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OCTOBER 2021 NEWSLETTER

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CALIFORNIA'S NEW SALT WORKAROUND – DOES IT WORK FOR YOU? *by DeEtte L. Loeffler, J.D., LL.M. Taxation*

In 2017, the *Tax Cuts and Jobs Act* limited the ability of taxpayers to deduct state and local taxes on their federal income tax returns until 2026. Under that law, the federal income tax deduction for state and local taxes (SALT) is capped at $10,000 per taxpayer (with married couples treated as a single taxpayer). Many taxpayers in high tax states, such as California and New York, saw a sharp increase in their federal taxes. Since 2018, a number of states have enacted legislation attempting to get around this SALT limitation. Many of these attempts failed. However, in 2020 the IRS issued a surprise Notice granting approval to one method of avoiding the limitation,[1] and on July 16, 2021, California enacted legislation implementing the approved method. This article discusses this new legislation, who can (and cannot) take advantage of it, and who ought (and ought not) to take advantage of the new law.

What is the New Law? The Small Business Relief Act ("Act") was enacted as part of California's budget bill, AB 150. It amends the California Revenue and Taxation Code (R&TC) by adding new Part 4, Sections 19900-19904 and 19906.[2] The Act applies retroactively to January 1, 2021 and will terminate on the earlier of December 1, 2026 or such time as Congress repeals the SALT limitation.[3] The Franchise Tax Board has not yet issued implementing regulations to provide guidance on this new law.

What Does It Actually Do? The Act permits any "qualified entity" to elect to pay California income tax at 9.3% on behalf of its owners.[4] Since the SALT limitation does not apply to entities,[5] paying the tax at the entity level allows less net income to pass through to the owners to be taxed at their level, allowing the owners to obtain the benefit of the state income tax deduction taken by the entity.

Who Can Make the Election? The election is limited to certain "pass-through" entities. Pass-through entities are those that do not pay income taxes but instead pass the tax liability to their owners. Pass-through entities include limited liability partnerships, general or limited

[1] *See* IRS Notice 2020-75

[2] There is no Section 19905.

[3] *See* R&TC §19900(a)(1).

[4] *See* R&TC §19906(b).

[5] Tax Cuts and Jobs Act §11042; IRC §164(b)(6).

partnerships, limited liability companies, and S corporations. Note that not all pass-through entities qualify. Entities with certain types of owners do not qualify; permitted owners are individuals, fiduciaries, estates, trusts and corporations.[6] If the entity has a partnership as an owner, or an owner that is part of a combined reporting group for tax purposes, it will not qualify. Of course, limited liability companies which have elected to be taxed as a corporation do not qualify either (as they are not pass-through entities).

How is the Election Made? The election is irrevocable and must be made (or renewed) annually.[7] For 2021, the election must be made no later than March 15, 2022 on an original, timely filed entity tax return.[8] This return will set the base elective tax which will affect future filings. For years starting in 2022 and before January 1, 2026, the entity must, no later than June 15th, pay an amount equal to the greater of $1,000, or fifty percent (50%) of the elective tax paid the prior year. The balance of the tax must be paid with the return no later than March 15th of the following tax year.[9] Failure to make the June 15th payment disqualifies the entity from making the election for that tax year. The Act says all owners are bound by the election. The elective tax is in addition to, and not in place of, any other tax owed by the entity (such as the franchise fee).[10]

What If Not All Owners Want to Make the Election? A qualifying entity can make the election for all of its owners, or only for those who want to be included. Owners must specifically consent to be included in the election. However, no owner by refusing to consent can prevent the entity from making the election for other owners who wish to do so.[11] In this situation, the entity will pay the elective tax on the distributive share of each consenting owner. Each consenting owner will receive a non-refundable tax credit for such owner's share of the elective tax paid. Any unused credit can be carried forward for five years.[12]

Should You Make the Election? Whether an owner should consent (or any entity elect) to participate in this new SALT workaround will depend on their specific circumstance. If an owner is currently paying state income taxes in excess of 9.3%, the benefit is clear. For those who currently pay less than 9.3% state tax on their entity income, they will need to assess if the benefit of possibly paying more state income tax will provide a greater tax reduction than if they do not participate. Entities which qualify for the twenty percent (20%) reduction for Qualified Business Taxable Income should run calculations (with the help of a tax advisor) to determine if they will benefit. As noted above, the taxpayer can carry forward any unused credit for up to five years. However, since the Act will sunset on December 1, 2026, the actual carry-forward period will be shorter each year unless FTB regulations clarify otherwise.

