CPAs / ADVISORS

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December 1, 2017

Dear Friends and Clients of Blue & Co.:

We would like to take this opportunity to provide you with some reminders and information regarding the current requirements for documenting and reporting various items. Some of these requirements have come about as a result of provisions within the Patient Protection and Affordable Care Act (The Affordable Care Act) signed in 2010. In addition, other important information is included that could potentially affect reporting requirements for you or your business.

If you should have any questions about this information, please call us. We would be happy to discuss these items as they relate to you and your business. Thank you for allowing us to serve you as we head into 2018.

Blue & Co., LLC

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FLSA OVERTIME REGULATION UPDATE

In the letter we provided last year, we informed you that in a last minute decision, a Federal judge in Texas granted a preliminary nationwide injunction against the FLSA overtime threshold changes which were originally scheduled to go into effect on December 1, 2016. On December 1, 2016, the Department of Justice (DOJ), on behalf of the Department of Labor (DOL), filed a notice with the U.S. Circuit Court of Appeals for the Fifth Circuit to appeal that preliminary injunction.

On August 31, 2017, U.S. District Justice Amos Mazzant officially concluded that the FLSA overtime rule is invalid. On October 30, the DOJ, on behalf of the DOL, appealed the decision made by the U.S. District Court in August. At the same time, the DOL said it intends to ask the Fifth District Court of Appeals to "hold" that appeal indefinitely while they continue their rulemaking to determine what the new salary threshold should be.

As of now, employers have no burden to make adjustments to the pay of exempt employees.

AUTOMOBILE DOCUMENTATION REQUIREMENTS AND REIMBURSEMENT FOR PERSONAL USE OF COMPANY VEHICLE

Allocation of Business and Personal Use of Vehicle

- Employees are required to have adequate records to substantiate business use. To satisfy the "adequate record" requirement, taxpayers must maintain an account book, diary, log, statement of expense, trip sheets or similar records and documentary evidence that in combination, are sufficient to establish business use. **Estimates are not substantiated amounts. Expenses deducted for vehicles based on an "estimate" of business use may be disallowed.**

- When an employee uses an employer-provided vehicle for non-business purposes, such as commuting to and from work and other personal use, the taxable fringe benefit to the employee is based on the ratio of personal and commuting miles driven to total miles driven.

- The personal use of an employer-provided vehicle may be treated as a taxable fringe benefit paid on a regular pay period, quarterly, semi-annually or annually. The IRS need not be notified of the accounting period used, and you can change the period at any time, so long as the benefits are treated as paid by December 31.

- Special accounting period election -- employers may report the personal use of company vehicles by utilizing annual reporting periods ending October 31 or later. The benefits paid in November and December (or any shorter period) can be carried forward and treated as benefits for the following year. By utilizing a reporting period other than December 31, you will avoid the year-end rush to accumulate data needed to calculate amounts to be included as compensation on employee W-2 forms.

Computing the Value of Personal Use to be Reimbursed or Treated as Compensation

- Employees must be notified by January 31 of the current year which method is being used to value personal use.

- Methods available:

  General Fair Market Value Method -- value of employee's use of an automobile equals the amount he would have to pay to lease a comparable vehicle on comparable terms in the geographic area in which the vehicle is available for use.

  Annual Lease Value Method -- value of employee's use is based on the IRS supplied table that provides the value of leasing the automobile based on its fair market value.

  Cents-Per-Mile Method -- value of employee's personal use is based on the number of personal miles driven multiplied by an IRS-supplied optional standard mileage rate. The rate for 2017 was 53.5 cents per mile. Effective January 1, 2018 the mileage rate will increase to 54.5 cents per mile. This method is not available for luxury automobiles (initial value in excess of $15,900 for a passenger automobile and $17,800 for a truck or van for 2017).

Employee Reimbursement for Personal Use of Company Vehicle

- Employee may reimburse value of personal use to employer by year end, or

- Taxable amount of fringe benefit must be included as compensation on employee's W-2. The employer may elect not to withhold federal income taxes, however Social Security (up to the limit) and Medicare taxes must be withheld. If the employer elects not to withhold federal income taxes on the value of providing a vehicle, written notification must be provided to the employee by January 31 of the election year or within 30 days after a vehicle is first provided to the employee. For 2017 W-2 presentation, the taxable fringe benefit is included in box 1 (Wages, Tips, Other Compensation), box 3 (Social Security Wages) unless the employee is above the taxable limit of $127,200 for that tax, box 5 (Medicare Wages), and box 14 (Other), which should contain a notation that the amount is for personal use of auto. This fringe is also taxable in Indiana and should be included in box 16 (State wages, tips, etc.) and box 18 (Local wages, tips, etc.).

