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Government Shutdown 2018-19

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Round, Are You?

Letter from the Editor



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Dear Readers,

So, it is that time of the year...! Wait, no, I'm not talking about the tax season! I am drawing your attention on the after-effects of the partial federal shutdown. Time and again, the citizens of America have witnessed the government shut down. And every single time we observe that the shutdown is eventually being shut down (*pun-not-intended*).

But, why is it that the shutdown happens? Well, I think a single word would suffice here, and that is disagreement. What happens when two people, two groups, or two parties fail to arrive at a commonplace, or a point of agreement? Things come to a halt. Following the trail, when the Democrats and the Republicans disagree, the Shutdown happens! And this is exactly what was happening in the country recently.

And, amidst the turmoil caused by the longest shutdown in American history, trouble has been brewing for the American residents and more so, for the taxpayers and preparers. However, the Internal Revenue Service (IRS) did a commendable job as it kept the operations active (in spite of having just a limited workforce). In fact, the IRS kicked off the tax filing season from Monday, January 28, as scheduled, and are putting in all sorts of efforts to ensure a smooth filing season.

In this February issue of Fizzfx, we have covered the updates related to the US government shutdowns in the history along with a couple of write-ups about IRS and the tax season. I hope you will enjoy reading this issue, and for us it will be great if you can share your valuable suggestions regarding how we can make your reading experience better.

Ehtesham Haque
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No more shutdowns are just a bill away!

The longest shutdown in history just cost \$3 billion dollar hit to the economy, and a backlog that will take a long time to recover from. The threat of Shutdown 2.0 is like the sword of Damocles hanging over our heads. Result is, more and more Congress members are considering bills to eliminate the possibility of the country coming to a standstill (even partially) again.

Three such bills have been proposed in the Senate, and two in the House. These handle the persisting issue differently, but with one similarity - to maintain funding of the government even if an agreement has not been made. This keeps the government working and federal workers paid.

Here are the legislations that have been suggested so far.

The End Government Shutdowns Act

Proposed by Senator Rob Portman, this act would trigger an automatic continuing resolution for unfunded parts of the government from the start of fiscal year, i.e. October 1. To keep the negotiations on track, one percent of government spending will be cut if the deal has not been made in 120 days time. The approach has been criticized as it may lead to considerable spending cuts.

The Stop STUPIDITY Act

Suggested by Senator Mark Warner, the bill proposes a continuing resolution to prevent a shutdown. However, it will cut down spending of President office and legislative bodies. The objective is to pressure Congress into an agreement without much needed funding.

The Solidarity in Salary Act

Backed by Reps. Jared Golden, Dan Crenshaw, and Max Rose, this legislation would hold the salaries of the President, Vice President and Congress members during the shutdown.

The Shutdown to End All Shutdowns Act

Introduced by Democrats, led by Reps. Elissa Slotkin, Chrissy Houlahan, Dean Phillips, and Colin Allred, the bill would activate a 30-day continuing resolution and withhold salaries of Congress members if an agreement hasn't been made in that time. The bill also protects the rights of government workers during a shutdown.

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Calling IRS: Phone lines now open

Shutdown is over (for now), which means the IRS is open for business, just in time for the tax season. If you have any queries or you need to connect with the IRS, writing or visiting (any of the 370 taxpayer assistance centers) might be out of the question.

Opening of phone lines has provided some relief, which is a more practical option to get the answers you need. Here are a few pro tips to follow.

1. Call early. Phone lines will get congested quickly, so call in when the lines open to avoid long waiting time.
2. Tax professionals should use the practitioner hotline. PPS is where you should connect for client related queries. Keep your Form 2848 or 8821 ready to fax.
3. The IRS e-services account gives you access to the Transcript Delivery System and a few other features.
4. File an authorization to get client information. These take more than 5 business days to allow access to a client's transcripts. The authorization will allow immediate access to e-services when a document is needed urgently.

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7 things that happen(ed) during a shutdown

The longest (partial) shutdown in US history is finally over, with the speculation of a shutdown 2.0 again this month. While we all argue over who is right and who isn't, let us dive into the basics of the process and what we all should know.

1. **Why it happens?** Simply, when the Congress and the President fail to come to an agreement over any of the spending bills of the annual federal budget, the non-essential functions of the government are forced to shut down.
2. **How long does it last?** Depends. Leaders of both parties must come to an understanding to fund the government. The shutdown will end whenever that happens.
3. **How to prevent this situation?** Tricky. There's no way out other than an agreement and bill signing by the President. Congress members can give themselves an extension, a continuing resolution (CR). The temporary arrangement gives them more time to negotiate.
4. **Who gets affected?** Federal employees with non-vital jobs are sent home. National parks, monuments and museums are closed. Unemployment benefits, tax refunds and farm subsidies can be delayed.
5. **How many times has this happened?** The US government has shutdown 20 times since 1976. Few were just for the weekend, which doesn't cause much issues. The second longest shutdown was for 21 days during the tenure of Bill Clinton.
6. **Do the federal employees still get paid?** Most probably yes. The problem is when. Every department has their own plan for this situation.
7. **How much does the country lose?** A lot of money is 'wasted' because of the shutdown. The shutdown of 2013 cost the country \$24 billion. The 35-day partial shutdown of Trump's administration has been projected to cause a \$3 billion hit to the economy.

