine if the group is an applicable large employer.

STEP 2: DETERMINE WHICH EMPLOYEES ARE INCLUDED IN THE CALCULATION OF THE AVERAGE NUMBER OF EMPLOYEES

For purposes of determining applicable large employer status, the common law definition of an employee, as defined in Reg. § 31.3121(d)-1(c), is used to determine employees. The primary factor indicating an employer—employee relationship being the employer's right to direct the work to be performed and the method in which it is to be accomplished. All full-time and part-time employees employed during the prior calendar year are included in the calculation including those who are no longer employed by the employer. Independent contractors and leased employees are not included in the calculation. In addition, sole proprietors, two percent or more shareholders in an S corporation, and partners in a partnership are not employees for purposes of determining an employer's status as an applicable large employer.

STEP 3: DETERMINE THE NUMBER OF HOURS OF SERVICE FOR EACH EMPLOYEE DURING EACH CALENDAR MONTH OF THE PRECEDING YEAR

An hour of service is defined as each hour for which an employee is paid or entitled to payment for the performance of duties, vacation, holiday, illness, incapacity, layoff, jury duty or leave of absence. For hourly employees, the employer must determine actual hours of service from their employment records. For employees who are not paid on an hourly basis, the proposed regulations allow an employer to use a days-worked or weeks-worked equivalency as an alternative to the actual hours of service. The days-worked equivalency credits the employee with eight hours of service for each day that the employee had at least one hour of service. The weeks-worked equivalency credits the employee with 40 hours of service for each week in which the employee has at least one hour of service. However, the employer cannot use the days-worked or weeks-worked equivalency if it substantially understates an employee's hours of service. Work performed outside the U.S. is not included in an employee's hours of service.

STEP 4: CALCULATE THE AVERAGE NUMBER OF EMPLOYEES

First determine the employer's number of full-time employees during each calendar month of the previous calendar year. Employees are full-time if they averaged at least 30 hours of service per week during the month, and 130 hours of service in a calendar month is treated as the equivalent of 30 hours of service per week.

cont. on p. 7

THE FIRM NAMES TWO NEW PARTNERS

MICHAEL A. VILLA, J.D., LL.M.

Mr. Villa's areas of practice include White Collar and Government Regulatory Litigation, Income Tax Litigation and Commercial Litigation. His practice concentrates on resolving federal tax controversies and white collar crime such as securities, tax and bank fraud. He represents individuals, closely-held businesses, and large corporations in IRS audits, appeals, and litigation. Mr. Villa represents individuals and entities in business disputes and lawsuits involving fraud, breach of contract, breach of fiduciary duty, deceptive trade practices act violations, non-compete violations, business torts, and other commercial disputes.

Prior to joining the firm in 2007, he worked in Washington, D.C. as a Congressional intern to U.S. Senator John Breaux (retired) and worked as an Associate with a regional law firm in New Orleans, Louisiana. In 2004-2005, he served as a Judicial Clerk to the Honorable James J, Brady, U. S. District Court, Middle District of Louisiana.

Mr. Villa received his LL.M. in Taxation from New York University School of Law in 2007. He received his J.D. and Bachelor of Civil Law in 2004 from Louisiana State University Paul M. Hebert Law Center, and his B.A. from Louisiana State University in 2000. While attending Louisiana State University Paul M. Hebert Law Center, he received the L.S.U. Law Center Class of 1931 Hebert Memorial Scholarship and the Gene Hearn Memorial Scholarship.

Mr. Villa was named a Texas Super Lawyer as published in *Texas Monthly* and *Law and Politics Magazine* in 2013. In 2010 through 2012, he was named a Texas Rising Star as published in *Texas Monthly* and *Texas Super Lawyers-Rising Stars Edition*. He serves as the Chair of the IRS Investigations and Practices Subcommittee of the American Bar Association Section of Taxation. He speaks to accounting and legal professionals on substantive tax topics. He was admitted to practice in Louisiana in 2004 and in Texas in 2005.

mvilla@meadowscollier.com

MARY E. WOOD, J.D.

