

From: "Barry J. Cohen" <[REDACTED]>
To: jeffrey E. <jeevacation@gmail.com>
Subject: RE: FW: Plane trips--PRIVILEGED AND CONFIDENTIAL
Date: Thu, 10 Aug 2017 18:19:26 +0000

That's how I asked the question. Like you say, virtually no one is exactly like Leon. He briefly discussed a current audit where the agent is disallowing depreciation where it is clearly allowed and no record keeping or explanation of the law seems to help. Some agents just hate the idea of individuals taking deductions on big planes. He said sometimes showing a well-compiled book of extensive trip documentation has been very effective in making the whole trip go away. He acknowledged that sometimes detailed trip purpose logs can give the agent more room to challenge, but on balance better documentation has been a benefit in audit.

Glad to get you on the phone with him at some point.

From: jeffrey E. [mailto:jeevacation@gmail.com]
Sent: Thursday, August 10, 2017 2:13 PM
To: Barry J. Cohen <[REDACTED]>
Subject: Re: FW: Plane trips--PRIVILEGED AND CONFIDENTIAL

Big jet PRIVATELY OWNED ? What have they asked

On Thu, Aug 10, 2017 at 12:10 PM Barry J. Cohen <[REDACTED]> wrote:

The people we talk to are not saying otherwise. Agree with you.

From: jeffrey E. [mailto:jeevacation@gmail.com]
Sent: Thursday, August 10, 2017 2:08 PM
To: Barry J. Cohen <[REDACTED]>
Subject: Re: FW: Plane trips--PRIVILEGED AND CONFIDENTIAL

Nonsense - again. These are residency audits predominantly. Ny state wants to tax other state residents or people that claim income is earned elsewhere. Nystate works off of federal .

On Thu, Aug 10, 2017 at 11:56 AM Barry J. Cohen <[REDACTED]> wrote:

Here is a plane trip summary. I asked Leon to provide color on art-related use of the plane along with other investment related use or business related use. You were questioning whether we needed that.

We've been talking to the EY plane tax guy, who seems very competent. He has been involved in numerous audits involving planes of every size, and has some active audits now. He says that the audits are all over the place on what they like to see in terms of back up. He prefers more back up than less.

Regarding audits more generally, I meant to mention that several tax people have advised us that state auditors have been very active, are expected to increase their activity, and often behave completely differently from the VHNW IRS auditors. The IRS has little budget for expansion, but the states are spending money and hiring agents. California, NY and CT are the worst.

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