



DECEMBER 2021 NEWSLETTER



Christmas Memories by Attorney, John M. Goralka

Christmas traditions were, and continue to be, very important for me and my family. I have a close-knit family with five (5) brothers and three (3) sisters. Over the years our celebrations grew with spouses, significant others, children and even grandchildren. I am particularly nostalgic this year with the pandemic and the related isolation we have all endured. Some of my favorite Christmases were when my kids were young, and they were surrounded by many of their cousins and my parents and siblings.

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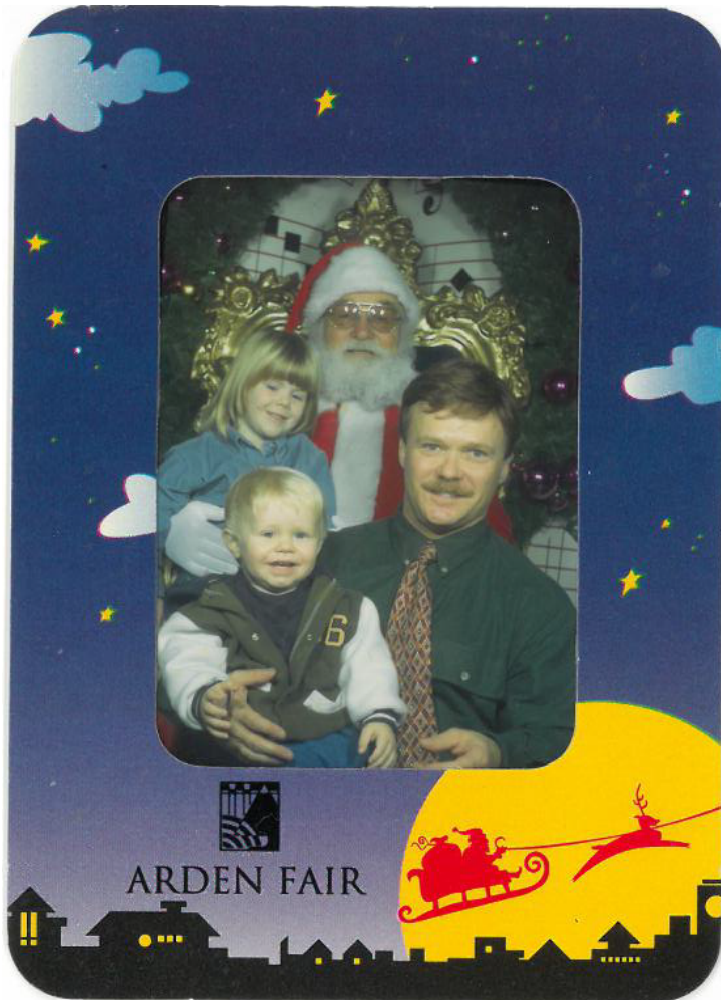
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Our tradition then was to open a few presents and a stocking at my home. Memorable presents in years past were golden retrievers which, in different years, were each briefly in a wrapped box, under the tree. [READ MORE](#)



We would then head to the family home on the ranch for the extended family to celebrate together. This would be a pretty large group – never quiet and never boring. Humorous stocking stuffers and gag gifts were always appreciated. Lots of excited kids and activity. One memory that stands out is when my mom gave all the grandkids fireman

MARK YOUR CALENDARS

[Wine Down
Wednesday in
January!](#)

[Client Testimonials](#)

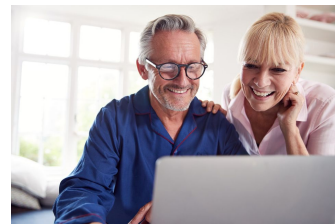
RECIPE OF THE MONTH:

[Tortilla Soup](#)

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COVID-19 UPDATE



We are continuing to provide our legal services over the telephone and by Video Conferencing. We have limited in office meetings by appointment.

Wine Down Wednesday is Taking a Break for December!



Our Wine Down Wednesday is taking a break for the month of December. However, be

helmets/hats that each had a flashing light and siren – seven (7) grandkids running around each with a loud siren... We started a betting pool as to which of my brothers or sisters would remove the battery in their kids' helmet first.



What do you and your family do around the holidays? What's your favorite holiday memory?

Whatever you end up doing this holiday season, I wish you peace, joy, health and happiness!



