

You work for an accounting firm. One of the firm's partners interviewed a client. The notes of the client meeting are below. Your duty is to write a draft memorandum addressing the issue(s) raised in the interview.

Your memorandum should be 1 to 2 pages in the format discussed in class; stating the issue(s), the tax authorities applicable and your suggested conclusion. The partner who gave you this assignment requires an identification of the Internal Revenue Code provision(s) that apply and any IRS regulations. The partner also wants to know how similar facts were determined in an IRS Revenue Ruling and/or a decision of a court applying similar facts.

Client owns a delivery truck. During the tax year he had a number of business related expenses. He is concerned about the following expenses:

Payment of a speeding ticket to Chicago

Payment of a late delivery penalty to a customer

Overweight fine paid to the State of Illinois

Contribution to a candidate to Congress who supports truckers