



HGSUW

News & Views

Hasselberg Grebe Snodgrass
Urban & Wentworth
Attorneys and Counselors

Volume 15, Issue III

December, 2018

SMOKE DETECTORS WITH LONG-TERM BATTERIES WILL BE REQUIRED IN ILLINOIS DWELLINGS



Due to advances in technology, and in the interest of safety, the Illinois Smoke Detector Act has recently been updated. This law requires the installation of smoke detectors in all dwellings in the state. Dwellings built after 1988 have been required to include hard-wired smoke detectors. For dwellings that did not have hard-wired smoke detectors, detectors powered by 9 volt batteries were often used.

In the future, the use of 9 volt battery smoke detectors will no longer comply with the Act. The Act has been amended to require the use of smoke detectors powered by ten-year, non-removable, sealed batteries. The deadline to make the switch to the newly required long-term smoke detectors is January 1, 2023. However, safety experts note that approximately 65-70% of residential fire deaths involve non-functioning smoke detectors, and thus early compliance with the Act's amendments may be advisable.

If you have any questions regarding any regulatory or ordinance issues, please contact William P. Streeter or Kevin D. Day at (309) 637-1400.

CONCEALED CARRY PERMITS MUST BE RENEWED EVERY FIVE YEARS

Approximately five years ago, Illinois enacted the Firearm Concealed Carry Act, which first allowed for the issuance of Concealed Carry permits in the state. Included in this Act was a requirement that Concealed Carry Permits be renewed every five years. Thus, those who obtained their Permits soon after they became available need to renew them in order for their Permits to remain valid. The renewal process includes the completion of a three-hour renewal course and the payment of a renewal fee.

If you have any questions regarding any licensing issues, please contact Boyd O. Roberts III at (309) 637-1400.



Inside this issue

Multi-year Tax Planning Can Help Maximize Deductions **Page 2**

New Workplace Protections for Working Mothers **Page 3**

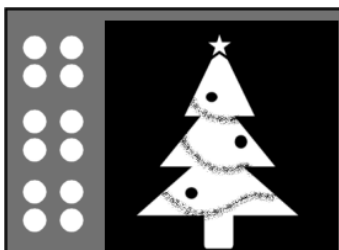
Illinois Legislature to Increase Roadway Safety **Page 3**

Tax Audits Can Harm You Years Later **Page 4**

Salon Pricing Transparency **Page 4**

Changes to Employee Expense Reimbursement **Page 5**

Hasselberg Grebe Snodgrass Urban & Wentworth
Attorneys and Counselors
401 Main Street, Suite 1400
Peoria, IL 61602-1258
Phone: 309/637-1400
Fax: 309/637-1500
Website: www.hgsuw.com



december



MULTI-YEAR TAX PLANNING CAN HELP MAXIMIZE DEDUCTIONS

Most people are aware that it is important to take time and care when preparing tax returns in order to ensure that they are fully maximizing their deductions and otherwise keeping their tax burden to a minimum. Many, however, do not think about their taxes until filing time, and therefore end up with a higher tax burden than they would have if they gave the same attention and care to tax planning. Although tax planning is something that should be considered throughout the year, the end of the year is a critical time for this as it is your last chance to take actions that could considerably reduce the amount of taxes you will owe come filing time.



Multi-year tax planning is a tool that has long been used primarily by high income earners to reduce their tax burden, but that has largely been ignored by most taxpayers. However, reforms to the Tax Code that took effect in 2018 have made multi-year tax planning potentially more beneficial to a broader range of people. The reform that perhaps most compels the consideration of a multi-year plan is the increase in the standard deduction amounts. Starting in 2018, the standard deduction increased to \$24,000 for married couples filing jointly, \$12,000 for singles, and \$18,000 for head of households. This means that taxpayers who previously claimed itemized deductions less than these amounts in a typical year would now take the standard deduction if they made no changes. However, with proper planning, some of these taxpayers may be able to create a better benefit out of this increase in the standard deduction and reduce their overall tax burden on a multi-year basis. Taxpayers whose yearly itemized deductions would normally not exceed their standard deductions can look to consolidate multiple years' deductions into a single year in order to exceed the standard deduction for that year. Taxpayers can accelerate and/

