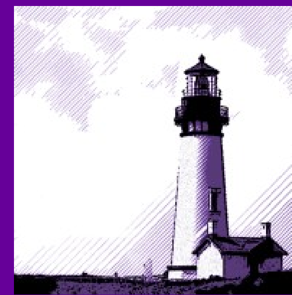


Alpha Omega Accounting, LLC's

LIGHTHOUSE LEDGER

Navigating the Corporate Transparency Act: A DIY Guide for Businesses

The Corporate Transparency Act (CTA) mandates certain businesses to report their beneficial ownership information to the Financial Crimes Enforcement Network (FinCEN), a bureau of the United States Department of the Treasury (USDT). In other words, they want to know who owns every business, especially those incorporated in a state that hides that information such as Delaware, Nevada, and Wyoming. This guide provides a step-by-step process for businesses to fulfill their reporting obligations without the need for a lawyer. If your business was in operation before December 31, 2023, this report is due by January 1st, 2025. Businesses created after January 1, 2024, must file within 90 days of creation or registration.

In other words, the government wants to know who owns every business…

Corporate Transparency Act—Continued on page 2

Understanding Tax Obligations for U.S. Business Owners Residing Overseas

Are you a U.S. business owner considering relocating abroad? While the idea of living and working in a foreign country may be enticing, it is essential to understand the significant tax implications that come with such a move. Contrary to widespread belief, residing overseas does not exempt U.S. citizens or residents from their obligation to file and pay taxes to the United States.

But, planning for the following *before* you relocate can save thousands in taxes...

Understanding Tax Obligations—Continued on page 3

Inside this issue:

Lighting Your Way to Financial Understanding...

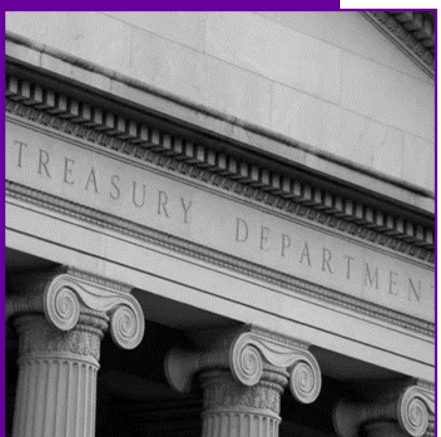
- Visit Us on the Web: *https://alpphaomega-acct.biz*
- Phone: 970-344-7298
- Tax Resolution Hotline: 970-578-4233
- Email: *info@alphaomega-acct.biz*

Corporate Transparency Act—from page 1

Who is Considered a Beneficial Owner?

A beneficial owner is an individual who directly or indirectly owns or controls a significant interest in a business entity. The CTA defines a beneficial owner as any individual who meets one or more of the following criteria:

- Ownership Interest: Any individual who owns 25% or more of the equity interests in the business entity.
- Control over Management: Individuals with significant responsibility for managing the business entity, such as executives or senior officers.
- Control over Operations: Individuals exercising substantial control over the entity's operations, including decision-making authority.
- Direct or Indirect Ownership: Individuals owning or controlling the business entity through other entities or arrangements, such as trusts or holding companies.
- Identifying all individuals meeting these criteria and reporting their information accurately to FinCEN is essential for compliance.



Which Businesses are Exempt?

Certain businesses are exempt from reporting requirements under the CTA. Exempt entities typically include:

- Publicly Traded Companies: Businesses listed on a U.S. stock exchange or those required to file periodic reports with the Securities and Exchange Commission (SEC).
- Financial Institutions: Entities regulated by federal functional regulators or state financial regulators.
- Government Entities: Businesses owned or controlled by federal, state, local, or tribal governments.
- Charities and Non-profits: Organizations exempt from taxation under section 501(a) of the Internal Revenue Code.
- If your business falls into any of these exempt categories, you may not be required to report beneficial ownership information to FinCEN.