REPORTING OF HEALTH AND ACCIDENT INSURANCE OFFERED AND PREMIUMS PAID ON ANNUAL INFORMATION FORMS

The Affordable Care Act contains a provision that requires employers to report certain information regarding health insurance coverage offered and provided to each employee. Employers were given relief from reporting until additional guidance was provided by the Internal Revenue Service. Final guidance issued on February 10, 2014 required all applicable large employers (defined as employers with 50 or more full-time and full-time equivalent employees) and any employer that

sponsors a self-insured health plan to report to the IRS information about the health care coverage, if any, they offered to their full-time employees for the previous calendar year, and also furnish related statements to their full-time employees. Forms 1094-C and 1095-C are required annually for employers who meet the definition of an applicable large employer. The forms have the same filing dates as current Form W-3 and W-2 forms, effectively doubling the reporting requirements that certain employers have in January. Also, if 250 or more forms 1095-C will be filed, forms must be filed electronically. Employers should use the information about the number of employees and their hours of service during 2016 to determine whether they will be considered an applicable large employer for 2017 reporting requirements. Full-time employees are those that work, on average, at least 30 hours per week. For this purpose, 130 hours in a calendar month will be treated as the equivalent of at least 30 hours per week. Part-time employees are calculated as full-time equivalents by taking the total hours worked each week and dividing by 30. For instance, 20 employees working 15 hours per week on average is the equivalent of 10 full-time employees. For those employees that you will need to prepare a Form 1095-C, you will also need to report, by month, the lowest monthly premium cost for self-only coverage, the months the employee was offered insurance, and if coverage was offered for self only, or for a spouse and / or dependents as well. An employee does not include a sole proprietor, partner in a partnership, a 2-percent S corporation stockholder or a worker that is a qualified real estate agent or direct seller. Employers subject to reporting requirements will find it beneficial to track each employee's number of hours worked by month in 2018, as well as coverage offered to each employee.

In addition, if you will issue 250 or more W-2 forms for 2017, you will want to consider tracking premiums paid for individual employees in your payroll system starting in January 2018, as W-2 reporting requirements may become effective in 2019 for coverage provided for 2018. For non-stockholder employees, the cost of the coverage under an employer-sponsored group health plan is not included in taxable wages, but is to be reported on an employee's Form W-2 in box 12 using code DD. In general, the amount reported should include both the portion paid by the employer and the portion paid by the employee. Reporting of dental and vision coverage is optional if separate from the major medical plan. In addition, reporting of coverage provided under a multi-employer plan is currently not required under transitional rules. Reporting requirements for stockholder-employees of S Corporations are described below.

A stockholder-employee may not claim a deduction on their individual income tax return unless the health insurance premiums paid are properly reported as compensation on their W-2. If you are a stockholder-employee owning greater than 2% of the outstanding stock of an S Corporation, and the corporation is paying the premiums for your health and accident insurance under a group health plan, you must either report the total amount of premiums paid as additional compensation on your W-2 or reimburse the corporation for the premiums paid. Premiums treated as taxable fringe benefits are <u>not</u> subject to Social Security or Medicare as long as the stockholder or spouse is not eligible to participate in another employer-subsidized health insurance plan. For purposes of stock ownership, the rules of attribution apply. These rules state that for certain purposes, an individual is considered to own shares of stock owned by various other related persons or entities. For instance, an individual is considered to own stock owned by his or her spouse (unless legally separated) or stock owned by his or her children, grandchildren, or parents. For 2017 W-2 presentation, the taxable fringe benefit is included in box 1 (Wages, Tips, Other Compensation), boxes 16 and 18 (State and Local wages), and box 14 (Other) which should also contain a notation

that the amount is for health insurance premiums. For 2017 returns, a deduction may generally be made on the stockholder-employee's individual income tax return for one hundred percent (100%) of the amount included in income.

