

James L. Denny

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March 14, 2015

To: Business Senate Finance Committee
At E-mail: Business@finance.senate.gov

Subject: Tax Reform

This is in response to solicited information regarding recommendations for tax reform and is submitted by and in behalf of the following:

Contact: James L. Denny, President
Organization: Wishart Lake Protective Corporation
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Wishart Lake Protective Corporation (WLCP) is an S-Corporation formed as owner of a twenty acre lake located adjacent to my Virginia Beach residence shown above. It was formed at the recommendation of a lawyer strictly for the purpose of limiting liability to the worth of the corporation in the event someone trespassing on the property drowns or is injured and decides to sue. WLPC does not produce a product or provide a service and has no income and yet is required to file a three-page U.S. Income Tax Return for an S Corporation (Form 1120S) to report a deduction of approximately \$118.60 (license fee of \$100 plus \$18.60 real estate tax) each year. A schedule K-1 (Form 1120S) must be attached for each stockholder (myself and my wife). The same information must be reported again in a different format on Virginia Pass-Through Entity Return of income and Return of Nonresident Withholding Tax, Form 502 with Virginia Schedule VK-1 (Form) attached for each stockholder.

Virginia now requires e-filing of form 502. I spent 1 to 3 hours for 4 to 5 days for three weeks trying to submit the free e-file for Form 502 and finally , in frustration, paid a tax preparer to e-file the return. Supposedly, in the future I should be able to submit both federal and state returns in a single

e-file, but based on experience, I'll probably have to pay a tax preparer to submit my returns.

MY TAX REFORM RECOMMENDATION: Do not require a limited liability corporation like WLPC, which sells no product or provides no service and has no income, to submit a tax return.

Sincerely,

James L. Denny