



**TAXES**

We may have some taxes withheld while at our meetings.

Hopefully this will not happen but if it does, I wanted to post this article so people would not be shocked or angry while at the redemption centers.

Will we owe taxes? We don’t know. We have not been given definitive information.

Many people have announced they are going to put a percentage of their proceeds into a “don’t touch” account for a while to see what is decided. I plan to set these funds aside for three years or longer if my tax attorney advises.

Another scenario may or may not take place at the exchange appointment -

The bankers may be required by the IRS (and perhaps a state tax agency) to withhold a percentage of our proceeds and send them directly to the tax agencies. These payments would be linked to our Social Security Numbers (SSNs) and/or EINs. So the tax agencies would be holding our set-asides rather than us and our banks. We would get the credit for the money sent on behalf of our tax identification numbers.

When we file our tax returns with the government next year, we would include the withheld amounts as payments already made on behalf of any taxes due for the year in which we exchange. Tax rates could vary for a few different reasons. This is one of the reasons you need to keep your currency purchase receipts.

The above process is what is required of US casinos and gamblers when someone wins a large prize. The casino is required to deduct the tax and automatically send it to the tax agencies. The gambler files tax returns after the end of the year. Hopefully, some of the tax is returned as an overpayment because the gambler has receipts to show it cost her/him money to win the prize (cost of airfare, cost to buy tokens for slots, etc).

Of course, I would rather keep the tax “set-aside” under my control and earn some interest from the funds. But the tax agencies may or may not allow us to do this.

Written by Canary Girl