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Government Shutdown: A Walk to Remember...

At the max, what do you expect from your government? For it to sail smooth, of course. And the shutdown does exactly the opposite. Clearly, shutdowns are not fun and the situations need to be tackled wisely to reach to a consensus. But, this is not the first time we have been a witness to the partial federal shutdown. American history speaks volumes about a number of government shutdowns, 21 to be precise. Let's take a look:

Shutdown #1: President Gerald Ford- 1976

The 10-day long shutdown, i.e from September 30 to October 11, happened because he vetoed a funding bill for the U.S. Department of Health, Education, and Welfare, owing to uncontrolled spending. The Democrats, on the other hand, who controlled the Congress overrode the veto, resulting in a disagreement which took ten days to arrive at a resolution.

Shutdown #2: President Jimmy Carter- 1977

The 12-day long shutdown occurred when the Senate and the House failed to come to an agreement regarding the ban on using Medicaid to pay for an abortion. Up until then, Medicaid could only be used to pay for an abortion if the mother's life is at risk, whereas, the Senate proposed to include rape and incest victims under the Medicaid umbrella as well. The shutdown ended on October 13, following a temporary agreement.

Shutdown #3: President Jimmy Carter- 1977

After the temporary agreement ended, the shutdown once again continued for 8 days, i.e. from October 31 to November 9. President Jimmy Carter had to sign another funding agreement to get some more time to negotiate with the House.

Shutdown #4: President Jimmy Carter- 1977

On November 30 when the House completely disagreed on the use of Medicaid to fund for abortion, except for when the mother's life is at risk. Eight days later, i.e. on December 9, an agreement was finally made and the Medicaid could now be used to fund abortion in case of rape, incest, or when the health is at risk.

Shutdown #5: President Jimmy Carter- 1978

One of the longest shutdowns in American history, it went on for full 17 days, from September 30 to October 18. President Carter too raised the issue of unnecessary spending this time and vetoed a \$37 Billion defense authorization bill, citing that some of the defense equipment was not required.

Shutdown #6: President Jimmy Carter- 1979

The 11 days long shutdown, from September 30 to October 12, led to a funding gap since the House demanded a 5.5 percent pay increase for the members of the Congress and the senior civil servants. Also, the issue of abortion was raised once again, where the House opposed to allowing Medicaid for abortion in case of rape and/or incest.

Shutdown #7: President Ronald Reagan- 1981

When the spending bill was \$2 billion short of the cuts that President Reagan demanded, he vetoed the bill. This led to the government shutdown for two days, i.e. from November 20 to November 23. A temporary bill was agreed on following the demands made by the Democrats who were controlling the house, so the Congress could resolve all of the issues.

Shutdown #8: President Ronald Reagan- 1982

Due to a one-day delay in passing the spending bills, the government was shut down on September 30, for one day and reopened on October 2.

Shutdown #9: President Ronald Reagan- 1982

President Ronald opposed the demand for job program funding which was made by both the House and the Senate. The opposition caused the government to shut down for three days, i.e. from December 17 to December 21. Reagan also faced opposition from the House regarding funding for the MX missile.

Shutdown #10: President Ronald Reagan- 1983

Once again the government shut down for three days, i.e. from November 10 to...
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HIGHLIGHTS OF SHUTDOWNS THROUGH HISTORY

President Gerald Ford

Sep 30 to Oct 10, 1976 *10 days

Ford vetoed a \$56 billion spending bill for Labor and Health, Education and Welfare departments. This year the law passed allowing Congress to take an extension (CR) on the shutdown.

President Jimmy Carter

Sep 30 to Oct 13, 1977 *12 days

Oct 31 to Nov 9, 1977 *8 days
Nov 30 to Dec 9, 1977 *8 days
Democrats couldn't get Republicans to agree for using Medicaid to pay for abortions.

Sep 30 to Oct 18, 1978 *17 days

Carter vetoed a \$37 billion defense bill which included a nuclear-powered aircraft carrier worth \$2 billion.

Sep 30 to Oct 12, 1979 *11 days

House and Senate disagreed over pay raise of Congress members and civil servants by 5.5 percent.

President Ronald Reagan

Nov 20 to Nov 23, 1981 *2 days

Sep 30 to Oct 2, 1982 *1 day
Dec 17 to Dec 21, 1982 *5 days
Nov 10 to Nov 14, 1983 *5 days
Sep 30 to Oct 3, 1984 *2 days
Oct 3 to Oct 5, 1984 *1 day
Oct 16 to Oct 18, 1986 *1 day
Dec 18 to Dec 20, 1987 *1 day

President George Bush

Oct 5 to Oct 9, 1990 *3 days

President Bill Clinton

Nov 13 to Nov 19, 1995 *5 days
Dec 15 to Jan 6, 1995-96 *21 days

Clinton vetoed the spending bill proposed by Congress which was controlled by the Republicans. After 3 weeks they came to an agreement for a seven-year budget plan.