Can Your Non-Qualifying Entity Be Made to Qualify? If your current entity does not qualify for the election, it may still be possible to claim the benefit for 2021 if you act before the end of this year. If, for example, an entity has non-qualifying owners, those owners could potentially be bought out, or dissolve, or restructure as a qualifying owner. For example, if a limited partnership has other partnerships as owners, the owner-partnerships could elect to become limited liability companies, so long as all of those new LLCs elect to be taxed as partnerships. Likewise, an LLC which has elected to be taxed as a corporation could elect to be taxed as a partnership instead (subject to the 60-month limitation on changing tax elections).[13]

Another option is to dissolve non-qualifying entity owners, such as partnerships, to allow the individuals, trusts, etc. to become owners.

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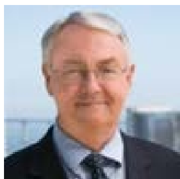
[6] See R&TC §19920(b); R&TC §17004.
[7] See R&TC §19900(a)(1); 19904(b).
[8] *See* R&TC §19904(a)(1).
[9] See R&TC §19904(a)(2).
[10] *See* R&TC §19900(b)(1).
[11] *See* R&TC §19900(c)(1).
[12] See R&TC §17052.10.
[13] *See* Treasury Regulation §301.771-3(c)(1)(iv).

Before making any changes, we strongly recommend you meet with your tax and business advisors to determine what other effects such a change may make, such as the possible loss of the qualified business income (QBI) deduction, liability protections, or other adverse effects. For example, real property held in an LLC can be distributed pro-rata to the members without triggering a tax, but if the LLC becomes an S corporation, such a distribution would trigger the capital gains in the property.

FTB Guidance. The California Franchise Tax Board (FTB) has created a webpage to provide more information to taxpayers considering making the election.[14] They are also developing forms for use in paying the tax and claiming the tax credit. The payment voucher, FTB Form 3893, will be available November 1, 2021. FTB Form 3804 (tax calculation), and FTB Form 3804-CR (tax credit) are expected to available in January of 2022.

Congress May Act. While SALT relief is not included in the Build Back Better Act currently being considered by Congress, on September 13, 2021, the House Ways and Means Committee Chairman Richard Neal (D-MA) released a short statement on behalf of the Committee regarding their commitment to work to provide relief from the SALT limitations.[15] It is unclear when such relief might be forthcoming from Congress.

The new SALT workaround offers the potential for tax savings for some taxpayers through 2025. Before you make the election, or consent to be included in an entity election, we recommend you seek professional advice and "run the numbers."



BENFITS OF USING A BUSINESS TRUST WITH A SELF-DIRECTED IRA

By Bradford N. Dewan, J.D., MBA

Self-directed IRAs provide the IRA owner with greater investment options than a standard IRA account. With a Self-Directed IRA, the IRA owner initiates investigation and analysis of various investment opportunities (usually other than publicly traded stocks and mutual funds). Often, the IRA owner has a strong interest in acquiring for investment purposes various types of real estate such as an apartment complex, commercial property, industrial property, single-family rental home, or deeds of trust.

Once a decision has been made to make an investment of the IRA funds in real estate, the next question is often whether to simply hold title to the real property in the IRA account or to create an entity into which the IRA funds will be invested. The entity will then make the investment with funds transferred into it from the IRA account and hold title to the real property investment until a decision is made to sell the real property and, thereby, realize the return on investment.

Common entities used for investment include corporations, limited liability companies, or partnerships. When investing from an IRA, however, a better option may be to use a "Business Trust." With a Business Trust, the IRA account makes an investment in the Business Trust by acquiring the beneficial interests of the Trust. Normally, the IRA account will acquire all of the beneficial interests of the Business Trust. Acquiring the beneficial interests of the Business Trust is similar to an IRA account acquiring the membership interests in a limited liability company or the shares of a corporation. Essentially, the term "beneficial interests" are the equity interests in the Business Trust that are

[14] *See* https://www.ftb.ca.gov/file/business/credits/pass-through-entity-elective-tax/index.html

[15] *See* https://waysandmeans.house.gov/media-center/press-releases/neal-pascrell-suozzi-path-forward-salt.

acquired when the investment is made in a Business Trust.[1]

By acquiring all of the beneficial interests of the Business Trust, the IRA account becomes both (i) the "trustor," or "settlor," of the Business Trust (i.e., the party that has transferred assets into the Business Trust), and (ii) the "beneficiary" (i.e., the party that holds the beneficial interests of the Business Trust).

