

## **Tax Issues**

By Steve Enz

An email is circulating listing 43 different taxes at the Federal, State and Local levels which tax almost every activity of our daily lives.

Lawmakers, business persons, professionals and lobbying organizations continue to debate the wisdom and fairness of such cumbersome taxing systems. More disturbing is the fact that each tax is constantly evolving and, with each evolution, understanding and compliance become more difficult, if not impossible.

Twenty years ago, major Federal tax legislation was expected every two to three years. Now, we see complex and far-reaching changes at the rate of two to three per year. This year alone has seen the Tax Increase Prevention and Reconciliation Act (TIPRA) and the Pension Protection Act of 2006 (PPA).

TIPRA contains multiple provisions impacting many tax-payers. While it provided one year of relief for Alternative Minimum Taxpayers and extended certain tax benefits for individuals, it also enhanced some revenue provisions.

Signed into law on August 16, 2006, the PPA indeed addressed areas of need within pension compliance. However, it also contains many substantive provisions directed at charities, charitable donors and advisors to charities.

On June 30, 2005, Ohio dramatically changed its tax structure, particularly as relating to business. The new Commercial Activity Tax, a gross receipts tax, phases in over five years while the old Franchise and Personal Property Taxes phase out. Compliance requires knowledge of all systems during the "phase" period.

Federal and State Estate Taxes are also "moving targets." Rate adjustments and exemptions are subject to change over the next four years and may revert entirely to pre-2000 levels. Estate tax is a current political football and no one can predict the outcome.

Major pre- and post-election tax legislation will certainly be introduced. Even the most aware taxpayer may soon be unable to keep up. Everyone should consider consulting a tax professional to avoid penalties for non-compliance. Ignorance of the law, however complex, is still unexcused.

If you would like to have more information regarding these tax law changes and how they may affect you or your business please contact Steve Enz at 614-228-6135 or [SDE@cpmlaw.com](mailto:SDE@cpmlaw.com).