



2017 TAX LAW CHANGES

BY DAVID MELLEME, EA

So far this calendar year there has been very little action by Congress involving tax matters. Maybe I should say there has been no *final* action by Congress on tax matters. Lawmakers have discussed and introduced many small bills, but nothing that has reached joint committee. The one exception is the Disaster Tax Relief and Airport and Airway Extension Act of 2017, which is discussed in the cover article. The items that were last extended for two years again expired December 31, 2016, and as of press time, have not been extended, which means we are again faced with uncertainty on these items.



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Form 1098, Mortgage Interest Statement

Effective with statements required to be furnished after December 31, 2016, the Form 1098 will include the following information:

- The amount of the outstanding principal at the beginning of the year.
- The date of the origination of the mortgage.
- The address of the property that secures the mortgage.

Form 1098-T can continue to show the "amount billed" instead of the "amount paid" for calendar year 2017. Even though the IRC says educational institutions must show amounts paid, IRS has given another year of reprieve from penalties for educational institutions that do not comply with showing the amount paid.

Partnership audit changes

Starting with tax years beginning after December 31, 2017, the audit level changes will result in an assessment at the partnership level

instead of the partner level. For returns with tax years beginning before January 1, 2018, partnerships can elect *into* this provision shortly after receiving the audit notice.

Estate certificates

Estate closing certificates are no longer issued after IRS completes the processing of a Form 706 [United States Estate (and Generation-Skipping Transfer) Tax Return] unless specifically requested.

De minimis corrections on Forms W-2 and 1099

IRS does not require a Form W-2 or 1099 to be corrected if the income amount is incorrect by \$100 or less *and* the federal income tax withholding is incorrect by \$25 or less. **EA**

About the Author

David Mellum, EA, and his wife Mary own Ashwaubenon Tax Professionals in Green Bay, Wisconsin. David has been practicing for 39 years and also consults and teaches for other tax professionals throughout the county. David can be reached at davidmellum@yahoo.com.