

LINDSEY & WALDO

CERTIFIED PUBLIC ACCOUNTANTS

"You see the numbers, we look for the opportunities."



SPECIAL POINTS OF INTEREST:

- A costly mistake
- Are you wealthy?
- Referrals, Thanksgiving trivia, call-in times
- And much more...

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Dedicated to helping our clients keep the money that belongs to them through a focus on tax.

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Bank Mistake Costs Taxpayer \$62,185 on IRA Rollover

The tax court held that distributions received by the taxpayer were subject to income tax and early withdrawal penalties even though the bank incorrectly rolled over her late husband's IRA into hers.

Thomas Ozimkoski passed away in August 2006 at the age of 61. Under his will, Suzanne Ozimkoski, his wife, was to receive his traditional IRA held at Wachovia Securities. Her stepson, Thomas Ozimkoski, Jr., contested the will and the account was frozen. A settlement was reached in 2008 in which Mrs. Ozimkoski had to pay \$110,000 (free of any tax) to her stepson.

After the settlement, Wachovia transferred \$235,495 from Mr. Ozimkoski, Sr.'s IRA into her traditional IRA. Later in 2008, Mrs. Ozimkoski withdrew \$174,597 from her IRA, using \$110,000 of it to pay the settlement with her stepson.

Distributions from an IRA are generally subject to tax and subject to a 10% penalty, if received before age 59 ½. An exception to the penalty exists for distributions received from an IRA inherited from a decedent. Mrs. Ozimkoski argued that the distributions were not income because her stepson was entitled to \$110,000 of his father's IRA due to the settlement.

The court found that, under Florida law, her husband's IRA should not have been transferred into her IRA, but instead should have been distributed to his estate. However, the court determined it had no jurisdiction to unwind the transaction, and that Mrs. Ozimkoski had received the distributions from her IRA, not her deceased husband's. Therefore, the court held, that even though Wachovia erroneously rolled over the funds to her IRA, she was nevertheless, responsible for taxes and penalties on the withdrawal. *

One Significant Habit of the Wealthy -- Even Before They're Wealthy

We're into the final quarter of 2019, and since this is the biggest quarter of the year for giving, I'd like to take the opportunity, as one of your financial advisers, to make a few points about giving to charity.

Because with more taxpayers taking the standard deduction than has been done in years past, there are some who might be wondering if they should be as aggressive about charity as they have been in the past.

In which case, allow me to posit a question:

Why do you give to charity? Is it for the tax deductions ... or for a different reason?

Now, as someone who prepares tax returns (and who figures out all the many new ways we can keep more of your money in your pocket), much of what we do revolves around tax avoidance strategies. I have ZERO problem whatsoever in helping my clients use all available strategies to their utmost, ethical advantage. But, I love it when I see my clients and friends make giving decisions which seem to run counter to immediate, short-term self-interest.

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COLLEGE CAMPUSES PLAGUED BY IDENTITY THIEVES

Moving away to a new city and embracing college life is a unique experience that can make freshmen feel like they are taking major steps into adulthood.

Along with this new feeling of independence comes the risk that they may not be thinking about identity theft. College campuses can be havens for data thieves and fraudsters. Today's students have grown up with cell phones in their hands. Using apps for a host of everyday tasks and staying in touch with everyone. The trail of data that is left by an 18-year old freshman is a major target for thieves eager to get their hands on stolen personal data.

There's more than one way for thieves to exploit weakness that may present an opportunity for them. According to a recent article published by the American Institute of CPAs (AICPA), the Identity Theft Resource Center has identified "a few specific activities freshmen should be cautious about. One of the most common areas of fraud involves employment schemes. Students who are on the lookout for part-time work may find individuals who claim to be offering jobs, but are actually stealing data. Identity thieves know young job seekers have limited experience applying for positions, and disreputable parties may hand out job applications that ask for personal data, including Social Security information. The thieves can then vanish with that data, leaving students at risk of suffering ongoing financial fraud."

Criminals may also attempt to steal data with the use of off-campus housing or utility applications. Students should be aware that they're placing themselves at risk when filling out these applications. It's much better to go through reputable and trusted rental channels than to pursue deals offered by some new acquaintance. These methods don't require online applications. Offers may be made online or in person.

If there's one thread that runs between the many types of identity theft on college campuses, it's the assumption that student's youth and lack of experience will make it easier for them to blunder into the traps set for them. Students should counteract this assumption by becoming highly aware of their potential to lose data.*

Avoiding the #1 Fear About the IRS

Inevitably, the question I get asked when I work with people dealing with severe IRS problems is, "Can you keep me out of jail?" It's one of the big fears about finally facing up to, and doing something about, the problem.