Ms. Wood's areas of practice include Income Tax Litigation, Estate and Gift Tax Litigation, Commercial Litigation, State Tax Planning and Litigation, and White Collar and Government Regulatory Litigation. Her practice concentrates on resolving federal and state tax controversies and white collar crime such as securities, tax and bank fraud. She represents individuals, closely-held businesses, and large corporations in IRS audits, appeals and litigation in the United State Tax Courts, Federal District Courts and United States Court of Federal Claims. Ms. Wood also represents individuals and entities in business disputes and lawsuits involving fraud, breach of contract, breach of fiduciary duty, deceptive trade practice act violations, non-compete violations, business torts, and other commercial disputes.

Ms. Wood received her J.D. from the University of Texas School of Law, with honors, in 2004. While attending law school, she was a member of the *Texas Journal of Business Law*. She received her B.B.A. in Accounting from Texas A&M University in 2001.

In 2013 and 2014, Ms. Wood was named a Texas Rising Star as published in *Texas Monthly* and *Texas Super Lawyers-Rising Stars Edition*. She is a member of the American Bar Association, State Bar of Texas including, serving as a Volunteer Attorney for the Section of Taxation, State Bar of Texas Tax Court Pro Bono Program, Dallas Bar Association, Dallas Association of Young Lawyers, Dallas Women Lawyers Association and Attorneys Serving the Community. She speaks to accounting and legal professionals on substantive tax topics. Ms. Wood was quoted in the article, "Self-Serving Concessions and Penalty Avoidance", in *Tax Notes* on March 26, 2012. Prior to joining the firm in 2006, she was a litigation associate with a Texas law firm. She was admitted to practice in Texas in 2004.

mwood@meadowscollier.com

Applicable Large Employer Status, cont. from p. 5

Then, determine the number of full-time-equivalent employees during each calendar month of the previous calendar year. Full-time-equivalent employees for a calendar month are determined by dividing the total hours of service of all part-time employees during the month (but not more than 120 hours for any one employee) by 120. If the resulting number is a fractional number, the number is not rounded to the nearest whole number at this step. The number of full-time-equivalent employees for each month is added to the number of full-time employees for each month to determine the total number of employees for each month.

Determine the average number of employees for the preceding year by dividing the sum of the total number of employees for all 12 months in the calendar year by 12. If the resulting number is a fractional number it is rounded down to the nearest whole number. If the number is 50 or more the employer is an applicable large employer.

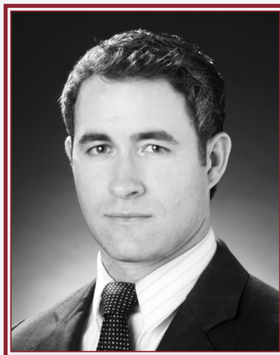
STEP 5: DETERMINE IF THE EMPLOYER IS AN EXEMPTED SEASONAL EMPLOYER

There is an exemption for employers who exceed the 50 employee threshold due to seasonal employees. An employer is not considered an applicable large employer if the employer's workforce exceeds 50 full-time and full-time-equivalent employees for 120 days (or four calendar months) or less and the excess employees during the 120-day period were seasonal workers. The 120 days or four calendar months need not be consecutive. In addition, the seasonal employees can work more than 120 days so long as the employer does not exceed 50 employees for more than 120 days or four calendar months.

Aaron P. Borden is an associate with the firm practicing in the areas of Income Tax Litigation, Estate and Gift Tax Litigation, White Collar and Government Regulatory Litigation and State Tax Planning and Litigation.

aborden@meadowscollier.com

THE FIRM CONGRATULATES JASON B. FREEMAN



THE FIRM CONGRATULATES
JASON B. FREEMAN FOR RECEIVING
THE "COMMITTEE MEMBER OF THE YEAR AWARD"
AT THE DALLAS CPA SOCIETY'S ANNUAL MEETING OF MEMBERS
ON JANUARY 28, 2014 AT THE DALLAS COUNTRY CLUB
FOR HIS VOLUNTEER EFFORTS AS VICE-CHAIR OF THE
DALLAS CPA SOCIETY CPE COMMITTEE.