or postpone charitable deductions for multiple years in order to bundle their charitable deductions into a single year. Taxpayers may also be able to bundle other itemized deduction into that same year through actions such as the prepayment of Real Estate Taxes. By doing so, taxpayers may be able to claim itemized deductions in that year greater than their standard deduction. For the years in which the taxpayers do not bundle their deductions, the taxpayer can still take the standard deduction. This plan would limit the amount of itemized deductions that are "wasted" in years in which the standard deduction is claimed, and could reduce the taxpayers' overall multi-year tax burden.

It is important to consider the Tax Code as a whole when developing a tax plan. For instance, the Tax Code limits the State and Local Income Tax deduction to \$10,000.00, which could make the prepayment of Real Estate Taxes counterproductive for some. Additionally, the bundling of deductions into a single year could bring some taxpayers under the Alternative Minimum Tax. You should consult a qualified tax advisor before making any prepayment of Real Estate Taxes, and to otherwise discuss your potential tax plan.

If you have any questions regarding any tax related issues, please contact James R. Grebe, John G. Dundas, or Kyle M. Tompkins at (309) 637-1400.





NEW WORKPLACE PROTECTIONS FOR NURSING MOTHERS



On August 21, 2018, Governor Bruce Rauner signed into law House Bill 1595, which amended the Nursing Mothers in the Workplace Act. The Act, which initially went into effect in 2001, applies to employers with more than five employees and grants reasonable breaks during the workday for employees needing to express milk for an infant child. The new amendment, which immediately took effect in August, requires employers with more than five employees to provide reasonable *paid* break time to express milk *for up to one year after the child's birth*. Although House Bill 1595 added language requiring paid breaks for a one year duration, the Illinois legislature clarified employers may require employees to utilize any break time already provided, including an unpaid lunch period. However, any additional reasonable breaks during the one year period would have to be paid.

House Bill 1595 also made it more difficult for employers to avoid compliance with the Act's updated requirements. Previously, an employer subject to the Act was not required to provide break time if doing so would "unduly disrupt the employer's operations." Under the amended law, an employer must demonstrate that compliance with the break requirements would create an "undue hardship" for the employer. Pursuant to the Illinois Human Rights Act, an "undue hardship" is defined as an "action that is prohibitively expensive or disruptive" when considering its nature and cost, the overall financial resources of the facility, the overall financial resources of the employer, and the type of operation of the employer. This change presents a more significant burden on employers seeking to receive an exemption.

If you have any questions regarding any employment matters, please contact Charles J. Urban at (309) 637-1400.

THE ILLINOIS LEGISLATURE SEEKS TO INCREASE ROADWAY SAFETY THROUGH STRICTER LAWS

In 2017, over 1,000 people were killed on Illinois roadways in traffic accidents, and that number had steadily risen over the past few years. Distracted driving is often attributed as a contributing cause to many accidents, including those that are fatal. Distracted driving laws have now been in place for several years, but the Illinois legislature has recently taken a stricter approach on cell phone use while behind the wheel with a stronger focus on deterrence. Beginning in July 2019, first offenses for texting while driving will be treated as a moving violation and immediately count against driving privileges unlike under the prior law when only subsequent offenses would be.



The Illinois General Assembly also recently addressed roadway safety issues by amending the Child Passenger Protection Act. According to studies, infants and young children are 75% less likely to die or be severely injured in a motor vehicle accident while in rear-facing car seat. Beginning January 1, 2019, all children under the age of 2 years old will be required to be secured in a rear-facing car seat at all times while in a moving vehicle unless they weigh over 40 lbs. or are taller than 40 inches. The Act further provides that all children under the age of 8 must be secured in any vehicle using an appropriate child restraint system such as car seats, booster seats or vehicle safety belts. Violations under the Act carry a \$75.00 fine for a first offense and up to \$200.00 for subsequent offenses.