Not filing your tax returns IS considered a crime. You CAN go to jail if you have not filed your tax returns OR if you've filed them inaccurately. You can receive one year of prison time for each year of unfiled returns and procrastinating just increases the chances of going to jail.

The IRS doesn't take kindly to non-filers they have to chase down. And believe me, they will eventually chase you down. Just because it's been a few years since you've filed and nothing has happened doesn't mean you've slipped through the cracks. People rarely slip through the cracks. Why go through life looking over your shoulder wondering when the other shoe is going to drop, when the IRS is finally going to catch up with you and demand their money? Life's too short to live that way.

Even if it's been years since you filed returns, you can still avoid prison. The more willing you are to face up to your situation and seek a solution, the more likely the IRS is to work with you. The IRS doesn't seek to put anyone in jail that voluntarily comes forward and files old returns.



We have what it
takes to take what
you have.

Owing the IRS money IS NOT considered a crime. The IRS cannot send you to jail for owing money if you've accurately filed your tax returns. But don't pop the bubbly just yet. Although jail time is arguably the worst thing that can happen, it's not the only punishment that the IRS can deliver. By not facing your IRS debt and taking action, you could be staring into the ugly eyes of...

Looking for Someone You Can Rely On?

We really believe in the process of referrals, so part of the service we provide is to be sure to refer our clients and associates to other qualified businesspeople in the community.

Below, you'll find a list of areas in which we know very credible, ethical, and outstanding professionals. If you're looking for a professional in a specific area we've listed, please feel free to contact us. We will be glad to put you in touch with the people we know who provide these services.

- ◆ Identity Theft Protection
- ◆ Health and Wellness Supplements
- ◆ Air Conditioning
- ◆ Home Insulation
- ◆ Home Inspector
- ◆ Banker
- ◆ Realtor
- ◆ Auto and Home Insurance
- ◆ Chiropractor
- ◆ Mortgage Broker
- ◆ Welding Supplies
- ◆ Financial Advisor
- ◆ Port Facility
- ◆ Custom Monogrammed Gifts
- ◆ Cell Phone and Tablet Repair
- ◆ Printer
- ◆ Electrician
- ◆ QuickBooks Advisor

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One Significant Habit of the Wealthy — *continued from page 1*

And, I believe it's actually enlightened self-interest in the long run. And not just in our sense of feeling good.

I also see the balance sheets of people from every walk of life and every kind of income class, and over the years I've noticed an interesting phenomenon: individuals and families who make giving a priority, **even when they aren't "wealthy" by others' standards**, seem to eventually do better in the long run. And I do mean *financially* -- not just in their state of mind.

(Though, there are great "state of mind" reasons for giving. Have you seen, as I have, that those who freely give seem to be much more pleasant company?)

In my line of work, I have made it a point to observe how money works. And, for some reason, money gets attracted to those who aren't in hot, desperate pursuit of it. It's almost like in romance -- potential lovers are usually turned off by the overly-aggressive seeker.

So, because of (and not despite) the shifting nature of how charitable contributions might be counted on your taxes, may I suggest that you consider *increasing* your giving? You might be surprised by what happens in your heart. And, dare I say, in your balance sheets.

Lastly, let me also say that just because you give -- you don't have to be a dunce! **We can help you determine the most tax-advantaged way under the "new" tax code for you to do your giving, if you want that advice. ***

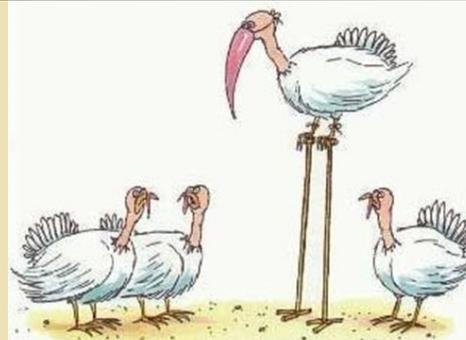
Thanksgiving on the Table

Turkey is the traditional dish for the Thanksgiving feast. In the U.S., about 46 million turkeys are sold for the Thanksgiving celebrations. There is no official reason, or declaration, for use of turkey. They just happen to be the most plentiful meat available at the time of the first Thanksgiving in 1621, starting the tradition.

88% of Americans eat turkey on Thanksgiving Day. Twenty percent of cranberries eaten are eaten on Thanksgiving.

