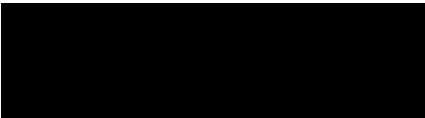


To: Business Senate Finance Committee, at Business@finance.senate.gov

March 15, 2015

Subject: Tax Reform

This is in response to solicited information for tax reform. Contact info shown below:

Contact/submitted by: James L. Denny in behalf of: James L. Denny, President
Wishart Lake Protective Corporation
Address:  4356 North Witchduck Road
Virginia Beach, VA 23455
Telephone number:
E-mail address:

Wishart Lake Protective Corporation (WLPC) is an S corporation formed as owner of a twenty acre lake adjacent to my resident shown above. It was formed at the recommendation of a lawyer strictly for the purpose of limiting liability responsibility to the worth of the corporation. WLPC does not produce a product, does not sell a product or provide a service for a fee, does not conduct business and has no income and yet is required to file a three page U.S.income tax return for an S corporation (Form 1120S) annually to report a deduction of about \$118.60 (license fee of \$100 and about \$18.60 real estate tax). A K-1(Form 1120S) must be attached for each shareholder (myself and my wife). The same information must be reported 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 502) attached for each shareholder.

Virginia now requires e-filing of Form 502 and supposedly both federal and state corporation tax returns can be filed together in a single free e-file. I spent 1 to 3 hours for 4 to 5 days for three weeks trying to e-file my returns without success. I finally submitted a paper federal return and paid a tax preparer to e-file the state return.

I've previously questioned the need to submit federal and state corporation tax returns to report a one-line deduction since no Business activity code number appears applicable since WLPC has no business activity. WLPC was advised to use code 812990 which does not appear in the list of business activity codes and I have no idea what it describes.

MY TAX REFORM RECOMMENDATION:

I recommend that WLPC, and corporations like it, not be required to submit corporation tax returns.

If WLPC, and corporations like it, are required to submit corporation tax returns, I recommend that the e-filing system for free e-filing of federal and state corporation returns in a single transaction be simplified so that even a member of congress is able to e-file the returns without assistance.

Sincerely,
James L. Denny