President Barack Obama

Sep 30 to Oct 17, 2013 *16 days

Agreement on funding of the Affordable Care Act, known as Obamacare, was the cause of this shutdown. The Senate sent back many versions of the bill that the House had passed.

President Donald Trump

Jan 20 to Jan 22, 2018 *3 days

The President, Republicans and Democrats were divided on immigration and spending.

Feb 9, 2018 *9 hours

The proposed two-year budget plan was opposed by a few for not addressing immigration and other issues.

Dec 22 to Jan 25, 2018-19 *35 days

President Trump wants \$5.7 billion for border security, specifically the wall he had promised. The shutdown has ended with a temporary agreement till February 15.

Government Shutdown 2018-19: What now?

President Donald Trump Is Prepared For The Second Round, Are You?

The 'shutdown' of the partial federal shutdown has undoubtedly come as a relief for many. But, let's not make it a celebratory moment already. President Trump has cleared the air before it gets too merry. So, hold your horses, people, because probably it is all temporary.

President Trump of the Republican party has called off the shutdown for the time being. Not to forget, it was the longest government shutdown in history and has left a major percentage of federal employees furloughed.

Government employees are enforced to work without pay, making it difficult for them to pay for their day-to-day expenses, such as mortgage bills, medication, and food for the family. Problems soared when the flights could not make a landing in the country following which Trump decided to call off the shutdown, temporarily.

However, he profoundly clarified that he will not shy away from calling another shutdown if the Democrats fail to appropriate enough funds for his border-wall idea. Apparently, the wall has made it to the top-most priority for President Trump. So much so that he is ready to call for another shutdown.

The question is, are you prepared to witness another shutdown?

Saloni Arora

Alas! The Hullabaloo Is Over (For Now)... Howdie Taxpayers?

The taxpaying population of the country might have just woken up from the biggest nightmare of the year. First, the confusion of the Tax Cuts & Jobs Act, and then, the government shutdown, and now the tax season followed by the hovering anxiety of another possible shutdown. The Americans are desperately asking a question in unison, 'Will this madness ever come to an end?'

Well, we are not sure about that, but what we know right now is that our tax refund will soon be on its way. So, let's focus on the tax season, shall we? The IRS declared the tax season would start from the 28th of January and thanks to President Trump for he called off the shutdown (again, for now).

As always, the IRS has been doing a commendable job because irrespective of a large number of IRS employees who were furloughed, a great percentage of them agreed to work without pay during the 35 days of the shutdown. That's the kind of dedication that brings massive respect for the IRS. Although people have had a hard time getting their queries answered, the IRS is now all geared up for the tax season and will send you your tax refund, ASAP! And, if you are expecting a quick return, file your taxes online and try to keep the errors at a minimum.

Saloni Arora

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...November 14, following the disagreement between President Reagan and the House. Where the House demanded an increase in the funding for education, Reagan wanted to spend more on the MX missiles. Eventually, both the parties settled on an agreement and ended the shutdown.

Shutdown #11: President Ronald Reagan- 1984

The House came forward with two proposals, one a crime-fighting package which was also supported by President Reagan, and second was the water projects package which faced opposition from the President. This led to the government shutdown for two days, from September 30 to October 3. A temporary extension was passed to bring the shutdown to an end.

Shutdown #12: President Ronald Reagan- 1984

As the temporary extension expired, the government was shut down on October 4, and was reopened on October 5. The demand for funding the water projects package had to be dropped by the House but the crime-fighting package stayed put.

Shutdown #13: President Ronald Reagan- 1986

On October 16, the government was shut down for one day as the House faced opposition from both the Senate as well as President Reagan over the welfare package deal. The government reopened on October 18.

Shutdown #14: President Ronald Reagan- 1987

The house and the Senate were both against the funding given to the Nicaraguan "Contra" militants. Following the opposition, on December 19, the government was shut down for one day and reopened on December 20.

Shutdown #15: President George H. W. Bush- 1990

The only shutdown that happened during George H. W. Bush's presidency was in October, when he vetoed the continuing resolution because a deficit reduction package was not included in it. The shutdown began on October 5 ended three days later, i.e. on October 9 when a deficit reduction package was included in the continuing resolution.

Read more here.

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Among The Shutdown Whoop, Trump Won Some Hearts

Did we all just imagine President Trump biting the dust in the next elections? Well, maybe we did! But is that all? Is that how the reign of the multi-billionaire American President is going to end? Probably, not! Trump may not be losing much as the opposition thinks. The Democrats may be drooling over the possibility that Trump's popularity will boil down after the atrocities that the population at large has gone through in the 35 days of the partial federal shutdown. But, there is more to the Republicans than the shutdown itself. Remember what happened in the tail end of 2017? Yes, the Tax Cuts and Jobs Act. The winning move, the sigh of relief, and beautifully infused with confusion, the TCJA has won many hearts. Regarded as the biggest achievement of the Trump government, the Act has left many taxpayers content. Maybe the popularity that Trump enjoys with regards to the Act can take him a long way. After all, the Republican party has always favored tax cuts to induce economic growth.

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