

Changing Rules in the Middle of the Game

As a kid, I remember playing with my cousins out at my grandparents' farm. We had plenty of things to do. There were a number of tree forts that Granny made for us kids, complete with tire swings and ropes that allowed us to swing from tree fort to tree fort like Tarzan swinging through the jungle. Our imaginations went wild thinking up games to play in the trees. The rules would often change when we thought up new ways to enhance the fun. Of course, sometimes we got into arguments as someone on the losing end felt it unfair to change the rules in the middle of the game.

As tax professionals, we too feel it is unfair to change the rules in the middle of the game. Every year we spend time, energy, and money learning about all of the new legislation for the upcoming tax season. By the end of January, we are in full swing with tax season and have no time or patience for rule changes. Then what happens?



February 13, 2008, Congress dumped the Economic Stimulus Act of 2008 on us. During one of the busiest weeks of the year, all of a sudden we have to take the time to figure out the new rules. Congress changed the rules in the middle of the game.

It's not like we could just ignore the rule changes and say it is unfair to make us learn something new during tax season. Our clients heard about the stimulus checks and expected us to provide them with the details. I think it is safe to say Congress and the new President will continue to change the rules in the middle of the game.

In fact, this pattern of rule changes seems to be occurring at ever-increasing rates. When I first started writing about tax law changes in 1988, there may have been one new piece of legislation per year to write about. In contrast, over the past 11 months, I have written updates for a dozen new pieces of legislation for *TheTaxBook* containing rule changes that affect the Internal Revenue Code. These new Public Laws contain over 1,500 pages of new information.

Another trend that seems to be on the rise is the fact that tax law changes are no longer permanent. Each new law has an expiration date that later gets extended, then extended again, then extended again, and so on. Sometimes Congress misses a deadline and has to go back in time to change the rules with retroactive provisions. For example, the nonbusiness energy property credit applied for 2006 and 2007 and then expired. Congress brought the credit back for 2009, but forgot about 2008. Just about the time you tell a client he can't take a credit for the home insulation, windows, and exterior doors he purchased in 2008, Congress will probably pass a technical resurrection bill that brings it back for 2008.

I expect my tax software to be updated during tax season for rules that change in the middle of the game. As editor of *TheTaxBook*, I feel the same way about our printed and electronic products. *TheTaxAuthority Update Service* is designed to give you peace of mind that your book is never out of date. Along with complete coverage of all new tax law changes, we also provide you with updated pages edited in red so that you can see *exactly* how the changes affect specific pages in your book.

It is obvious that Congress will continue to change the rules in the middle of the game. Our job as tax professionals is to keep ourselves updated so that we can provide our clients with the service and information they expect from us. *TheTaxAuthority Update Service* is designed to make tax law changes in the middle of tax season as painless as possible.

—Editor