Keep in mind that 2% shareholders in an S Corporation are only treated as partners entitled to the self-employed health insurance deduction if the health insurance is provided by the Corporation. If an individual policy is purchased personally, the shareholder is not treated as self-employed and is only able to deduct the health insurance as an itemized deduction subject to the 10% adjusted gross income limitation.

DISABILITY INSURANCE PREMIUMS

When disability insurance premiums are paid by the employer, any disability benefits received are taxable to the recipient. If all premiums are paid personally, benefits are received tax-free. For this reason, many of our clients with individual policies choose to pay the premiums personally. If your disability insurance program has individual policies, the covered employee may elect to pay the premium. If a group program is used, the rules become more complex. Please call us if you would like to discuss tax options for your disability plan.

Finally, as with health insurance, disability premiums paid for a stockholder-employee owning more than 2% of an S corporation should be included on Form W-2. Unlike health insurance, though, disability premiums are subject to Social Security, Medicare and unemployment taxes.

2018 SOCIAL SECURITY AND MEDICARE TAXABLE WAGE BASE INCREASED

The earnings base for the Social Security portion of FICA tax for 2018 will increase to $128,700 (compared to $127,200 for 2017) and the Medicare portion of FICA tax will again apply to all earnings. Both employee and employer are subject to rates of 6.2% on Social Security taxable wages and 1.45% on Medicare taxable wages for 2018.

ADDITIONAL MEDICARE TAX

In addition to withholding Medicare tax at 1.45% as noted above, employers must withhold an additional 0.9% Additional Medicare Tax from wages paid to an employee in excess of $200,000 each year. This additional withholding is required in the pay period in which the employee exceeds $200,000, and must be withheld through the remainder of the calendar year. There is no matching requirement for the employer on this additional tax.

BE AWARE OF CHANGE IN 941 DEPOSIT FILING STATUS

The Internal Revenue Service will generally not issue a notice if your filing status has changed from monthly to semiweekly. The rules governing such a change indicate that your filing status is determined by the amount of taxes reported on Forms 941 in a four-quarter lookback period which begins July 1 and ends June 30. If you reported $50,000 or less of taxes for the lookback period, you are a monthly schedule depositor. If, however, you reported more than $50,000 in taxes, you are a semi-weekly depositor. If you reported more than $50,000 in employment taxes on your Forms 941 for the period of July 1, 2016 through June 30, 2017, you are required to make semiweekly deposits of your taxes for calendar year 2018. See your Circular E, Employer's Tax Guide (IRS Publication 15) for more information.

INDIANA FORMS REQUIRED TO BE SUBMITTED ELECTRONICALLY

Effective January 1, 2013, Indiana mandated electronic filing of the following state forms: WH-1 (Indiana Withholding Tax Voucher), WH-18 (Miscellaneous Withholding Tax Statement for Nonresidents) and ST-103 (Sales and Use Tax Voucher). These forms, along with Forms WH-3 and W-2, should be filed electronically via INTax. For further information or to register to file electronically, visit their website at https://www.intax.in.gov/.

Indiana requires electronic filing of Forms WH-3 and W-2s for any employer filing more than 25 W-2s. If you have fewer than 51 W-2s you may either manually input the W-2 information or upload a text file. If you have 51 to 2,000 W-2s you must upload a text file. If you have more than 2,000 W-2s you may bulk file by uploading the information directly in the Department's system.

NEW HIRE REMINDERS

New Hire Reporting Requirement

In an effort to locate individuals attempting to avoid child support obligations and to enforce child custody and visitation rights, the U.S. Congress mandated that the states establish a directory of newly hired employees. Indiana employers are required to submit to the Indiana Department of Workforce Development a report containing employee name, address and social security number, as well as employer name, address and Federal identification number. The information must be submitted within twenty (20) business days of the new employee's date of hire via fax, internet transfer, magnetic reporting or mail. You may be subject to a fine of $25 per employee for new hires not reported. Online reporting is available by visiting http://www.in-newhire.com. States other than Indiana have requirements for reporting ranging from 5 days to 35 days. Please contact us for requirements for filing.

Employment Eligibility Verification Form

Form I-9 (Employment Eligibility Verification Form) must be completed by all employers for every employee hired after 11/6/1986. The form includes a list of acceptable documents that establish identity and employment eligibility. Employers may face significant penalties for noncompliance. A revised version of the form was released on July 17, 2017. A blank copy of the revised form can be obtained at https://www.uscis.gov/i-9.

