



Current Federal Tax Developments

December 18, 2023

Kaplan Financial Education

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This Week We Look At:

FinCEN adds more information to FAQ page, including information on PDF form

Bill passes House that would give a limited extension of time for some initial BOI reports to be filed

IRS releases mileage rates for 2024

Supreme Court agrees to hear estate tax valuation case to resolve split in the Circuits

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<https://www.currentfederaltaxdevelopments.com>



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More BOI Updates - FinCEN FAQ, House Action and More...



Photo by [Markus Winkler](#) on [Unsplash](#)

- HR 5119 - Protect Small Business and Prevent Illicit Financial Activity Act, Passed House December 13, 2023, FinCEN FAQ Update, December 12, 2023
 - FinCEN added more items to the FAQ
 - Question A-4 - How businesses will be made aware
 - Question B-8 - Who can file a report - 3rd party will need to provide information about themselves
 - Question C-5 - Activity/revenue exceptions - no exception if holding rentals or unprofitable

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FAQ Update:

Question A-4: https://www.fincen.gov/boi-faqs#A_4

Question B-8: https://www.fincen.gov/boi-faqs#B_8

Question C-5: https://www.fincen.gov/boi-faqs#C_5

<https://www.currentfederaltaxdevelopments.com/blog/2023/12/16/house-passes-a-bill-to-extend-some-initial-boi-reports-before-going-on-recess>

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- FinCEN added more items to the FAQ
 - Question C-6 - Sole proprietor is not a reporting company (note SMLLC is a reporting entity even if under the tax law it is being treated as a sole proprietorship)
 - Question F-7 - Parent/subsidiary reporting
 - Question F-8 - Cannot use a P.O. Box for an address

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- FinCEN added more items to the FAQ
 - Question F-9 - Reporting to a state office, a financial institution, or the IRS will eliminate the BOI filing requirement
 - Question G-5 - How to determine date of creation or registration
 - Question H-3 - Mere change of type of ownership interest for a beneficial owner

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 - Question H-4 - Updated report
 - Requires submitting entire report
 - Discloses there will be a PDF upload option and suggests keep that form and just making required changes to do an updated report

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- FinCEN added more items to the FAQ
 - Question H-5 - Can submit a late updated report but has no suggestion of any sort of relief
 - Question H-6 - Going from having filed "newly exempt" to no longer exempt

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 - Question K-2 - Penalties: effectively confirms the \$500 per day isn't capped, and the \$10,000 fine is a separate criminal penalty option
 - Question K-3 - Who can be held liable - entity, beneficial owner, senior officers and person that files the report

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 - Question K-4 - Entity is responsible for assuring accuracy of filing even for information received from a 3rd party
 - Question K-5 - What if a beneficial owner refuses to provide information to an entity?

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 - FinCEN added more items to the FAQ
 - Question M-7 - Who can request a FinCEN Identifier for an Individual?
 - Question N-2 - Evidence to received that BOI report has been successfully filed by 3rd party provider
 - Question N-3 - 3rd party providers ability to submit multiple reports simultaneously

FAQ Update: <https://www.fincen.gov/boi-faqs>

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- HR 5119 - Protect Small Business and Prevent Illicit Financial Activity Act, Passed House December 13, 2023, FinCEN FAQ Update, December 12, 2023
 - HR 5119 has passed *only* the House on December 13 and has been referred to a committee in the Senate
 - Is not an overall delay in the FinCEN BOI program
 - Will still begin on January 1, 2024
 - Some, but not all, entities will get a delay in the deadline to file an initial report

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- Initial reports would be due (if this becomes law, a big if...)
 - For entities in existence before 2024 - **January 1, 2026 (1 year extension)**
 - For entities created in 2024 - **90 days after creation (no change)**
 - For entities created after 2024 - **90 days after creation (60 days extra)**

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- Updated reports would be due **90 days after event take place that changes information on the report (60 days more than currently)**
- Does not appear to directly change the rules for corrected reports, but seems likely FinCEN would make that change to the rules

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- Also add an odd (H) subsection
“(H) UNABLE TO OBTAIN.—FinCEN may not by rule, guidance, or otherwise, permit a reporting company from submitting a report relating to the inability of the reporting company to obtain or identify information in the alternative to submitting a report required under this subsection.”

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IRS Releases Mileage Rates for 2024



Photo on [Unsplash+](#)

- Notice 2024-8, December 14, 2023
 - New rates set for 2024
 - Business mileage - 67 cents per mile
 - Charitable mileage - 14 cents per mile
 - Medical/moving mileage - 21 cents per mile
 - Also provides basis reduction for depreciation when the standard rate is used

<https://www.taxnotes.com/research/federal/irs-guidance/notices/irs-issues-guidance-on-2024-standard-mileage-rates/7hp77>

Supreme Court to Take Case to Resolve Issue of Life Insurance in an Entity for Estate Tax Valuation



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- *Connelly v. United States* (70 F.4th 412, CA8, 2023), cert granted, December 13, 2023
 - Eighth Circuit opinion was in direct conflict with Eleventh Circuit decision in *Estate of Blount v. Commissioner* (428 F.3d 1338, 2005 CA11)
 - *Blount* held that liability to redeem decedent's estate offset the life insurance
 - *Connelly* did not allow for such an offset
 - There were some unique factors in *Connelly* but the Court may feel there's not enough of a difference

<https://www.supremecourt.gov/orders/23grantednotedlist.pdf> p. 5

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