Cheers!
John


sure to join us for the first Wine Down Wednesday of 2022.

Wednesday
JANUARY 26th
5PM to 6PM

REGISTER

[VIEW FLYER](#)

This is an opportunity for us to gather with our clients and their friends, family, and loved ones, for a little bit of wine and a great time! We have lots of great conversation and a fun raffle! Hope to see you there!

 Invite a Friend

**THOUGHT
OF THE
DAY**

*"Failure is success
in progress."*
—Albert Einstein



2021 Tax Planning in a Changing World

Most years, Thanksgiving brings family celebrations, get togethers, turkey and a reminder to dust off the tried-and-true income tax planning checklist. Those



checklists typically look to defer income to future years and to accelerate year-end expenses for deduction this year. We may look to see if we can take steps to maximize income at the low tax bracket amounts, pay bonuses, trigger tax recognition events such as sales or transfers and consider

how much and what to pay for business expenses. We may seek to defer income when possible to pay tax in a later year.

We then consider possible itemized deductions, if appropriate. We consider when to pay medical expenses, property taxes, and charitable contributions, perhaps bunching together with the much higher standard deduction and loss of the state and local tax deduction in 2021.

However, the winds of change are upon us once again. If we believe that tax rates will increase and other deductions become available, what are we to do? The historic planning steps taken in years past may actually now trigger a higher and not lower income tax liability.

Legislative changes are dangerously close to reality and, more importantly, we really do not know what the final tax bill will say or do. That said, the Democratic party's theme is to raise payroll taxes on high earners, increase marginal income tax rate on high income (those over \$450,000 income) individuals and increase the capital gains tax rates on high income individuals. Estate and wealth taxes are expected to increase along with higher corporate income tax rates.

Note also that the Wash Sale rules do not yet apply to cryptocurrency. The Wash Sale rules may preclude taxable loss on a position that is sold which is replaced or repurchased within a short period of time. Clients with loss positions in cryptocurrency, which is very volatile, may wish to take advantage of this loophole. Note, that this loophole is expected to close in 2022.

If tax rates rise, then the historic tax planning approaches described above would... [READ MORE](#)



2021/2022 Corporate Formations and Dissolutions

As the year comes to a close, we should consider any time sensitive corporate transactions. Included in this category is the formation of new entities or the formal dissolution of entities no longer needed. We should also consider whether we need to formally dissolve. One advantage of a formal dissolution is that it provides certainty as to the deduction of any related losses for income tax purposes.

Note that, California charges a minimum tax of \$800 each year for the privilege of being able to do business as a corporation or Limited Liability Company (“LLC”). For LLCs, there is also a gross receipts fee based upon gross revenue (even if you incur a loss) as follows:

\$0 - 249,999	\$0
\$250,000 - 499,999	\$900
\$500,000 - 999,999	\$2,500
\$1,000,000 - 4,999,999	\$6,000
\$5,000,000 and above	\$11,750

California does use an unwritten fifteen (15) day rule in which a period of fifteen (15) days or less is disregarded if no business was conducted. Consider forming your new corporation or LLC between December 17 and December 31 to be prepared to conduct business in the new year without having to pay the minimum tax for 2021.

An LLC that elects to be taxed as a corporation will avoid the gross receipts fee but must still pay the \$800 minimum tax. The LLC can elect to be taxed as a “C” corporation or achieve pass through status as an “S” corporation. Of course, the LLC could also elect to be taxed similar to a partnership, each has different advantages and disadvantages.

To avoid the minimum tax, the corporation or LLC must... [READ MORE](#)

Beware of These Ongoing Scams! (And Tips on How to Avoid Falling Victim to Them)

An alarming number of people are falling victim to scams these days. Those who are targeting consumers are getting smarter and it's becoming harder for people to differentiate what might be real and what's not.



Here are some of the latest scams that people have been reported:

- **Checks or Payment from the Government.** Where people may be told that the government has checks issued to them and they need information from them in order to get them the funds.
- **Census Scams.** Scammers seeking to collect information from the Census Bureau for the Census, but then asking you questions around your financial information in order to get sensitive data from you.
- **Charity Scams.** Fake charities are a common scam in times of disaster, as more and more individuals wish to donate towards a cause. It can be extremely difficult to differentiate between what's a real versus a fake charity.
- **COVID Testing, Vaccine and Treatment Scams.** Scammers are now offering consumers at-home test kits of the ability to try out miracle cures or vaccines. Some Medicare recipients have reported being targeted for COVID-19 testing with an attempt to steal their personal information.
- **COVID Military Family Scams.** Family members (particularly older grandparents) have been targeted claiming to be calling on behalf of a family member serving in the military, claiming their loved one has fallen ill with COVID-19 and are in need of financial assistance for treatment or to send them home.