BEWARE OF PENALTIES FOR FAILURE TO PROPERLY FILE FORMS 1099 AND W-2

The Internal Revenue Service (IRS) and Social Security Administration (SSA) have started to strictly enforce the penalties related to information returns (1099 forms) and wage and tax statements (W-2 forms). Effective with 2011 returns, the IRS began requiring that taxpayers respond to a question regarding filing of 1099 Forms. If an employer fails to file forms with the IRS or SSA or fails to include all of the required information on the form, the employer is subject to certain penalties. The Internal Revenue Code provides that an employer may be charged up to $100 for each form filed with mismatched names and social security numbers (SSN). Also, entities filing 250 or more returns (which would include W-2's, 1099's, income, payroll or excise tax returns) must file **all** returns electronically.

Payment of interest, dividends, rents, royalties, commissions, non-employee compensation and services rendered by individuals and other non-corporate entities (with the exception of incorporated law firms -- see below) are some of the basic types of activities that trigger a requirement to file information returns. If the payments (in aggregate) are less than $600, then 1099 forms are not required. Also, dividends paid by S corporations are generally not reportable on Form 1099. Withholding for federal income taxes ordinarily is not required for payments to non-employees. However, if the payee fails to furnish his or her taxpayer identification number (TIN) or you are notified by IRS to impose backup withholding because of an incorrect TIN or the payee is subject to backup withholding, the employer is required to withhold federal income taxes under the backup withholding rules: A flat 28% of the payment must be withheld and paid to the Internal Revenue Service. In order to alleviate future IRS notices regarding backup withholding, a Form 1099-MISC should not be filed without the correct recipient taxpayer identification number. Taxpayers should get a Form W-9 Request for Taxpayer Identification Number from all persons and entities for potential reportable 1099 payments made. A blank copy of the form can be obtained at https://www.irs.gov/pub/irs-pdf/fw9.pdf. If you wait until after payment is made and the payee is uncooperative, you may find yourself unable to follow the backup-withholding rules.

When accumulating information on vendors, take care to obtain proper information on the form. Instruct vendors to complete the form so that the name and number provided on the form match the name and number reported on the vendor's income tax return. In the case of individuals who file a Schedule C, the correct identification number for the form is the payee's Social Security Number, as that is the number that matches the name reported on their income tax return. However, many unincorporated taxpayers have obtained federal identification numbers for their Schedule C activities. In this case, the Social Security Number of the individual is still the

identification number that the IRS prefers the activities to be reported under. However, the federal identification number of the unincorporated business is acceptable. In the case of Single Member LLC's (an LLC with one owner), the W-9 should be completed with the owner's name on Line 1 of the W-9 (so that the payee name matches the name reported on Page 1 of the individual's income tax return). The owner's Social Security Number is also the preferred number to report, however, the federal identification number of the entity is also acceptable.

As noted above, all payments made to outside attorneys by a trade or business are to be reported on Form 1099-MISC. In such cases where the payments made are for the gross amount (which includes a portion for fees and a portion for a settlement), and it is unknown what portion is fees, the payment is subject to "gross proceeds" information reporting requirements on Form 1099-B.

INDEPENDENT CONTRACTOR VS. EMPLOYEE

The Small Business Job Protection Act, passed in 1996, clarifies and modifies the safe harbor which allows a taxpayer to treat workers as independent contractors. After 1996, a taxpayer may rely on an audit of a prior year only if the examination raised issues relating to the treatment of workers holding substantially similar positions. The law provides a safe harbor for treating workers as independent contractors if a significant segment of the industry does so and it also clarifies what will be considered significant. The industry practice need not have continued for more than ten years to be considered long standing, as under previous guidelines. Most importantly, if the taxpayer can prove that it was reasonable not to treat a worker as an employee under the safe harbor, the burden of proof to show otherwise shifts to the Internal Revenue Service.

The Internal Revenue Service began taking a closer look at this area, releasing Form 8919. Misclassified employees can use the form to calculate and report their share of uncollected Social Security and Medicare taxes due on their compensation. By using this form, the worker's Social Security and Medicare taxes will be credited to their record. If an individual feels that they have been wrongly classified as an independent contractor, they can file Form SS-8 to get a determination from the IRS. If a determination is made that individuals treated as independent contractors are indeed employees, the business may be subject to audit by the Internal Revenue Service and penalties for failure to properly withhold and submit payroll taxes may be imposed.