Filling Out Forms: Step-by-Step Guide

1. Access the FinCEN Reporting Portal: Visit the official FinCEN website (https://www.fincen.gov/) and navigate to the Reporting section. Create an account or log in if you already have one.
2. Select the Appropriate Form: Choose the relevant form for reporting beneficial ownership information based on your business structure. Most businesses will use Form 110 but verify the correct form for your entity type.
3. Gather Required Information: Collect information about your business entity and all individuals who qualify as beneficial owners. This includes full legal names, dates of birth, addresses, and identification numbers from acceptable documents.
4. Fill Out the Form: Complete all sections of the form accurately, following the provided instructions. Provide detailed information about the business entity and each beneficial owner.
5. Review and Verify: Before submission, review the completed form to ensure accuracy and completeness. Verify beneficiary details and entity information for any discrepancies.
6. Submit the Form: Once satisfied with the information provided, submit the form through the FinCEN Reporting Portal. Keep a record of the submission confirmation for your records.

Need Assistance?

If you require guidance, or have questions about identifying beneficial owners, or completing the reporting process, do not hesitate to reach out to us at Alpha Omega Accounting, LLC. We charge just $150 per business to complete this for you. Just click on this link ***https://alphaomega-acct.biz/FINCEN*** to fill out the information needed for us to do this for you. Our team is here to provide support every step of the way. By working with us, you can streamline the reporting process and ensure compliance with the Corporate Transparency Act without the need for expensive legal fees.

Stay Up to Date:

For late breaking updates to these articles and other tax and accounting news read our blog on our website:

https://alphaomega-acct.biz

Understanding Tax Obligations—from page 1

Foreign Earned Income Exclusion (FEIE):

The Foreign Earned Income Exclusion (FEIE) allows eligible individuals to exclude a certain amount of their foreign-earned income from U.S. taxation. This is to prevent you being taxed in both places but even if all your income can be excluded you still must file a return each year.

Foreign Tax Credit (FTC):

If you pay income taxes to a foreign country on income earned abroad, you may be eligible to claim a Foreign Tax Credit (FTC) on your U.S. tax return. This cannot be combined with the above exclusion, so planning

is key to determining which will be the most beneficial.

Residency in Countries with Low Tax on Foreign Income:

Some countries offer advantageous tax regimes for foreign residents, particularly regarding taxation on foreign-earned income. By strategically choosing your country of residence, you can potentially reduce your overall tax burden.

Reporting Foreign Financial Assets:

U.S. citizens and residents with foreign financial assets exceeding certain thresholds are required to report these assets to both the Internal Revenue Service (IRS) and FinCEN. Familiarize yourself with the reporting obligations for foreign bank accounts, investments, and other financial assets. As always, we are here to help you make smart financial decisions.

If you are thinking of, or are already working out of the country, let's discuss the tax implications of your situation. Call our office or go to our website and *schedule an appointment!*

Read More:

Check out this article by Rebecca Gillespie, a travel writer, podcaster, and author:

https://www.travelinglifestyle.net/6-tax-tips-for-digital-nomads-u-s-business-owners

Has Australia found a Solution to Affordable Housing?

Australia's innovative approach to addressing the issue of affordable housing has garnered attention worldwide. By implementing targeted policies, Australia aims to balance the needs of its housing market while encouraging sustainable development and investment. One such policy is the imposition of fees that will increase the cost of purchasing existing homes for foreigners, while simultaneously incentivizing them to invest in new building projects focused on rental properties.

This dual-pronged strategy serves several important purposes. By making it less financially appealing for foreigners to buy existing homes, Australia aims to alleviate pressure on the existing housing stock. This helps to level the playing field for local homebuyers, enabling them to compete more effectively in the housing market.

Australian Housing – photo from Bloomberg.com

At the same time, the emphasis on investing in new building projects for rental properties serves to address the growing demand for rental accommodation. By encouraging foreigners to channel their investment into the construction of new rental units, Australia seeks to increase the supply of rental housing, thereby easing rental market pressures and providing more options for tenants.

Furthermore, Australia's penalty for leaving properties vacant serves as a deterrent against speculative investment and ensures that housing stock is utilized more efficiently. Properties left vacant not only exacerbate housing shortages but also contribute to broader issues such as urban blight and reduced neighborhood vibrancy. By imposing penalties on vacant properties, Australia aims to encourage property owners to either occupy or rent out their properties, thereby maximizing their contribution to the housing market.

