

From: "jeffrey E." <jeevacation@gmail.com>

To: Noam Chomsky <[REDACTED]>

Subject: Re: 2016 NOAM AND VALERIA CHOMSKY BUSINESS EXPENSES

Date: Sun, 15 Oct 2017 15:12:10 +0000

Inline-Images: image005.png; image001.png; image004.png; image003.png; image002.png

Ask for the money from thx trust

On Sun, Oct 15, 2017 at 4:56 PM Noam Chomsky <[REDACTED]> wrote:

Could you let us know whether this makes any sense? Especially about no withdrawals until '23. Impossible to live under that condition.

Noam

----- Forwarded message -----

From: Nick Nichols <[REDACTED]>

Date: Sat, Oct 14, 2017 at 2:28 PM

Subject: RE: 2016 NOAM AND VALERIA CHOMSKY BUSINESS EXPENSES

To: Valeria Chomsky <[REDACTED]>, Matthew Mazotas <[REDACTED]>, "Noam Chomsky ([REDACTED])" <[REDACTED]>

Valeria,

Thank you; yes this is very helpful. But it is not as advantageous as I had hoped to find. See my summary schedule below.

It would be very difficult to assert that you left MA permanently in January with this fact pattern.

If Arizona remains your permanent residence in 2018, at best we can do a part year MA residency until 10/22, and then AZ for the remainder of the year. If AZ is not going to be permanent, we will likely leave you as a full year MA resident for 2017.

Therefore it would still be more advantageous not to take any more IRA withdrawals until after 10/23! And it still remains that the best solution to covering your 2017 tax obligations on the withdrawals you've already made is to make an additional distribution that is completely applied as Federal and MA tax withholdings. And then all future distributions should have an appropriate amount of tax withholding.

Matt will be updating your 2016 tax return for the additional information that you provided last night, and we will get back to you on Monday with an update and a plan for getting your returns filed in the nick of time!

Let me know if you have any questions.

Nick

Chomsky 2017 Residency

	Days	MA	AZ	Other
1/1/17 - 1/24	24	24		
1/25-3/18	53		53	
3/19 - 10/22	218	161		57
10/23-12/31/17	70		70	
	<u>365</u>	<u>185</u>	<u>123</u>	<u>57</u>

From: Valeria Chomsky [mailto: [REDACTED]]
Sent: Friday, October 13, 2017 4:16 PM
To: Nick Nichols < [REDACTED] >; Matthew Mazotas < [REDACTED] >
Subject: 2016 NOAM AND VALERIA CHOMSKY BUSINESS EXPENSES

Please find attached the following files:

2016 AVRAM NOAM CHOMSKY BUSINESS EXPENSES (WITHOUT HOME OFFICE EXPENSES)

2016 CULTURAL VENTURES, LLC BUSINESS EXPENSES (Valeria Chomsky)

Thanks.

Valeria Chomsky

----- Forwarded message -----

From: Matthew Mazotas < [REDACTED] >
Date: Fri, Oct 13, 2017 at 3:20 PM
Subject: RE: 2016 TAX RETURN- DUE DATE 10/16/17
To: Noam Chomsky < [REDACTED] >, Valeria Chomsky < [REDACTED] >
Cc: Nick Nichols < [REDACTED] >

Hi Noam and Valeria,

Have you been able to work on the business expenses? Please send them to me when the list is ready.

Thanks,

Matt Mazotas

Abrams Little-Gill Loberfeld PC

Tel: [REDACTED]

From: Noam Chomsky [mailto:[REDACTED]]
Sent: Wednesday, October 11, 2017 10:20 AM
To: Matthew Mazotas <[REDACTED]>
Cc: Valeria Chomsky <[REDACTED]>; Nick Nichols <[REDACTED]>
Subject: Re: 2016 TAX RETURN- DUE DATE 10/16/17

I'm not sure what is counted as business expenses. I know that in earlier years the accountant used to take part of the expenses of my house as business expenses, because I work at home most of the week, and also a large part of a summer cottage where I worked almost the entire time. We no longer have the summer cottage, but I do continue to work mostly at home. I don't know what other categories of business expense there might be. What about trips abroad for conferences for which I paid almost all of the travel and living expenses?

On Wed, Oct 11, 2017 at 7:36 AM, Matthew Mazotas <[REDACTED]> wrote:

Hi Valeria and Noam,

The deadline is in a couple of days (the 16th) and we need time to process your return. Please send the expenses for Noam's business ASAP.

Regards,

Matt Mazotas

Abrams Little-Gill Loberfeld PC

Tel: [REDACTED]

From: Valeria Chomsky [mailto: [REDACTED]]
Sent: Saturday, September 30, 2017 11:51 PM
To: Nick Nichols < [REDACTED] >
Cc: Matthew Mazotas < [REDACTED] >; Noam Chomsky < [REDACTED] >
Subject: Fwd: FW: State of Residency

Could you tell us please the exact date when it has to be filed?

About the residency, in 2016 we were out of the State of Massachusetts for 69 days (in national and international travels).

In 2017, for 108 days (in national and international travels).

Valeria

----- Forwarded message -----

From: Nick Nichols < [REDACTED] >
Date: Thu, Sep 28, 2017 at 1:10 PM
Subject: FW: State of Residency
To: "Valeria Chomsky ([REDACTED])" < [REDACTED] >, "Noam Chomsky ([REDACTED])" < [REDACTED] >
Cc: Matthew Mazotas < [REDACTED] >

Dear Noam & Valeria,

Time is running out for the tax filing deadline for your 2016 income tax returns. We haven't received any response to our requests for information for 2016, or the emails below concerning 2017 tax planning. I will separately forward you the list of questions for 2016.