If you have questions about Illinois traffic or vehicle laws, please contact Boyd O. Roberts III at (309) 637-1400.



TAX AUDITS CAN HAUNT YOU YEARS LATER

The receipt of a tax refund is a welcome event. In addition to providing extra money, it is often considered the pleasant end to a year's tax issues. However, the issuance of a refund, or the acceptance of a payment, by a taxing body does not mean that an individual's state or federal tax return has been accepted as accurate. Audits can be, and usually are, initiated or continued after refunds or payments are processed.

The number of audits by the Internal Revenue Service has decreased recently, likely due in large part to budget issues. However, certain factors continue to increase the chances of being chosen for an audit. High income earners are audited at a greater rate than those who earn closer to the average income. Business owners are also audited more often than those whose income comes solely from a salary. This is particularly true when a business shows losses, and when the business may be deemed a "hobby". Taking deductions for home office expenses can also make an audit more likely, as can higher than normal charitable deductions.

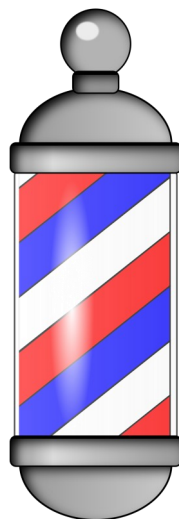
This, of course, does not mean that these things should be avoided. Most would gladly accept an increase in the chances of an audit in exchange for an increase in income, and a fear of an audit generally should not persuade one from opening a business. Additionally, taxpayers should generally not avoid taking deductions they are legally entitled to in order to reduce the chances of being audited. However, although due care should be taken by all taxpayers, those who have factors making them more likely to be subject to an audit should take extra caution in the preparation of their returns and in the retention of their tax related documents. Knowing that you are at an increased risk of being audited should encourage you to put yourself in the best position to defend your return if questioned by the Internal Revenue Service.

It should also be noted that although the audit rate has decreased to approximately 0.6% of

returns in 2017, viewing this figure alone would greatly underestimate the likelihood that a return will be questioned. Audits are not the only compliance procedures performed by the Internal Revenue Service. In addition to the audits that comprise this 0.6% figure, the Internal Revenue Service uses multiple other procedures to address alleged issues with taxpayers concerning calculations, income reporting, required documentation, and other errors or discrepancies it claims with returns. When these procedures are included, approximately 6% of tax returns are subject to compliance actions by the Internal Revenue Service.

If you have any questions regarding tax audits or other disputes with local, Illinois, or federal taxing bodies, please contact John G. Dundas at (309) 637-1400.

SALON PRICING TRANSPARENCY



In some businesses within the service industry, such as salons, barber, dry cleaners and tailors, research has shown that women are sometimes charged higher prices for the same services. As a result of these practices, Illinois law now requires those service providers to make pricing lists available for customers to evaluate the fairness of the deal they are receiving. The new law does not require equal pricing for men and women but does set forth factors upon which pricing standards can be based and differentiated, including, but not limited to, the amount of time required to provide the service, the cost to provide the service and the equipment required to provide the service.

For more information about consumers' rights, contact David L. Wentworth II at (309) 637-1400.



CHANGES TO EMPLOYEE EXPENSE REIMBURSEMENT

Illinois employers and employees may experience changes to expense reimbursement in 2019. Senate Bill 2999 was signed into law in August, amending the Illinois Wage Payment and Collection Act. Under the new provisions, which take effect on January 1, 2019, employers must reimburse employees for "all necessary expenditures or losses incurred by the employee within the employee's scope of employment and directly related to services performed for the employer." Pursuant to the amended Act, "necessary expenditures" include all reasonable expenditures and losses required of the employee in the discharge of employment duties that primarily benefit the employer.

To be eligible for reimbursement, an employee must submit necessary expenditures, with appropriate supporting documentation, to the employer within thirty calendar days of incurring such expense, unless afforded additional time for submission in the employer's written expense policy. In instances where supporting documentation is nonexistent, missing, or lost, the requesting employee must submit a signed statement affirming the expenses incurred.

