

September 18 2009  
News from TravelTax News

Hard to believe that summer is over and we are headed to fall. There is a lot of tax news to share.

1) The First Time Homebuyers Credit will expire on November 30 unless congress passes an extension. There are two bills floating around congress that would do that, but we may not find out till the last minute

2) Just a reminder about the Travelers Meet and Greet in Las Vegas this coming Monday the 21<sup>st</sup> through Wed the 23<sup>rd</sup>. We will be there to discuss the latest from the Healthcare Staffing Summit, how to read your contracts, tax news and more. CEUS are offered for other sessions. Information can be found on our website.

3) A number of travelers have been victims of tax preparer fraud. One such preparer has been put out of business and the link below will give you the details. We represented travelers that were audited in the IRS's investigation of this preparer and are glad to see him brought to justice

<http://www.usdoj.gov/tax/txdv09341.htm>

4) The new Per Diem rates have been released. Most notable is the increase in the base meal allowance to 46\$/day and the average maximum for larger communities has been increased to 71\$/day. The link to the new rates is found below

[http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentType=GSA\\_BASIC&contentId=17943](http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentType=GSA_BASIC&contentId=17943)

5) IRS to "simplify" notices.

Ever get an IRS notice that just didn't make sense? The IRS has promised to simplify them over the next 5 years.

## STATE NEWS

1) Maryland tax amnesty

Maryland is offering to waive penalties and reduce interest for taxpayers with delinquent amounts. This offer is only good for September and October of 2009.

2) Kentucky New Home Credit

In addition to the Federal Home Buyer Credit, KY is offering their own credit to qualified buyers till July 26 2010.

3) Jefferson County Kentucky declared a Federal disaster area due to recent storms

4) New Jersey to tax gambling winnings

Any one time prize greater than \$10,000 will be subject to NJ taxation

5) Hawaii eliminates deduction for gambling losses

Normally, one can offset gambling winnings with the losses, but not for Hawaii state tax purposes. Win \$2000, but play \$5000? You still get taxed on \$2000.

#### AUDITS AND OTHER ACTIONS

Audits have dramatically increased for even mundane items, especially at the state level. Enforcement actions are also stronger. Massachusetts is now revoking driver's licenses' for tax delinquency and many states will review professional practice licenses. One common target of the state audits is residency issues

If you have any questions about these or other tax issues, feel free to call or email us.