

UPDATES TO 2021 FEDERAL TAX WORKBOOK

The most current update list can be found at uofi.tax/download.

Date Posted: 10/7/21 **Volume and Page:** 2021 Tax Workbook Volume A, page 187

Change: Under Collection Due Process, the second paragraph should read, “Form 12153, *Request for a Collection Due Process or Equivalent Hearing...*”

Date Posted: 10/18/21 **Volume and Page:** 2021 Tax Workbook Volume B, page 316

Change: Under Example 8, following the two listed alternatives, the following sentences should be added.

“A third possible choice exists. The partnership could make an IRC §754 election to adjust the inside and outside bases for the partners (described in detail later).

Date Posted: 10/18/21 **Volume and Page:** 2021 Tax Workbook Volume B, page 187

Change: In the second paragraph under Legal and Professional Services (Line 17), the second sentence should start, “However, if the taxpayer has a business and a portion of the settlement is based on determining a value for the business, the taxpayer **must** be able to substantiate the business valuation is a reasonable and necessary cost of doing business under IRC §§162 and 212. Then that portion of the appraisal fee is deductible on line 17.” An associated footnote is: See *Lucas v. Comm’r*, TC Memo 2018-80 (Jun. 11, 2018).

Date Posted: 10/18/21 **Volume and Page:** 2021 Tax Workbook Volume B, page 236

Change: The citation for *Blossom Day Care Centers, Inc., v. Comm’r* should be TC Memo 2021-87 (Jul. 13, 2021).

Date Posted: 10/25/21 **Volume and Page:** 2021 Tax Workbook Volume B, page 173

Change: The note box should read: Line 6 of Schedule C (Other income) is also used to include any credit for qualified sick and family leave wages (see Form(s) 941, *Employer’s QUARTERLY Federal Tax Return*, (2021) lines 11b and 13c or Form 944, *Employer’s ANNUAL Federal Tax Return*, (2021), lines 8b and 10d). However, per the draft 2021 instructions for Schedule C, the ERC is reported on line 26 as a reduction in payroll expense for the period being claimed and is not reported as other income.

Date Posted: 10/28/21 **Volume and Page:** 2021 Tax Workbook Volume B, page 318

Change: Under Example 12, in the second paragraph, Zelda’s basis in the stock is \$6,800 (\$8,000 adjusted basis - \$1,200 liability assumed), rather than the \$10,000 FMV it would have been without the debt owed.

Date Posted: 10/28/21

Volume and Page: 2021 Tax Workbook Volume A, pages 158 and 159

Change: The final sentence in Example 11 should state that the responding IRS agent can administer FTPA relief to Stan. Likewise, the second sentence of the Practitioner Planning Tip on A159 should read, “For example, if there is a choice between FTPA and reasonable cause...”.

Date Posted: 10/29/21

Volume and Page: 2021 Tax Workbook Volume B, page 11

Change: The fourth paragraph of Example 7, line 3, should read, “a regular dividend of \$0.50 per share”.

Date Posted: 11/5/21

Volume and Page: 2021 Tax Workbook Volume B, page 227

Change: The last sentence of the advertising bullet should say, “The court disallowed the \$55 portion for which she could not produce receipts.”