JFREEMAN@MEADOWSCOLLIER.COM

UPCOMING SPEAKING ENGAGEMENTS

FOR COMPLETE SPEAKING ENGAGEMENT INFORMATION, PLEASE VISIT WWW.MEADOWSCOLLIER.COM AND CLICK ON THE "NEWS & EVENTS" TAB ON THE HOME PAGE.

06.06.14 | DALLAS

Texas Association of CPAs

MARY WOOD

HOBBY LOSS AND PASSIVE ACTIVITY LIMITATIONS

MATT BEARD

PROFIT AND LOSS ALLOCATIONS, DISTRIBUTIONS, AND OTHER KEY TAX PROVISIONS FOR PARTNERSHIP AGREEMENTS

06.10.14 | PLANO

Tax Alliance Conference 2014

JOSH UNGERMAN

FBAR UPDATE

06.11.14 | SAN ANTONIO

38th Annual
Advanced Estate Planning & Probate Course
Sponsored by Texas Bar CLE

ALAN DAVIS

PLANNING WITH EMPLOYER FUNDED LIFE INSURANCE

06.12.14
RAPID CITY, SOUTH DAKOTA

West River Estate & Financial Council

TREY COUSINS

HOW PROFESSIONALS GET IN TROUBLE WITH THE IRS

06.20.14 | NEW YORK, NY

NYU 6th Annual Tax Controversy Forum

JOSH UNGERMAN

IRS SMALL BUSINESS/ SELF-EMPLOYED DIVISION UPDATE

06.27.14 | AUSTIN

Texas State Bar Tax Section Annual Meeting

CHARLES PULMAN

THE WINDS OF WINDSOR: TAX AND FEDERAL BENEFITS ISSUES CONFRONTING SAME-SEX MARRIED COUPLES IN TEXAS

07.07.14 | DALLAS

Dallas Bar Association Tax Section

MARY WOOD

PASSIVE ACTIVITY AND HOBBY LOSS LIMITATIONS: WITHSTANDING AN IRS ATTACK OF YOUR CLIENT'S OUTSIDE BUSINESS ACTIVITIES UNDER IRS SECTIONS 469 & 183