Declaration of Trust. The initial step in forming and structuring a Business Trust is to prepare a "Declaration of Trust" which is often commonly referred to as the "trust agreement." The Declaration of Trust sets forth the primary purposes and objectives of the Business Trust. The primary purpose of the Business Trust is, of course, to make appropriate investments using the funds that were transferred to it from the IRA account. Consequently, all the activities and operations of the Business Trust that are done in connection with the investments must be for the sole and exclusive benefit of the IRA account.[2]

The Declaration of Trust will set out the rights and duties of the beneficiary. Typically, the rights and powers of the beneficiary are very broad. For example, the beneficiary will have the right to make investment decisions and amendments to the Declaration of Trust, but these broad powers will not be exclusive. Rather, the Trustee will also be given similar broad powers and, very importantly, the Trustee will not be required to obtain the consent and approval of the beneficiary for any investment or management decisions the Trustee makes regarding the assets and investments owned by the Business Trust.

The rationale for this structure is straightforward. Since the beneficiary is the IRA account, then, if the Trustee had no independent authority, all requests for approvals would have to go through the custodian of the IRA account. However, the Business Trust was created in order to minimize the number of decisions or transactions that would have to go through the custodian's review and administrative process.

Consequently, while it is advisable to reserve these broad powers with the beneficiary in the event a situation arises where obtaining the direction and approval of the beneficiary would be appropriate, granting the Trustee the power and authority to independently make investment and other asset management decisions achieves the "check book" control typically desired by the IRA owner.

The owner of the IRA account will typically appoint himself or herself as the "Trustee" of the Business Trust. Pursuant to the terms of the Declaration of Trust, the Trustee will have the authority to make all the decisions regarding (i) the purchase of investments, (ii) expenditures for the maintenance or upgrading of such investments, and ultimately (iii) the sale of each of the investments.

Bank Account. Once the Declaration of Trust has been finalized, the Trustee will apply for an EIN or "tax identification number" from the IRS. This is generally a straightforward process that can be done online by filling out the Form SS-4. The Trustee can then open a bank account in the name of the Business Trust. The Trustee (not the IRA owner) will typically be the "signatory" on the bank account. All banks require an EIN before an entity may open a bank account.[3]

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[1] *See* IRC Section 4975(e)(2)(G); ERISA Regulations 2510.3-101(b)(1).

[2] When an IRA invests in an equity interest of an entity that is neither a publicly traded security nor a security registered under the Investment Company Act of 1940, then the assets of the IRA include both the equity interest and an undivided interest in each of the assets of the entity unless certain exceptions apply. *See* ERISA Regulations 2510.3-101(a)(2). This is often referred to as the "plan asset" rule. As a result, any person who exercises discretionary authority over the management or disposition of the underlying assets, such as the Trustee of the Business Trust, is a fiduciary of the IRA and must act solely in the best interests of the IRA. *See* IRC Section 4975(e)(3) for the definition of a "fiduciary."

[3] Importantly, the IRA owner should not use his or her personal social security number (or the IRA owner's number) to open the bank account. A separate EIN must always be obtained.

One of the documents that the Trustee will be required to fill out in connection with opening the account is a "Certification of Trust." While each bank will have its own form for the Certification of Trust, the terms and information required are pretty standard. Essentially the Trustee will be certifying that (i) he or she is the Trustee, (ii) the Declaration of Trust is still in force, (iii) the IRA account is the "trustor" and "beneficiary" and is the party with the right to revoke or amend the Trust, and (iv) the Trustee has the authority to open the bank account in the name of the trust.[4] The Trustee can provide the Certification of Trust to the bank in lieu of providing a full copy of the Declaration of Trust, thus maintaining the privacy and confidentiality of the provisions of the Declaration of Trust.

Providing the Certification of Trust can be compared to providing the bank with a copy of the Articles of Incorporation if an account for a corporation was being opened or with the Articles of Organization if an account for a limited liability company was being opened. Thus, the Certification of Trust provides the bank with the evidence and assurance that the entity, the Business Trust, does exist and the Trustee has the power and authority to open the bank account on behalf of the Business Trust.

