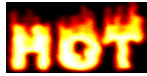




🌿 "Educating & Consulting The Private Club Industry" 🌿

December 2011

We hope that you find this brief newsletter of interest and that it provides you with useful and meaningful information. If you have any questions about any of the topics or issues, please do not hesitate to give me a call.



🌿 **Club Tax Book Issues** 🌿

You Ain't Going To Like This!! Form 1099-B Reporting Requirement For Clubs - In February 2011 the new Form 1099-B and Instructions were issued by the IRS. The new Form 1099-B requires the reporting of Member's cost basis for covered equities (Membership Certificate buybacks). Thus, a Club will now need to provide a cost basis of Membership Certificates repurchased from Members due to resignation. Need to know what is included in cost basis? Current subscribers to Club Tax Book should view "**Form 1099-B; What Is Included In Basis?**" in the December 2011 quarterly update.

New and revised boxes on the **Form 1099-B; Year 2012** important to Clubs include:

- Box 1b – Date of acquisition
- Box 3 – Cost or other basis (see page 6 of the 1099-B instructions)
- Box 6 – Indicator for a "non-covered security"; Note the different verbiage on the Copy B.
- Box 8 – Short or long term indicator

Not sure the sale of a Club Membership Certificate is reportable on Form 1099-B? Fact: Gains on sales are taxable to the Member. Losses on sales are deemed to be personal losses and not tax deductible.

🌿 **Veterans; Hiring Tax Credit** 🌿

When you thought there was going to be a real effort to simplify the tax laws, they go and give us some new complications.

There is now a tax credit for hiring veterans called the **VOW to Hire Heroes Act of 2011**. What is the credit and how is it claimed by a 501(c)(7) tax-exempt Club?

The credit amount varies with how long the veterans have been unemployed. Generally it's 40% of the first \$14,000 of pay for vets (\$24,000 if disabled) who have been jobless for six months or more in the year before they were hired and 40% of the first \$6,000 of wages for vets who've been out of work at least four weeks but less than six months. The credit applies for eligible veterans starting work after Nov. 21, 2011 and before Jan. 1, 2013.

The Kiplinger Tax Letter states: "Tax-exempt groups can take the credit as an offset against payroll taxes.", but I have not been able to confirm this myself. Read more on this law, in the December 2011 quarterly update to Club Tax Book being mailed this week. Not a subscriber? NOW the time. Send us an e-mail and we will send the CD and invoice to your Club.

🌿 **Deer Season: Stumptown, WV Recipe** 🌿

Thanksgiving week was always special in Stumptown, WV as my dad lived to get out in the woods one more time to nail that big buck he fed pears to all summer long. Here is the result of his annual labors.

Venison Recipe – Jeannette Stump (Mom)

Thinly slice a stack of venison tenderloin steaks;
Pound steaks to a very flat state, (yes, with a hammer, and beat the dickens out of 'em to make them forever tender.);
Roll steaks in flour and place in skillet;
Brown steaks in a skillet, adding salt and pepper.

Once steaks are browned, slice potato rounds, not making them too thick;
Slice onion rounds (the more the better as cooked onions are delicious);
Place potatoes and onions in the skillet with the cooked steaks and add salt & pepper and water. (How much water? You just guess, as we need some gravy.)
Cover skillet with lid and cook contents until the potatoes are nice and tender.
Serve with heavily buttered rolls and sweet tea.

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