The IRS has a Classification Settlement Program (CSP) under which IRS examiners are able to offer businesses under examination for a worker classification issue a settlement using a standard closing agreement tailored to the business. The CSP is only available to taxpayers who timely file 1099 forms. Under the provisions of the CSP, the business is assessed less tax than it otherwise would, provided the business prospectively treats all subject workers as employees for all future federal employment tax purposes.

Determining a worker's status and filing and paying employment taxes can be complex. Business owners who need assistance are encouraged to consult a tax professional or payroll service provider.

PAYROLL RECORDKEEPING REQUIREMENTS

Failing to meet Internal Revenue Service recordkeeping requirements can mean big penalties, not to mention large settlement rewards, should you be unable to provide the required information when requested by the IRS or in an employment-related lawsuit. The Internal Revenue Service recently announced a plan to begin its first Employment Tax National Research Project in 25 years. Beginning in 2010, the IRS began random comprehensive examinations of taxpayers. Records pertaining to employment tax returns and issues are subject to review during these examinations.

The following records must be kept for at least four (4) years after the due date of the employee's personal income tax return for the year in which the payment was made:

- Employer identification number
- Employee name, address, occupation and Social Security number
- Total amount and date of each payment of compensation, and any amount withheld for taxes or otherwise, including reported tips and fair market value of non-cash payments
- Amount of compensation subject to withholding for Federal income, Social Security and Medicare taxes, and amounts withheld for each
- Pay period covered by each compensation payment
- Reason for difference between total compensation and taxable amount, if any
- Employee's Form W-4 (Withholding Allowance Certificate)
- Beginning and ending dates of employment for each employee
- Statements provided by the employee reporting tips received
- Information regarding wage continuation payments made to the employee by the employer or by a third-party payer under an accident or health plan, including the beginning and ending dates of the work absence and the amount and weekly rate of each payment, as well as copies of the employee's Form W-4S (Request for Federal Income Tax Withholding from Sick Pay)
- Fringe benefits provided to the employee and any required substantiation
- Requests from an employee to use the cumulative method of wage withholding
- Adjustments or settlements of taxes
- Copies of returns filed including Forms 941, 943, 944, 945, W-3, Copy A of Form W-2 and any Forms W-2 sent to employees but returned as undeliverable
- Amounts and dates of tax deposits

In addition, employers subject to the Federal Unemployment Tax Act (FUTA), must also keep records for at least four (4) years after the due date of Form 940 or the date the required FUTA tax was paid, whichever is later:

- Total amount of employee compensation paid during the calendar year
- Amount of compensation subject to FUTA tax
- State unemployment contributions made, with separate totals for amounts paid by the employer and amounts withheld from employee's wages (Alaska, New Jersey and Pennsylvania)

- All information shown on Form 940
- Reason for any difference between total compensation and taxable wages

Additional record requirements may also apply for the Department of Labor (DOL), as well as wage-hour and unemployment insurance agencies at the state level.

RECORDKEEPING REQUIREMENTS FOR TRAVEL, LODGING, ENTERTAINMENT AND GIFT EXPENSES

The Internal Revenue Service no longer requires receipts for expenditures of less than $75 for any expense for **traveling, lodging, entertainment, gifts or listed property**. In addition, adequate records must be maintained that establish the elements of amount, time, place and business purpose for travel and entertainment expenditures. **Exception:** If you own 10% or more of the stock of a corporation, or are related to a stockholder owning 10% or more of the corporation, you do not qualify for the $75 threshold for documentation for travel, lodging, entertainment, gifts or listed property, and must provide receipts for all expenditures.

While the IRS no longer requires receipts for expenditures of less than $75, keep in mind that the Indiana Department of Revenue (and other state reporting agencies) may require receipts to prove payment of applicable sales tax in the event of an audit of sales and use tax. Therefore, we recommend that you carefully evaluate your situation to determine what records to keep.

STOCKHOLDER LOANS TO OR FROM CORPORATIONS

In the event that you or your corporation borrow money from each other, it is necessary that a promissory note be executed at the time of such borrowings stating interest rate and repayment terms. Interest should be paid on the promissory notes at least annually. Interest is not required to be paid on aggregate advances of less than $10,000. Failure to properly document stockholder loans or pay annual interest may result in the recharacterization of these advances as taxable dividends or wages.