07.09.14 | DALLAS

Dallas Bar Association Family Law Section

CHARLES PULMAN

INNOCENT SPOUSE

07.21-07.22.14 SAN ANTONIO

TSCPA Advanced Health Care Conference

SARAH WIRSKYE

RECENT TRENDS IN HEALTH CARE FRAUD INVESTIGATIONS

07.22.14 | DALLAS

2014 Graduate Texas Trust School Sponsored by Texas Banker's Association

ALAN DAVIS

INCOME TAXATION OF ESTATES AND TRUSTS

07.24.14 | DALLAS

American Bar Association Center for Professional Development Webinar

CHUCK MEADOWS

PROSECUTION AND DEFENSE OF A KLEIN CONSPIRACY

07.31.14 | FORT WORTH

Fort Worth Chapter/ TSCPA Tax Institute

JOEL CROUCH

JUDICIAL UPDATE

cont. on p. 10

08.01.14 | FORT WORTH

Fort Worth Chapter/TSCPA Tax Institute

CHARLES PULMAN

UNKNOWNS DUE TO THE WINDSOR CASE

MARY WOOD

NET INVESTMENT INCOME TAX VS. PASSIVE ACTIVITIES

08.08.14 | GALVESTON

UT Law 2014 Estate Planning, Guardianship and Elder Law Conference

ALAN DAVIS

PLANNING FOR SAME-SEX COUPLES AFTER WINDSOR

08.13.14 | HOUSTON

TSCPA Texas State Taxation Conference

DAVID COLMENERO

THE RESALE EXEMPTION UNDER SCRUTINY IN TEXAS

08.27.14 | AMARILLO

Panhandle Chapter/ TSCPA 2014 Tax Institute

TREY COUSINS

FLPs

JOEL CROUCH

WHAT TO EXPECT IN 2014 FROM A RAPIDLY CHANGING IRS

08.28.14 | DALLAS

Advanced Tax Law Course 2014 Sponsored by TexasBarCLE

JOEL CROUCH & JOSH UNGERMAN

FOREIGN ASSET REPORTING OBLIGATIONS TO THE IRS

08.29.14 | SAN ANTONIO

TSCPA Advanced Estate Planning Conference

TREY COUSINS

STATUTE OF LIMITATIONS

09.17.14 | DALLAS

Dallas Bar Association
Health Law Section

SARAH WIRSKYE

RECENT TRENDS IN HEALTH CARE FRAUD

10.30.14 | DALLAS

Sponsored by National Business Institute

DAVID COLMENERO

CURRENT TRENDS AND STATE INITIATIVES: IMPACT ON STATE AND USE TAX AUDITS

&

WHAT TO DO WHEN AN IN-STATE S&U TAX AUDITOR KNOCKS ON THE DOOR...

11.20.14 | SAN ANTONIO

TSCPA Tax Institute

TREY COUSINS

IRS UPDATE

DAVID COLMENERO

TEXAS TAX COMPTROLLER LOSSES

11.21.14 | DALLAS

TSCPA Tax Institute

TREY COUSINS

IRS UPDATE

DAVID COLMENERO

TEXAS TAX COMPTROLLER LOSSES

12.03-12.04.14 | AUSTIN

UT Law CLE-The 62nd Annual Taxation Conference

CHUCK MEADOWS

HANDLING THE SENSITIVE ESTATE TAX EXAMINATION

MEADOWS COLLIER ATTORNEYS

CHARLES J. ALLEN
MATTHEW S. BEARD
STEPHEN A. BECK*
GEORGE R. BEDELL
AARON P. BORDEN
RUSSELL F. COLEMAN
ROBERT DON COLLIER*
DAVID E. COLMENERO
WILLIAM R. COUSINS, III*
KRISTEN M. COX
JOEL N. CROUCH*
ANTHONY P. DADDINO
ALAN K. DAVIS***
PATRICIA K. DOREY
THOMAS L. FAHRING, III
JASON B. FREEMAN
THOMAS G. HINEMAN*
ERIC D. MARCHAND***
MICHAEL E. MCCUE
CHARLES M. MEADOWS, JR.*
ALEX J. PILAWSKI
CHARLES D. PULMAN*
JAMES M. SCHENDLE**
BRIAN J. SPIEGEL
JOSH O. UNGERMAN
MICHAEL A. VILLA, JR.
SARAH Q. WIRSKYE
MARY E. WOOD

*BOARD CERTIFIED IN TAX LAW
**BOARD CERTIFIED IN COMMERCIAL REAL ESTATE LAW
***BOARD CERTIFIED IN ESTATE PLANNING AND PROBATE LAW

IRS CIRCULAR 230 DISCLOSURE

To ensure compliance with requirements imposed by the IRS, we inform you that any United States federal tax advice contained in this communication, including any attachments, 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 addressed in this communication.

The Meadows Collier Newsletter is published by Meadows, Collier, Reed, Cousins, Crouch & Ungerman, L.L.P.; 901 Main Street; Suite 3700; Dallas, TX 75202. © 2011 by Meadows, Collier, Reed, Cousins, Crouch & Ungerman, L.L.P. 2nd Quarter 2014.

Newsletter Editors: Stephen A. Beck, J. D., LL.M. and Susan House, Marketing Manager. Direct all correspondence to Susan House, Marketing Manager, Meadows, Collier, Reed, Cousins, Crouch & Ungerman, L.L.P. at the address noted above or email her at shouse@meadowscollier.com.