By implementing targeted policies that address both demand and supply-side factors, Australia seeks to foster a more balanced and sustainable housing market that benefits both local residents and the broader community. What do you think, is this approach something that you would like to see happen here in the United States?

CELEBRATING SUCCESS: HARPER VERSUS COMMISSIONER REDEFINES DEDUCTIBILITY OF BUSINESS EXPENSES

In a recent landmark case, Harper v. Commissioner *https://assets.kpmg.com/content/dam/kpmg/us/pdf/2023/05/tnf-tc-harper-may10-2023.pdf*, a taxpayer achieved a significant victory in a dispute with the Internal Revenue Service (IRS) regarding the deductibility of specific business expenses.

Jeffrey Harper, an Architect and Builder, found himself embroiled in a heated debate with the IRS over the classification of expenses related to research and development (R&D) activities. The IRS contested the deductibility of these expenses, arguing that they did not meet the stringent criteria outlined in the tax code for such deductions.

At the heart of the dispute were expenses incurred by Mr. Harper’s Building Designs and Construction Development activities, including product testing, and market research—all integral components of the business's R&D efforts. The IRS challenged the deductibility of these expenses, asserting that they did not qualify as ordinary and necessary business expenditures under the tax code. Yet, armed with meticulous

Landmark Decision—Continued on page 5

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documentation, expert testimony, and legal precedent, Mr. Harper's team effectively argued that these expenses were essential to the company's ongoing innovation and growth initiatives.

After months of exhaustive negotiations and rigorous legal proceedings, Mr. Harper emerged triumphant, securing a favorable settlement with the IRS. The resolution not only vindicated Harper's position but also established groundbreaking precedents regarding the deductibility of R&D expenses for similarly situated taxpayers.

This landmark victory in Harper v. Commissioner represents a watershed moment by redefining the boundaries of deductibility for business expenses, particularly those related to research and development activities. It underscores the importance of strategic planning, meticulous documentation, and skilled advocacy in achieving successful outcomes in tax disputes.

As we celebrate this historic milestone in tax resolution, we reaffirm our dedication to empowering our clients with the knowledge, resources, and representation they need to overcome their tax challenges successfully.

We Can Help!

If you find yourself facing disputes with the IRS or other tax authorities, do not hesitate to reach out to us. We are here to advocate for your interests and help you achieve the best possible outcomes. Contact our Tax Resolution Specialists at 970-578-4233 or go to *https://alphaomega-acct.biz/TaxHelp.html* and we'll get started working on a solution for your situation.

Have a friend or a colleague that could use our help? Please pass our information along! Our best advertising comes from you, our valued clients!

IRS going after high-income earners owing hundreds of millions of dollars

The IRS's latest move to combat tax evasion among high-income earners includes a new non-filer initiative. Under this initiative, the agency will begin sending out non-compliance letters this week to specific groups of individuals. These letters will target 25,000 people who earned more than $1 million annually between tax years 2017 and 2021.

Additionally, over 100,000 individuals with incomes ranging between $400,000 and $1 million during the same period will receive similar correspondence. This targeted approach aims to address non-compliance among high-income taxpayers and recover unpaid taxes owed to the government.

Furthermore, this initiative underscores the IRS's commitment to ensuring tax fairness and compliance across all income brackets. By focusing on individuals with substantial earnings, the agency aims to close the tax gap and uphold the integrity of the tax system. This proactive stance sends a clear message that tax evasion will not be tolerated, regardless of one's financial status.

Moreover, the implementation of the non-filer initiative reflects the IRS's utilization of data-driven approaches to identify tax evasion

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TO:

Death and Taxes...

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patterns and target enforcement efforts effectively. By leveraging technology and data analytics, the agency can pinpoint non-compliant taxpayers and take appropriate action to address their tax liabilities.

Overall, the IRS's new non-filer initiative represents a significant step in its broader efforts to crack down on tax evasion among high-income earners. By sending out non-compliance letters to tens of thousands of individuals, the agency aims to encourage voluntary compliance and ensure that all taxpayers fulfill their obligations to the government.

Back taxes will never go away on their own...

If you owe $10,000 or more in back taxes, contact our office today! Our Tax resolution hotline is 970-578-4233 or go to ***https://alphaomega-acct.biz/TaxHelp.html*** and we'll get started working on a solution for your situation.