On the West Coast of the U.S., Dungeness crab is common as an alternate main dish instead of turkey, as crab season starts early in November.

According to the U.S. Department of Agriculture, Minnesota is the top turkey-producing state in America, with 42 million birds in 2017. The USDA also reports that 5.319 billion pounds of turkey were consumed domestically, about 16.2 pounds



"He's got a point. Nobody eats a flamingo on Thanksgiving."

per person.

446.3 thousand tons of cranberries were produced in the USA in 2018. Wisconsin was the top producer, followed by Massachusetts.

In 2017, farmers in the top 16 pumpkin-producing states harvested 1.5 billion pounds of pumpkins. Illinois farmers harvested about 3-5 times as many pumpkin acres as any of the other top states such as California, Pennsylvania, and New York.

According to the *Guinness Book of World Records*, the largest pumpkin pie ever baked had a 20-foot diameter and weighed 3,699 pounds! The pie was made by the New Bremen Giant Pumpkin Growers (USA) at New Bremen Pumpkinfest in New Bremen, Ohio on September 25, 2010. The recipe included 1,212 pounds of canned pumpkin, 233 dozen eggs, 109 gallons of evaporated milk, 525 pounds of sugar, 7 pounds of salt, and 14.5 pounds of cinnamon. *

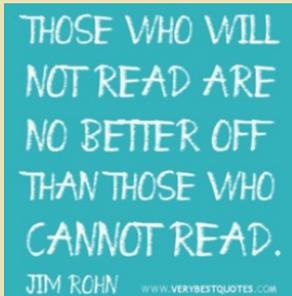
What I'm Reading...

NOW

Dangerous Ground by David M. Salkin
Flipping the Switch by John G. Miller

RECENTLY

A Red Dotted Line by Simon Gervais
Where Was "There?": Re-exploring the biblical history of Jerusalem by David B. Carpenter



"THE PURPOSE OF A TAX CUT IS TO LEAVE MORE MONEY WHERE IT BELONGS: IN THE HANDS OF THE WORKING MEN AND WORKING WOMEN WHO EARNED IT IN THE FIRST PLACE." - BOB DOLE

"WHEN THERE IS AN INCOME TAX, THE JUST MAN WILL PAY MORE AND THE UNJUST LESS ON THE SAME AMOUNT OF INCOME." - PLATO



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**This month's special
Member-Only call-in times for
Lindsey's Insider's Circle will be
11/18/19 from 2:00 to 4:00 pm.**

**To schedule your appointment,
contact Kristen at (251) 633-4070.**

**Not a member yet?
Find out how to become one TODAY!**

**Avoiding the #1 Fear About the IRS—
continued from page 2**

- ⇒ wage garnishments;
- ⇒ seizure of your car, house, or boat;
- ⇒ seizure of your bank account;
- ⇒ seizure of other real estate;
- ⇒ seizure of your Social Security benefits, 401(k)s, and IRAs;
- ⇒ seizure of cash loan value of your life insurance; and
- ⇒ seizure of commissions owed to you.

If you have filed your tax returns accurately, but can't afford to pay the taxes owed, there are ways to pay your debt and avoid those nasty consequences listed above. But, it's a bad idea to go it alone. Walking into an IRS office and trying to work out a deal is a recipe for disaster. It's too easy for them to get you to say something you'll regret later. Seek out a qualified professional you can trust. *

"NEXT TO BEING SHOT AT AND MISSED, NOTHING IS REALLY QUITE AS SATISFYING AS AN INCOME TAX REFUND." - F.J. RAYMOND

"NO GOVERNMENT CAN EXIST WITHOUT TAXATION. THIS MONEY MUST NECESSARILY BE LEVIED ON THE PEOPLE, AND THE GRAND ART CONSISTS OF LEVYING SO AS NOT TO OPPRESS" - FREDERICK THE GREAT

"AMERICA IS A LAND OF TAXATION THAT WAS FOUNDED TO AVOID TAXATION." - LAURENCE J. PETER

"I SHALL NEVER USE PROFANITY EXCEPT IN DISCUSSING HOUSE RENT AND TAXES." - MARK TWAIN

If and only to the extent that this publication contains contributions from tax professionals who are subject to the rules of professional conduct set forth in Circular 230, as promulgated by the United States Department of the Treasury, the publisher, on behalf, of those contributors, hereby states that any U.S. federal tax advice that is contained in such contributions was not intended or written to be used by any taxpayer for the purpose of avoiding penalties that may be imposed on the taxpayer by the Internal Revenue Service, and it cannot be used by any taxpayer for such purposes. *