

2018 in Review

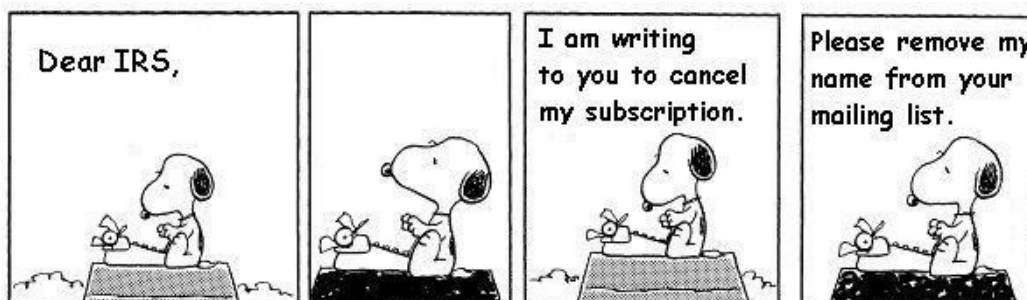
Taxes Today by Towerpoint Wealth – 12.31.2018

Needless to say, 2018 has been one of the more eventful years for the accounting profession, not just tax, in recent history.

For this edition of Taxes Today, I would like to look back on some of the more notable events in the world of accounting in 2018...

- [New blood at the PCAOB](#): The PCAOB swore in a new chairman, William Duhnke, and also installed new board members.
- [Out on April 2017](#): Many critical IRS systems crashed for much of "Tax Day."
- [The Wayfair Decision](#): The Supreme Court ruled 5-4 to overturn 1992's *Quil* decision and allow states to require out-of-state retailers to collect sales tax.
- [Formulating new forms](#): The IRS released drafts of a new Form 1040 that will replace the current 1040, 1040A, and 1040EZ.
- [A new IRS commissioner](#): Chuck Rettig was installed as IRS commissioner.
- [Three of the Big Four](#): Kelly Greir was positioned at the helm of EY, meaning that three of the Big Four firms in the U.S. are now led by women. *(This announcement came first in late 2017)*
- [A new direction for audit](#): The American Institute of CPAs launched its OnPoint PCR tool, aimed at improving prep, com, and review engagements.
- [Big deals in M&A](#): 2018 saw an unusual number of combinations between Top 100 Firms, including Plante Moran combining with EKS&H, CliftonLarsonAllen with Schenck, Marcum with Raffa, and Baker Tilly Virchow Krause with RGL Forensics.
- [Major Departures](#): A number of high-profile accounting figures announced departures, including Intuit president Brad Smith.

Please see the article, "[The top tax and accounting stories of 2018](#)," for this complete list.



Also in review of 2018, the Treasury Inspector General for Tax Administration released a report this month on the results of this past filing season. Some challenges noted in this well-written summary are the tax credits stemming from the Affordable Care Act, from education, and from wildfires and other natural disasters. In addition, [identity theft](#) continues to be an issue for the IRS.

To read more, please view the article, "[TIGTA issues mixed report card for IRS on last tax season.](#)"

Finally, one area clients will rely on the expertise of financial professionals, CPAs/tax advisors, and attorneys is navigating new divorce tax changes taking effect in 2019 as follows:

- Alimony paid will no longer be tax-deductible and alimony received will no longer be taxable income.
- Children won't be the tax deduction they used to be.
- People who are already divorced will be grandfathered in, but if their agreements are modified in 2019 or beyond, they could be subject to the new rules, too.
- Pre- and post-nuptial agreements may be affected by the tax changes.

For more information, read the article, "[How the tax laws for divorce will turn upside down in 2019.](#)"

We are here to help.

As always, please feel free to reach out and call (916-405-9166) or email (spitchford@towerpointwealth.com) with any questions, thoughts, or needs you may have. At Towerpoint Wealth, we are happy to be a direct and no-strings-attached resource for you.



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