

Stay informed year round!



This file presents sample pages from Michael Plaks electronic newsletter.

It is sent 1-3 times a month, and it includes valuable information:

- tax advice for real estate investors
- updates about new IRS laws and procedures
- announcements of upcoming classes and presentations
- special offers on our products and services
- reminders about IRS deadlines

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www.MichaelPlaks.com

September 15 - IRS deadline for business tax returns



Michael Plaks

Hello,

Is your business structured as a **Partnership** or a **Corporation**? Did you file an IRS extension for this business? If yes, then **Monday September 15th** is the deadline to file your tax return.

There're no additional extensions available, and the penalties for missing this deadline are huge: **\$195 per month and per partner!**

What about your **LLC**? Most single-owner and husband-wife LLCs do not file a separate tax return, and this September deadline...

[Click to read the entire blog post](#)

7 reasons to file a separate tax return for an LLC

4. Financial aid eligibility

When you or your kids apply for financial aid, reporting your business separately can sometimes make a difference in your eligibility. Especially when we're talking about rental properties. Financial aid is not my area of expertise, so make sure to consult a specialist. Just remember that it may matter.

5. Asset protection

Liability protection is the most common reason to create an LLC, in the first place. Some attorneys believe that filing a separate tax return is essential to ensure you do have proper legal protection. Maddeningly, there is never a consensus when it comes to attorneys. They never agree of anything, and I'm in no position to decided which one of them is correct. Of your attorney tells you that your LLC needs a separate tax return, so be it.

[Click to read the entire blog post](#)

The most dangerous tax trap for investors & self-employed



Michael Plaks

Hello,

I just finished another tax season, and once again I witnessed a number of my self-employed and REI investor clients get crashed by their IRS taxes.

The good news is that large tax bill means that they are making money! It beats being broke every time.

Unfortunately, if you're not prepared, getting behind on IRS taxes can lead you down the slippery path towards bankruptcy and losing your business. It does not have to be that way. Be prepared!

For example, if you made \$70,000 in your wholesaling or rehabbing business, you may owe the IRS a whopping **\$20,000 in taxes!** There is no way to write such a huge check, unless you set this money aside in advance. And who does, honestly?

To avoid this disaster, I strongly recommend setting up **monthly payments** for your IRS taxes. To learn how to go about this life-saving system, please [read my newest blog post](#).

This is one of the many business building topics covered in **this weekend class, October 18 and 19**. See below for details.

This weekend Oct 18-19: Running REI biz professionally!

October 18-19, 2014 - 2-day (or you can take only 1 day) advanced business-building class

"Running your REAL ESTATE business PROFESSIONALLY"

by investor **Tom Berry**, accountant **Michael Plaks** and attorney **Steve Newsom**

Three of the top Houston real estate experts join forces for this incredible information-packed workshop. Take your business to the next level - NOW!

Day 1 (intermediate) - Running "solo" REI business professionally

Day 2 (advanced) - Running "team" REI business professionally

Two FREE BONUSES - only if you register with my office:

- 5-page Concise Guide to Real Estate Bookkeeping - **\$50 value**
- 1-hour private consultation with Michael Plaks on business setup and tax planning - **\$200 value**

[Click here for full description and registration](#)

Texas Franchise Tax extension deadline - November 15



Hello,

If you own an LLC or a corporation in Texas, you must file an annual Texas Franchise Tax report. It's a simple and free formality (for most companies), but failure to do so may result in your LLC termination.

Over the years, I received many frantic calls from investors trying to close on a deal, and then informed by the title company that their LLC had been terminated by the State of Texas for lack of Franchise tax reports.

If you filed an extension in May, the deadline is **November 15**. November 17 this year, due to the weekend. If you did not file an extension, file your report ASAP anyway, to avoid a bigger hassle of reinstating your company later.

Here is my [how-to guide to filing TX Franchise Tax reports](#).

Also, please check [list of upcoming classes in November-February](#).

Troubling news for Series LLC approach? Maybe.

Series LLCs have been fashionable lately, particularly for real estate holdings. The concept is simple and very attractive: one LLC holds multiple properties while providing legal separation between them, for liability and asset protection purposes.

According to a [recent blog post from CPA Diane Kennedy](#), who is a well-respected tax consultant and author, a recent court case cast a shadow of doubt on the Series LLC reliability.

Coincidentally, these are the exact concerns that have been consistently voiced by **Steven Newsom**, Houston real estate attorney and investor. Back in September, Steven taught a one-day seminar "**Do-It-Yourself LLC formation**." The seminar was recorded and just now became available on DVD from my office. Regular price **\$297**, current pre-sale price **\$198**.

On that same DVD, there is a bonus track of my presentation "**Tax Consequences of LLCs**"

Please [contact my office](#) to buy a copy of this seminar.

Saturday Nov 22: Advanced Structuring of Owner-Financing

Saturday November 22 - advanced 4-hour (9:00-1:00) private class

[Structuring Owner Financed Deals for Major Tax Savings](#)



Merry Christmas and Happy New Year!



Hello,

From myself, my wonderful professional team and my loving family - we wish you the happiest of the Holidays and the most fulfilling, joyful and productive 2015!

We owe our success to your loyal support - your business, your referrals, your friendship, your smiles, and your thoughts. THANK YOU ALL! We are looking forward to seeing you again in the new year!

Michael Plaks team & family

Last-minute December tax planning - important decisions!

It is not too late to save money on IRS taxes! Even though the year is almost over, there are still some decisions to make:

- pay property taxes in December or in January?
- close on a property now or after the New Year?
- rush selling investments or cashing out an IRA or wait?



These decisions can affect your pocket in a big way!

Please [watch this 15-minute video presentation](#) that I did last weekend for the Wealth Club. It should answer most of the questions.

I also recommend you read my older blog posts about [December tax planning in general](#), and specifically about [paying annual property taxes - December vs January](#).

Early-Bird sale: **1/4 OFF** for HUD-1 class - until Dec. 31st

Only 8 days left to save \$100 - until December 31st!

Saturday January 17 - advanced 4-hour (9:00-1:00) private class
Preventing Co\$\$ty Mistakes: Understand HUD-1 Statements



- R.R. - overlooked repair escrow, not reimbursed after rehab. Cost of the error: **\$6,200.**
- B.J. - missed credit for the prepaid property taxes. Cost of the error: **\$3,108.**
- H.A. - hard money fees improperly charged on