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Incredibly, 4 More Things President Obama Wants To Tax Now

President Obama likes to raise taxes and to enact new ones, as his recently released budget makes crystal clear. Is President Obama *personally* responsible for all of the crazy tax proposals in his budget? Maybe not, but there's a lot of back-peddling he or his staff may want to do. Remember the 529 tax plan? The President wanted to tax college savers so he could give free college to others.

Maybe the President thought that would sound clever, but he dropped that one quickly once there was an audible backlash from savers. Here are four [stupid tax proposals hidden in his budget](#) that Mr. Obama should perhaps reconsider.

More Taxes on Retirement Savings. Are Americans saving *too much* for retirement? Of course not, but the White House must think so. Or put differently, even if saving for retirement is good, the President must think collecting more taxes is better. Maybe even if he's collecting the taxes from money you put away for your old age. Taxing retirement savings is hard to understand given the fact that we so desperately *need* private savings. Our Social Security system is going broke.

As Americans live longer and living costs keep going up, it almost seems *impossible* to have too much for retirement. Nevertheless, the Obama budget proposes cutting back on allowable retirement savings. In fact, the cuts would be big, limiting retirement savings to an amount sufficient to generate \$210,000 a year beginning at age 62. Apart from the amorphous nature of such actuarial musings, what if you run short? There's a big potential for this simply not being enough money for many retirees, especially in high cost of living cities. Tough.

Independent Contractors To Employees. Some people see this as a bow by the White House to powerful labor unions that clearly want more members. Independent contractors aren't easy to get as union members, while employees are a cinch. Obamacare also covers employees, not independent contractors.

On the other hand, worker status reform is needed, just not the kind the President suggests, for this proposal will put a lot more power in the hands of the IRS. The President wants to allow the IRS to reclassify independent contractors as employees. The budget recognizes that the law is tough to apply and tough for businesses to understand. It states that, "New enforcement activity would focus mainly on obtaining the proper worker classification prospectively, since in many cases the proper classification of workers may not be clear." Now *there's* an understatement.

More Tax Reporting. This one may make you mad, since it is pretty close to a law that was part of Obamacare, but that was repealed by Congress as unworkable in 2011. So what, the budget seems to say, now the President wants to put it back. Yes, it's about Forms 1099 and tax withholding. Businesses that purchase more than \$600 worth of goods or services from a contractor would have to get that contractor's Taxpayer Identification Number and check it with the IRS. If it doesn't check out, the business must withhold from 15% to 35% of the payment, sending it off to the IRS. Businesses rebelled against this the first time around when the idea was 1099s. This withholding rule is even worse. It isn't an exaggeration to say that it would double or triple the reporting obligations of small businesses.

No Tax Deductions for Donations linked to Sports Tickets. Many colleges and universities rely on sporting event tickets to goose alumni contributions. You give to charity and get a tax write-off, but your contribution also makes you eligible to buy advance tickets. Where's the harm? It is hard to see it, especially since there's a rule that you already get your donation cut back. Today, the rule is that if you get ticket perks this way, you can only deduct 80% of your contribution, not 100%. But the White House says if your donation gets you upped on the ticket purchase list, no part of your donation should be deductible, zip, nada. Starting January 1, 2016, colleges and universities that rely on these gifts may be hurting.

Of course, these are only proposals. A Republican Congress may put a stop to these proposed tax changes, but there will surely be more coming.

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