The IRA owner, upon submitting his or her direction to the custodian to make the investment in the Business Trust, will provide the custodian with instructions and information necessary to have the funds in the IRA account wired directly into the bank account of the Business Trust. Wiring the funds into the new bank account is the preferred method for transferring the funds.

Ways in Which Business Trusts are Superior to Other Entities. Business Trusts can be superior to using other forms of entities, such as corporations and limited liability companies, for investing within an IRA. Some of the reasons for this are as follows:

1. Better Tax Classification. Since the Business Trust is an entity separate and apart from the IRA account (i.e., the IRA account is simply investing in, and holding, the beneficial interests of the Business Trust), the tax classification of the Business Trust becomes important to understand. By design and structure, a Business Trust is quite distinct from and very unlike a trust that is used for gift and estate planning purposes.

Trusts used for gift and estate environments are taxed under the provisions of Subchapter J of the Internal Revenue Code, starting with Section 641. In contrast, the tax classification of Business Trusts is determined under the "check-the-box" Treasury Regulations.

Under Treasury Regulation 301.7701-4(b), a Business Trust is treated as a "business entity" that will be classified for federal tax purposes under Treasury Regulation 301.7701-2. Under this regulation, a business entity with two or more members is classified for federal tax purposes as either a "corporation" or a "partnership." Corporations are business entities organized under a state statute which refers to the entity as "incorporated" or as a "corporation."[5] Since Business Trusts are not organized under a state statute, they are not classified as corporations. Any entity that is not a corporation is taxed either as a partnership[6] (if it has two or members) or is "disregarded as an entity separate from its owner"[7] for federal tax purposes.

Since the IRA account will generally own all of the beneficial interests of the Business Trust, Business Trusts are commonly taxed as disregarded. This means it may not be required to prepare and file separate income tax returns.

2. No Minimum Franchise Tax for a Business Trust. Corporations and limited liability companies doing business in California are subject to the annual minimum franchise tax of

[4] Essentially the CA Probate Code establishes the permitted terms of a Certification of Trust. CA Probate Code Section 18100.5.

[5] Treas. Reg. Section 301.7701-2(b).

[6] Treas. Reg. Section 301-7701-2(c)(1).

[7] Treas. Reg. Section 301-7701-2(c)(2).

$800.[8] In contrast, other entities, such as partnerships and Business Trusts, are not required to pay a franchise tax. This is a clear advantage to using a Business Trust.

The non-applicability of the minimum franchise tax to a Business Trust is clear from the provisions of the California Revenue and Taxation Code and related regulations.[9] In addition, two Chief Counsel Rulings of the California Franchise Tax Board make it clear that an entity classified as a Business Trust is not a corporation for purposes of the annual Minimum Franchise Tax imposed under California Revenue and Tax Code Section 23153.[10]

3. No "Total Income" Fee. In addition to the Minimum Franchise Tax described above, every limited liability company doing business in California must pay annually a graduated fee that is based on the "total income from all sources derived from" its activities in California. The phrase "total income from all sources" means gross income plus the cost of goods sold that are paid or incurred in connection with the trade or business of the limited liability company.[11] The fee ranges from $900, if the "total income" is between $250,000 and $499,999; $2,500, if the "total income" is between $500,000 and $999,999; $6,000, if the "total income" is between $1,000,000 and 4,999,999; and $11,000, if the "total income" is $5,000,000 or more.

In contrast, Business Trusts are not subject to the payment of this "fee." By using a Business Trust instead of an LLC, the IRA can avoid incurring these additional state taxes.

4. Business Trusts Generally Need Not File Income Tax Returns. Corporations are required to file income tax returns. Likewise, partnerships and limited liability companies with more than one member must file such returns. Limited liability companies with a single member, which elect to be "disregarded" under the check the box rules need not file federal returns but are still required to file California tax returns.[12]

In contrast, a Business Trust which is disregarded because it is owned by a single IRA may not have to file either federal or state income tax returns, which can be provide another significant tax savings.

Summary. The above discussion provides a brief overview of the factors to consider when selecting an entity that an IRA account will invest in with the goal of achieving "check book" control. By choosing a Business Trust as the entity to be invested in by the IRA account, certain costs and expenses associated with a limited liability company can be avoided. Avoidance of these expenses results in increased income that will be allocated to the IRA account which is not subject to tax. Avoidance of these expenses also increases the funds available for future investments by the Business Trust.

