

Focus on Fun

- For those of our readers who like the truly esoteric in tax humor, consider that the Tax Court determined that a jojoba plantation did not fall within the definition of a “grove, orchard or vineyard in which fruits or nuts are grown”, an all important distinction, required for expenses such as plantings, to be capitalized. Consequently, the taxpayers properly deducted the expenses they incurred (meaning they did not have to capitalize them). The Court was not impressed with the IRS’s contention that jojoba bushes could theoretically be pruned into the shape of trees (it’s a good thing this case did not turn on whether they could be pruned into other more interesting shapes). The Court rejected the IRS’s argument that a plantation of such pruned bushes could be considered an orchard.
- The IRS reported, as a result of one of its audits, about a man in Los Angeles who deducted the cost of his daughter’s wedding as a casualty loss. When he was audited and asked to explain, the man, apparently rather serious about this, explained that his daughter’s new husband has turned out to be a total disaster.
- A student from Indianapolis supplemented his income by buying goldfish wholesale, and then selling them, in individual bowls, retail. We now get into the area where a little knowledge is dangerous (and also smelly). He knew that the cost of fish that had died could be written off as a legitimate business loss. However, he had a question for the IRS – whether he should continue to keep the dead fish in his freezer to prove his deductions.
- Some people kind of “get even” with the IRS by sending them things that are either somewhat out of the ordinary or not quite what would be expected. One taxpayer sent a blown up copy of a form 1040 printed on a shirt, indicating to the IRS that they had taken the shirt off of his back. Another, with somewhat of the same attitude, but harsher, sent the IRS a replicated 1040 on a six foot long piece of butcher’s paper. One woman sent along a lock of her hair, explaining that she felt scalped after filling out the return. Another woman sent a pair of well soiled panties – apparently leaving it to the imagination of the IRS what the actual deeper meaning was. A man included a handful of buttons, with a letter explaining “here are the buttons, you got the shirt last year”. Another man sent a comb, explaining that he did not need it anymore because he had pulled out all of his hair trying to figure out his income taxes.