As with many statutes, there are exceptions to the new reimbursement provisions. Under the Act, an employer is not responsible for

losses due to an employee's own negligence, losses due to normal wear, or losses due to theft unless the theft was a result of the employer's negligence. An employer is also not liable under the Act unless the employer authorized or required the employee to incur the necessary expenditure. Employers are further shielded from liability in instances where they failed to comply with their own written expense reimbursement policy.

Additionally, an employee is not entitled to reimbursement under the Act if the employer has an established written expense reimbursement policy and the employee failed to comply with the written expense reimbursement policy. If the written expense reimbursement policy of an employer establishes specifications or guidelines for necessary expenditures, the employer is also not liable for the portion of the expenditure that exceeds the specifications or guidelines of the policy, so long as the employer does not institute a policy that provides for no reimbursement or *de minimis* reimbursement.

Given the aforementioned changes, Illinois employers and employees should review relevant expense reimbursement policies and practices prior to January 1st to ensure said policies and practices are in compliance with the new law.

If you have any questions regarding any employment matters, please contact Charles J. Urban at (309) 637-1400.



Happy Holidays!



**The Attorneys of our Firm:**

**Michael R. Hasselberg
James R. Grebe
Kenneth M. Snodgrass, Jr.
Charles J. Urban
David L. Wentworth II
William P. Streeter
Boyd O. Roberts III
David B. Wiest
John G. Dundas
Kevin D. Day
Kyle M. Tompkins
Joe Y. Pishghadamian
Kevin O. Sheahan**

401 Main Street, Suite 1400
Peoria, IL 61602-1258

Telephone: (309) 637-1400
Fax: (309) 637-1500

**Find us on the web
at: www.hgsuw.com**

A special thanks to John Dundas, Kevin Day, and Kyle Tompkins, our editors and attorneys, for their selection and preparation of the articles appearing in this edition of HGSUW News & Views.

***HGSUW News & Views is published by the law firm of Hasselberg Grebe Snodgrass Urban & Wentworth for its clients and friends. All rights reserved.
© 2018 Hasselberg Grebe Snodgrass Urban & Wentworth.***

Hasselberg Grebe Snodgrass Urban & Wentworth is a 13-attorney full service law firm with individual lawyers concentrating in particular areas of the law. The firm serves clients throughout the State with a focus on Central and Southern Illinois. Practice areas include: Adoption Law, Administrative Law, Agricultural Law, Bankruptcy, Commercial Law, Corporate Law, Criminal Law, DUI/DWI, Elder Law, Estate Planning, Environmental Law, Family Law, Federal Taxation, Governmental Law, Insurance Law, Labor and Employment, Land Use, Litigation, Personal Injury, Planning, Probate, Real Estate, Traffic Violations, Trusts and Estates, Wills, Workers' Compensation, and Zoning.



Super Lawyers



NOTICE: IRS CIRCULAR 230 DISCLOSURE: Under regulations issued by the U.S. Treasury, to the extent that tax advice is contained in this newsletter, you are advised that such tax advice is not intended or written to be used, and cannot be used by you, or any party to whom this correspondence is shown, for the purpose of avoiding penalties under the Internal Revenue Code, or promoting, marketing or recommending the tax advice addressed herein to any other party.

This newsletter and the contents contained herein are copyrighted by Hasselberg Grebe Snodgrass Urban & Wentworth. Certain photographs and other materials are used by permission of their respective authors or publishers. No portion of this newsletter or any content herein may be redistributed or republished without the express written permission of Hasselberg Grebe Snodgrass Urban & Wentworth. This newsletter and the content contained herein is intended for informational purposes only and is not legal advice. No responsibility is assumed for the accuracy or timeliness of any information contained in, or referenced by, this newsletter. This newsletter and the information contained or referenced herein is not intended as a substitute for legal counsel, and is not intended to create, nor does the receipt of same constitute an attorney-client relationship. Readers should not act upon or refrain from acting upon this information without seeking advice from professional legal counsel. The hiring of an attorney is an important decision. If you have any questions or comments concerning this newsletter, please contact us at (309) 637-1400.