RETIREMENT PLAN CONSIDERATIONS

If you are looking for ways to boost employee morale, plan for your retirement and reduce taxable income, you might consider adopting an employee benefit plan or contributing to an existing plan. Various legislation enacted in recent years provided new planning opportunities. These include the Roth 401(k), SIMPLE IRA plans, SIMPLE 401(k) plans, safe harbor 401(k) plans, automatic enrollment 401(k) plans and a new DB(k) plan available for businesses with 500 or fewer employees, which allows elements of a defined benefit plan and a 401(k) arrangement to be combined in a single plan. Please call us if you would like to discuss options available to you.

The following requirements and guidelines should be considered:

1. Adoption of a Plan:
   - Most qualified plans must be established before the end of the taxable year in order to take a deduction for a contribution to the plan for that year. The actual deposit of the contribution must be made by the due date of the tax return.
   - A SEP (Simplified Employee Pension) can be adopted up until the due date of the tax return.

2. Limits on Contributions:
   - Annual IRA contributions (both traditional and Roth) are limited to $5,500 for both 2017 and 2018. Catch-up contributions are $1,000 for persons over age 50.
   - 401(k) Salary Deferrals are limited to $18,500 for 2018 (up from $18,000 for 2017). Catch-up contributions to a 401(k) plan for persons age 50 are $6,000 for both 2017 and 2018, bringing total salary deferrals to $24,500 for 2018 (up from $24,000 for 2017), provided your plan permits catch-up contributions. An employer could choose to allow participants to designate all or part of their elective contributions as a Roth contribution. Unlike regular 401(k) contributions, these contributions are made with after-tax dollars, all investment gains are tax free (not tax-deferred as with a traditional 401(k) contribution), and, if it is rolled to a Roth IRA, the money does not need to be withdrawn before death. A plan amendment is required to add the Roth 401(k) feature.
   - The limit on elective deferrals to a SIMPLE retirement plan remains unchanged at $12,500 for both 2017 and 2018. Catch-up contributions to a SIMPLE plan for persons age 50 or over are also unchanged at $3,000 for both 2017 and 2018, bringing total deferrals to $15,500 for 2017 and 2018, provided your plan permits catch-up contributions.
   - Annual Additions (all contributions and forfeitures added to a participant's account) are limited to the lesser of $55,000 in 2018 ($54,000 for 2017) or 25% of compensation. Salary deferral contributions do not count toward the 25% limit and catch up contributions do not count toward the $55,000 limit.

3. Limits on Deductions:
   - Profit Sharing Plans, and SEPs - The maximum contribution is 25% of eligible compensation for 2017. The plan document will define if compensation is reduced by elective deferrals (401(k) and cafeteria plans).
   - Money Purchase Pension Plans - The maximum contribution is 25% of eligible compensation.

4. Limits on Compensation:
   - Considered compensation cannot exceed $275,000 in 2018 ($270,000 for 2017).
   - Compensation of spouses is not combined. Each may have up to the limit in compensation.
   - Self-employed persons - Compensation for purposes of plan contributions is reduced by the amount of the contribution and by 1/2 of Self Employment Tax.

5. Minimum Distribution Requirements:
   - A plan may permit participants (other than 5% owners) who have attained age 70½, but have not retired, to elect not to take minimum annual distributions from the plan. Individuals who are 5% owners must begin taking distributions once they reach age 70½.

6. Miscellaneous:
    - If your plan has more than 100 participants, an audit may be required.
    - ERISA requires that a fidelity bond with coverage equal to 10% of plan assets ($1,000 minimum and $500,000 maximum) be obtained. In addition, if your plan holds "non-qualifying assets", the bond must be 100% of the value of those assets or else an audit will be required.

If you would like more information about any of the above, please contact your Blue & Co., LLC representative.

CIRCULAR 230 DISCLOSURE: To ensure compliance with U.S. Treasury Department Regulations, we are required to advise you that, unless otherwise expressly indicated, any federal tax advice contained in this communication, including any attachments, is not intended or written by us to be used, and cannot be used, by anyone for the purpose of avoiding federal tax penalties that may be imposed by the federal government or for promoting, marketing or recommending to another party any tax-related matters addressed herein.