

## Tracy Ellingson

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**From:** Carla <csdoubet57@att.net>  
**Sent:** Monday, May 29, 2017 11:16 PM  
**To:** Kent Vickre; Carla  
**Subject:** 5-1 Carla Doubet- NAFBAS Other Educational Aids  
**Attachments:** Tax Research Presentation - Head of Household Finding.pptx

Kent -

Attached is my submission for Other Educational Aids category.

It is a power point presentation titled Tax Research - Head of Household Findings / Presenting the Findings to the Client. The first part of the presentation covers various facets involved in presenting tax research findings to a client. The last part are slides for a power point that would be presented to the client rather than sending written correspondence as a summary of the findings. I used a pattered background on these to distinguish from the instruction slides. In this instance, the findings are drawn from the tax research paper titled "Tax Research - Head of Household" the professional paper I authored.

I feel implementing a PowerPoint format in special projects such as tax research can project a more professional, progressive image to our clients.

Please respond to this email so I know you received the attachment intact.

Thanks,

Carla S. Doubet

*Sent from my Verizon Wireless 4G LTE DROID*



# TAX RESEARCH

PRESENTATION OF FINDINGS TO THE CLIENT

# Preparing for the formal presentation

The Power Point™ presentation should only contain:

- 1) Introductory slide
- 2) Statement of the Problem slides
- 3) Conclusion slides

Choose a professional looking template and font. Prepare your slides with pertinent, detailed information gleaned from your tax research findings. Cite with correct formatting. Pay close attention grammar and spelling.

# Presenting the formal presentation

Choosing the best place for the tax research findings Power Point™ presentation is as important as the finding. Some topics or clients drive the decision for where the delivery will be presented.

An office setting such as your desk or a board room with the presenter either standing or sitting at the head of the table keep the presenter in the point of power. This could be used on topics of conflict between parties where neutral ground is needed.

Using a round table or having the presenter sit in a chair halfway down one side of the table with the clients directly across from him (with no one at either end) has a more informal setting. It also opens up the opportunity for more discussion. A round table setting seldom has a point of power.

Presenting at the client's home or their office can give the client an advantage in the point of power. In some instances it can help make them comfortable with the subject matter.

# Presenting the formal presentation

Your notes from the procedure you used in your research and the supporting evidence of your finding should be available in case you need to reference them during the presentation.

Last but certainly not least, dress *appropriately* for your presentation and be prompt for the appointed time.

Examples from tax research on Head of Household filing follow this slide. The supporting evidence and procedure slides are first. The actual presentation slides appear following the procedure slide. They have a patterned background so that you can distinguish them from the instruction slides.

# Supporting Evidence

Reg. §1.2-2(b) contains six paragraphs that specifically address head of household parameters. In order for someone to file as head of household, they must have a qualifying person, either a child (§ 152)(c) or relative (§ 152)(d), who is a member of their household (Reg. §1.2-2(b)(3)(i) and (ii)). The qualifying person must live with them for over six months during the tax year.

# Supporting Evidence

Specific to our scenario are two other paragraphs.

First is Reg. §1.2-2(b)(1):

- ▶ “A taxpayer shall be considered the head of a household if, and only if, he is not married at the close of his taxable year, is not a surviving spouse (as defined in paragraph (a) of this section), and (i) maintains as his home a household which constitutes for such taxable year the principal place of abode, as a member of such household, of at least one of the individuals described in subparagraph (3), or (ii) maintains (whether or not as his home) a household which constitutes for such taxable year the principal place of abode of one of the individual described in subparagraph (4).”

# Supporting Evidence

Second specific to the scenario is Reg. §1.2-2(b)(5):

- ▶ “For the purpose of this paragraph, the status of the taxpayer shall be determined as of the close of the taxpayer’s taxable year. A taxpayer shall be considered as not married if at the close of this taxable year he is legally separated from his spouse under a decree of divorce or separate maintenance, or if at any time during the taxable year the spouse to whom the taxpayer is married at the close of his taxable year was a nonresident alien. A taxpayer shall be considered married at the close of his taxable year if his spouse (other than a spouse who is a nonresident alien) dies during such year.”

# Supporting Evidence

- ▶ In certain instances, married individuals that are living apart can qualify for head of household status. (¶A-1403) Taxpayers that are legally separated under separate maintenance can sometimes qualify for head of household status. (EXP ¶24.03) Clarification for “unmarried or considered unmarried” is addressed in §7703. §7703(a)(2) states that “an individual legally separated from his spouse under a decree of divorce or of separate maintenance shall not be considered married.”

## Supporting Evidence

- ▶ In *Dwayne Lee Rabold, Petitioner v. Commissioner of Internal Revenue*, Mr. Rabold's children lived with him only on weekends and the summer. They resided with their mother for the remainder of the year. He did not meet the requirement of the dependents residing with him more than half of the year. Therefore, he was not allowed head of household status.

# Procedure

- ▶ In the initial steps of the research, a “key word” search on “Head of household exemption” was implemented using the RIA checkpoint database. The search was then refined to “head household exemption.” This resulted in Reg. §1.2-2 Definitions and special rules.
- ▶ Upon further exploration of each of the requirements listed, sections §152, EXP ¶24.03, §7703, ¶A-1403, and *Dwayne Lee Rabold, Petitioner v. Commissioner of Internal Revenue* were reviewed. These searches examined different legal cases and rulings for like circumstances.

# TAX RESEARCH HEAD OF HOUSEHOLD

PRESENTATION OF FINDINGS

Client: James Smith

# Statement of the Problem

When married persons are legally separated under a final court decree, determination of filing status for income tax purposes must be addressed.

*Factors to be used:*

- ▶ Place of residency,
- ▶ Duration of residency for both parties;
- ▶ And support of the dependents.

What are the qualifications for head of household status?

# Conclusion

- James is the father of two children with his former spouse.
  - The qualifying child (Reg. §1.2-2(b)(3)(i) and (§152)(c) requirement is met.

# Conclusion

- James has resided in a separate residence for the entire tax year
  - The end of year determination of Reg. §1.2-2(b)(5) is met.

# Conclusion

- James is married pursuant to §7703(a)(2) even though he is legally separated.
  - He maintains the household where the qualifying children live and provides for their total support.

# Conclusion

- James is not a resident of the household in which his children live.
  - Thus, Reg. §1.2-2(b)(1) requirement is not met.

# Conclusion

James is not entitled to the head of household treatment for the tax year. He has the option of married filing joint or married filing separately.