Please let us know when you will be able to provide us the answers, and also confirm your new address in Arizona. We have also tried to call you, but consistently get messages that your voice mailbox has not been set up.

Thanks,

Nick

From: Nick Nichols
Sent: Thursday, September 21, 2017 1:30 PM
To: Valeria Chomsky ([REDACTED]) <[REDACTED]>; Noam Chomsky
([REDACTED]) <[REDACTED]>
Cc: Matthew Mazotas <[REDACTED]>
Subject: State of Residency

Dear Noam and Valeria,

Following up on Matt's email for 2016, we also need to address my earlier questions about your state of residency for 2017 so that we can do better tax planning and make estimated tax payments to the right state.

Without knowing the facts and circumstances, there are at least 3 possibilities, i.e.,

Arizona resident for the full year;

MA resident for the full year; or,

Part-year resident in each state.

Ideally, from the perspective of minimizing taxes, the full year of residency in AZ is best. See my earlier email below for more details.

Hopefully we can hear from you soon.

Thanks,

Nick

From: Nick Nichols

Sent: Thursday, September 7, 2017 3:54 PM

To: 'Kathleen O'Malley' <[REDACTED]>; Matthew Mazotas <[REDACTED]>; Noam Chomsky ([REDACTED]) <[REDACTED]>; Valeria Chomsky ([REDACTED]) <[REDACTED]>

Cc: Isabel Scharmer <[REDACTED]>; Robert Katz <[REDACTED]>; [REDACTED]

Subject: RE: Quarterly Estimates

Dear Noam and Valeria,

Congratulations on your move to Arizona and your new position at the University of Arizona!

We need to be concerned about tax payments for 2017, as well as getting answers to our previous questions to be able to finalize your 2016 tax returns.

For now, focusing on 2017, Kate has confirmed that you have received \$580,000 in IRA distributions without any tax withholdings. The penalty for not making timely estimated payments could be significant (in the 4 digit range). In the past we have been like the proverbial dog chasing its tail to catch up with tax payments and attempting to eliminate those penalties.

The best recommendation that we can do right now to avoid that is to make an additional IRA distribution and have it 100% applied to income tax withholding. Of course that's also an additional taxable distribution, but it's essentially no different that make distributions and then making estimated tax payments. The beauty of doing withholding is that the IRS will count it as being applied equally throughout the year, even by doing it now.

I also want to raise the question about your state of residency. Arizona personal income tax rates are about 0.6% less than the Massachusetts rate. I was initially thinking that we could do two state returns, part-year residents of MA, and part-year residents of AZ. However, I also recall that in 2016 you had spent a significant amount your Winter in AZ. So, were you also in AZ from January of 2017 to mid-April when you returned to Boston? And when did you leave MA to return to AZ? If you spend enough time in AZ in 2017, we could consider making you a full-time resident of AZ. Given what we know about 2017 at the moment, that could save about \$6,000 in state income taxes. Please provide the dates you were in MA, AZ, and any other states or countries. It doesn't matter if those dates were for work or pleasure; it's all about physical presence.

Will you be receiving a W-2 from the University for your teaching; or, are they paying you as an independent contractor? Please confirm what you expect for gross salary and any related tax withholdings.

Please let us know, and then we can work on refining the calculation of the 2017 tax payments that we recommend, and we can coordinate with Bainco about the IRA tax distribution.

Thanks,

Nick & Matt

From: Kathleen O'Malley [<mailto:>]
Sent: Thursday, September 7, 2017 2:28 PM
To: Matthew Mazotas < >
Cc: Nick Nichols < >; Isabel Scharmer < >; Robert Katz < >
Subject: RE: Quarterly Estimates

Hi Matt,

YTD withdrawals (total):

Noam Chomsky IRA \$513,000.00

Noam Chomsky Inherited IRA \$67,000.00

There was a \$150.00 deposit into Noam's IRA for a litigation check, and there have been no withholdings for any of the IRA distributions.

Thank you,

Kate

From: Matthew Mazotas [<mailto:>]
Sent: Thursday, September 07, 2017 12:45 PM
To: Kathleen O'Malley < >
Cc: Nick Nichols < >; Isabel Scharmer < >; Robert Katz < >
Subject: RE: Quarterly Estimates

Hi Kate,

Thank you, I hope you did as well.

Can you please provide me with the YTD total of the distributions taken from Noam's IRAs and any tax withholding on those distributions?

The two trusts do not need any Q3 or Q4 estimates as they have overpayments that have been applied to 2017.

Thanks,

Matt

Matthew Mazotas

Supervisor

Abrams Little-Gill Loberfeld PC

CPAs & Business Advisors

1330 Boylston Street Suite 510

Chestnut Hill, MA 02467

Tel.: [REDACTED]

Fax: [REDACTED]

Email: [REDACTED]

Web: [REDACTED]

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From: Kathleen O'Malley [<mailto:>]
Sent: Wednesday, September 06, 2017 3:47 PM
To: Matthew Mazotas < >
Cc: Nick Nichols < >; Isabel Scharmer < >; Robert Katz < >
Subject: Quarterly Estimates

Hi Matt,

I hope you had a nice labor day weekend.

As we approach the September deadline for tax estimates, we wanted to see if any estimated tax payments are due for the Chomskys. Please let me know if you need any additional information from Bainco.

Thank you,

Kate

Kathleen O'Malley

Client and Research Associate

[699 Boylston Street](#) | 10th Floor | Boston, MA 02116

Main | Direct

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 Email Signature Logo

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