- **Bank and FDIC Scams.** Scammers have been calling consumers claiming to be with the Federal Deposit Insurance Corporation (also known as the “FDIC”) and will tell a consumer that his or her ability to withdraw cash from their bank accounts is in jeopardy and use it to extract personal banking information.

While most people can spot these scams a mile away, many scammers target seniors and others who may be more vulnerable and unable to detect a scam.

Below are a few helpful tips to help avoid becoming a victim of fraud...[READ ON](#)

Client Testimonial

"While representing me during a very long and difficult tax case with the State of California and audit with the IRS, John was always very professional, thorough and competent in the areas of State and Federal tax law and procedures. He put all his expertise and energy into my case to affect a positive outcome. In addition, Mr. Goralka always represented himself with the utmost integrity and honesty whether with other counsel, judges, or with outside experts and witnesses. While a tax audit and tax court case can also be emotionally challenging, John did a very fine job of assisting with the practical aspects of managing my disposition and emotions through some otherwise difficult times. In the end, he was able to reach a favorable settlement for me, often knowing what was best for me, even if I was not always

"I worked with John Goralka in setting up a legal structure for my business. His knowledge and suggestions regarding which structure I needed were spot on target. I was very happy with how he worked with me and the patience to deal with my endless questions! Why is that important? He billed me one price for the whole setting up and didn't charge extra when I called with yet another question or concern. He doesn't nickel and dime you for everything which is as nice as it gets from an attorney. I was so satisfied that I ended up having him work on a personal trust for me. Again, he was very patient in making sure I understood the ins and outs of what I was trying to do. His guidance and expertise made the process of getting things set up a relatively easy process. His price structure was also fair and didn't

aware what was best for myself. I would recommend Mr. Goralka and am available to speak to any prospective client that would like more information."

—Michael H.

have little add ons here and there. Very fair and reasonable. I also honestly feel like he actually cares me as a client AND a person. He shows by his demeanor and actions that he is vested in doing the best that he can for me as my attorney. I will continue to use John for as long as he will have me as a client!"

—Tabias C.

Thanks so much for your kind words, Michael and Tabias. And thanks to all of our clients for their business and referrals over the years. Reviews like these are a reminder about why we do what we do and reaffirms that we are not simply just preparing legal documents, but we're cultivating relationships and really helping families and their loved ones with transformational changes for generations to come.

If you are a client with The Goralka Law Firm, we encourage you to take the time to leave us some feedback and a review online at one (or more) of the following:



RECIPE OF THE MONTH: Tortilla Soup

During the colder winter months of December and January, we wanted to share with you this tortilla soup recipe from Joy Mintzer of Newark, Delaware. If you like soups, this is surely to become a new family favorite! And it's super easy to make too!



INGREDIENTS

- 4 chicken breast halves
- 1 garlic clove, minced
- 2 Tbsp. Margarine 2 14 ½ -oz. Can chicken broth
- 2 14 ½ -oz. cans chopped stewed tomatoes 1 cup salsa (Mild, medium, or hot, whichever you prefer)
- 2 Medium cans of red enchilada sauce
- ½ cup chopped cilantro 1 Tbsp, or more ground cumin
- 8-oz. Monterey Jack Cheese, cubed
- Sour cream
- 1 Avocado
- Salsa

DIRECTIONS

1. Cook, debone, and shred chicken.
2. Add minced garlic to margarine in slow cooker. Sauté
3. Combine all ingredients except cheese, sour cream, and chips
4. Cover. Cook on Low 8-10 hours
5. Divide cubed cheese among 6 individual soup bowls. Ladle soup over cheese. Sprinkle with chips, avocado and salsa to taste and top each bowl with a dollop of sour cream.

Enjoy! 😊

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NOTE: The client testimonials featured in this newsletter and on our website are from actual clients of The Goralka Law Firm, PC. Their last names have been redacted to protect their privacy. These client testimonials do not guarantee your particular results.

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