FEDERAL TAX NEWS

By Katie A. Lepore, CPA, J.D., LLM., Taxation

Proposed Reconciliation Bill Includes Tax Increases. House Ways and Means Committee Chairman Richard Neal (D-MA) released legislative text of proposals for the reconciliation tax bill, including several tax increases, which he hopes to submit to the full chamber for vote soon. Currently, such discussions are still limited to the Committee but are intended to be incorporated into President Biden's *Build Back Better Act.* The proposed increases include raising the top

[8] Revenue and & Tax Code (R&TC) Section 23153(a),(d); R&TC Section 17941.

[9] *See* R&TC Section 23038; *see* California Administrative Code Title 18, Sections 23038(a), 23038(b)-1, and 23038(b)-2.

[10] *See* California Franchise Tax Board Chief Counsel Ruling 2016-01; California Franchise Tax Board Chief Counsel Ruling 2016-02

[11] *See* R&TC Section 17942(a), (b).

[12] *See* R&TC Section 18633.5; California Administrative Code, Title 18 Section23038(b)-2(c)(2).

individual tax bracket to 39.6%, the top capital gains rate to 25%, and the corporate tax rate to 26.5%.

Proposed Expansion of Pass-Through Deduction. On July 20, 2021, Senate Finance Committee Chairman Senator Ron Wyden (D-OR), proposed the *Small Business Tax Fairness Act* to expand the pass-through deduction under Section 199A. The bill would remove the restrictions on certain types of businesses, dubbed specified service trades or businesses or SSTB, and qualify a broader class of businesses for the deduction. Currently, the deduction for these SSTBs is phased out depending on the taxpayer's income amount and is entirely unavailable for high-income earners. SSTBs are usually service businesses such as law, accounting, health, consulting, etc. The bill would also phase out the deduction for individuals earning more than $400,000 and remove the ability of trusts, estates, and married couples filing separately to claim the deduction.

Green Book Details Retroactive Biden Capital Gains Proposal. The Treasury Department recently issued its "Green Book" explaining the Biden Administration's Fiscal Year 2022 tax proposals, detailing the effects of the proposed tax law agenda. Most tax changes, if passed by Congress, would take place prospectively in 2022. However, the proposed date for changes to the capital gains rates for those with incomes over $1 million is retroactive to the date of announcement of the *American Families Plan*, April 28, 2021. The Green Book also describes the proposal to impose capital gains on gifts of appreciated property with a $1,000,000 exemption as well as several other of President Biden's proposed tax law changes.

Bill to Reduce Housing Crisis**.** Senator Ron Wyden (D-OR) introduced the *Decent, Affordable, Safe Housing For All Act (DASH)* to supposedly eliminate homelessness in the United States in 5 years. The bill would provide housing vouchers to certain people who are currently homeless or near becoming homeless. The voucher would cover rent for 30% of the income of the recipient of the voucher. Additionally, landlords who rent to low-income renters, defined as those who make less than 30% of the median income for their geographical area, could receive a tax credit for the difference between rent collected and market rent. The bill also provides for a $15,000 credit for first-time homebuyers, phasing out at incomes of $100,000 for individual taxpayers or $200,000 for joint taxpayers.

Safe Harbor for Employee Retention Credit. The IRS issued Revenue Procedure 2021-33 on August 10, 2021, providing a safe harbor regarding the calculation of gross receipts for employers to determine any eligible credit under the *CARES Act* Employee Retention Credit ("ERC"). The guidance allows for certain stimulus proceeds to be excluded from gross receipts in the calculation. An employer may be eligible if its gross receipts decline by 50% over the same calendar quarter of the prior year. The credit is available for qualifying wages paid after March 12, 2020 and prior to January 1, 2022. The wages claimed for the ERC cannot also be claimed under another pandemic program such as PPP loan forgiveness or Restaurant Revitalization Grants.

2022 Health Savings Account Limits Announced. The IRS announced the 2022 inflation-adjusted amounts for health savings accounts. Individuals with self-only coverage can contribute $3,650 and individuals with family coverage can contribute $7,300. Such amounts are applicable for high-deductible health plans with an annual deductible of at least $1,400 for self-only coverage or $2,800 for family coverage. Additionally, there are limitations on out-of-pocket expenses.

Possible Changes to Partnership Rules. Senator Ron Wyden (D-OR) released a discussion draft of legislative text which would revise several sections of the Internal Revenue Code regarding partnerships, including requiring basis adjustments under Sections 734 and 743, requiring usage of the remedial method for 704(c) allocations, and requiring partnership

liabilities to be allocated based on the partners' share of profits. A formal bill has yet to be introduced.

CALIFORNIA TAX UPDATE
By Katie A. Lepore, CPA, J.D., LLM., Taxation

SB 9 Overrides Single Family Zoning. On September 16, 2021, Governor Newsom signed *SB 9* and *SB 10* into law. *SB 9* overrules local zoning for single family homes, allowing the building of up to four residential units on single family lots if certain criteria are met, including (i) development may not replace rent controlled properties, or displace tenants (ii) may not be made in historic districts, fire zones, farms or environmentally sensitive areas, (iii) each lot must be a minimum size (1200 square feet); (iv) limits the amount of demolition; and (v) individual owner developers must live in one of the new units for three years. *SB 10* allows cities to convert single family lots along transit zones into 10-unit parcels, overruling local voter initiatives that limited such developments. Both bills are intended to increase affordable housing in the state, and were highly contentious with many cities opposing them.

Bill to Reinstate Parent-Child Exclusion. Assemblyman Kevin Kiley (D-Granite Bay) introduced *Assembly Constitutional Amendment, ACA 9*, to reinstate Propositions 58 and 193, more commonly known as the parent-child exclusion and grandparent-grandchild exclusion for property taxes. Proposition 19, effective February 15, 2021, largely removed the ability of heirs to inherit property from their parent or grandparent without causing a reassessment for property taxes, thereby mostly removing the parent-child and grandparent-grandchild exclusion. If passed, ACA 9 would repeal Prop 19 and reinstate the prior rules.

In addition, the Howard Jarvis Taxpayer's Association is collecting signatures for an initiative which would reinstate Propositions 58 and 193. They have not yet collected enough signatures to add this to the ballot.

Expansion of Main Street Business Tax Credit. *AB 150*, as detailed in our feature article, created a new pass-through tax SALT workaround. However, *AB 150* also expanded the existing Main Street Small Business Tax Credit, allowable for small business employers that experienced a significant decline in gross receipts. Such credit is expanded for tax year 2021 that reserves the credit with the CDTFA for up to $1,000 for each net increase in qualified employee. AB 150 also instituted a homeless hiring credit.

Out-of-State Investors Deemed Doing Business in California. In Office of Tax Appeals case Nos. 18083638, 19014240 (2021 – OTA – 218P), the Office of Tax Appeals held that two out-of-state limited liability company investors in a California LLC were doing business in California. In the case, the two out-of-state LLCs were passive investors not involved in management of the California LLC. However, their distributive share of the California LLC assets was greater than $50,000, a bright-line rule in Revenue & Taxation Code 23101(b)(3). Thus, the two out-of-state LLCs were deemed to be doing business in California and required to pay the annual $800 limited liability company tax.

Prop 22 Ruled Unconstitutional. On August 20, Alameda Superior Court Judge Frank Roesch ruled that Prop 22, which allowed gig economy workers to be classified as independent contractors, was unconstitutional. Prop 22 was passed on the November 2020 ballot with an overwhelming 58% approval. Judge Roesch reasoned that Prop 22 infringes on the Legislature's ability to regulate compensation for workers' injuries, referring to *AB 5* which required classification of most gig economy workers as employees. It is likely the case will make its way to the California Supreme Court.

Expansion of Relief for Late Property Tax Payments. *SB 219*, passed July 23, 2021, allows for potential penalty abatement for late property

tax payments due to any documented hardship from the shelter-in-place pandemic order. Such penalty would need to be cancelled by a county auditor or tax collector.

San Diego Housing Voucher Program Approved. On September 1, 2021, the San Diego County Board of Supervisors and the County Housing Authority Board approved a voucher program to assist in the construction of affordable homes in the County. Such policy will aim to increase construction of housing near high-traffic areas by awarding vouchers for construction in certain areas and that have sustainable designs and use sustainable resources.

Tax Relief for Wildfire Victims. The IRS and FTB will grant extensions to file 2020 tax returns, ordinarily due by October 15, until November 15, 2021 for any victims of wildfires in Lassen, Nevada, Placer, and Plumas Counties. Deadlines that fall after July 14 and before November 15 will be extended to November 15, including for quarterly estimated tax payments.

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