

Revenue Ruling 70-604 Carryovers

By: Gary Porter CPA

The recent articles on Revenue Ruling 70-604 generated a number of questions from readers. One of the questions related to how carryovers under Revenue Ruling 70-604 interact with member losses (excessive member expenses over member revenues) calculated under Code Section 277.

The Internal Revenue Service issued Revenue Ruling 2003-73 to explain this issue, providing four examples that illustrate the calculations. Simply stated, an association choosing to file Form 1120 can have only three possible outcomes as it relates to that member income:

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Happy Thanksgiving!

In honor of the Thanksgiving Holiday we are keeping this issue of HOA Pulse brief. We would like to wish all of you a safe and Happy Thanksgiving.

We at HOA Pulse have much to be thankful for, but we are most thankful for YOU. You have made us one of the highest ranking sites in the HOA Industry, and for that we are extremely grateful. For some interesting Thanksgiving facts, [read more here](#).



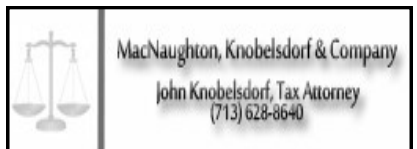
HOA Pulse has more full text cases than other site in the industry.

New cases this week include:

[Damon v. Ocean Hills Journalism Club—California](#)

[Marino v. Clary Lakes Homeowners Association, Inc.—Georgia](#)

[Reneaud v. City of Traverse City—Michigan](#)



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Happy Thanksgiving!

To bring you into the holiday spirit and to help create interesting dinner conversation, we have gathered some Thanksgiving trivia for you to share. Use them to impress your guests.

- 1) The first Thanksgiving dinner took place in October 1621 (not November).
- 2) 50 English colonists and 90 Wampanoag Indian men attended the meeting. Very few women, if any, were present.
- 3) The first Thanksgiving celebration lasted three days!
- 4) Both Europeans and Native Americans gathered for feasts to honor the harvest season and give thanks for their food and existence prior to the first Thanksgiving.
- 5) George Washington advocated for Thanksgiving to be an official holiday on October 3, 1789.
- 6) Thanksgiving became an official holiday in 1863 when Abraham Lincoln declared it so.
- 7) In 1940 President Franklin D. Roosevelt declared the modern date of Thanksgiving on the fourth Thursday of November.
- 8) The Southern States viewed Thanksgiving a “Yankee” holiday, and did not celebrate until after the Civil War when the states reunited. The South contributed sweet potatoes and pecan pie to the traditional dinner.
- 9) In 2010, it is estimated that 42.2 million Americans traveled 50 miles or more over Thanksgiving weekend.
- 10) The annual Macy’s Thanksgiving Day Parade tradition began in the 1920’s.
- 11) 46 million turkeys were eaten in 2011 for Thanksgiving dinner.
- 12) The heaviest turkey ever raised was 86 pounds.
- 13) According to scientists, the tryptophan in turkey does not cause post-dinner drowsiness. They blame alcohol and the amount of calories consumed instead.
- 14) The first football game that took place on Thanksgiving Day was 1934, when the Detroit Lions played the Chicago Bears.



Current HOA News Found on the Web

Article Title	Article Summary	State
Pros and cons of proxies in association elections	Quorums and proxies are part of the voting system in homeowners association board elections. Some would like to see them both gone to make the voting process similar to that in other election processes.	Illinois
Condo residents forced to pay fire bill	The management company of a homeowners association has handed a clean up bill down to the residents of the association for the clean up of two condominiums after a fire.	Connecticut
Copper Mill homeowners to purchase golf course for \$1.2 million	A community homeowners association has announced plans to purchase a golf course from a developer.	Louisiana
Blind man fights with HOA over neighborhood fence	A homeowners association installed a fence around the property. The fence keeps one of its residents from safely accessing the local bus stop independently, making his walk around the fence a mile long.	Texas
HOA must pay \$65,000 after banning bedridden teen's ambulance	A homeowners association threatened a family with fines for parking an ambulance in their driveway, that was the only way a disabled teen could be transported. The homeowners association now must pay the family \$65,000 for not providing reasonable accommodations to the family.	Nevada
Neighborhood concerned with nearby Hookah Lounge	The residents of an association are concerned that a local hookah lounge is trying to get a liquor license. The lounge has only been open for a month but the residents feel they have already caused a problem and feel serving liquor will make it worse.	Alabama
Portsmouth condos claim gas was shut off without warning	A condominium association claims their local Public Utilities Commission technicians have turned off the gas to their homes at least four times without notifying the residents.	New Hampshire
Parents at Easton condo complex say speeders make walk to bus stop a danger	Parents are concerned about speeders driving through their condo complex as their children walk to and from the bus stop.	Massachusetts
Homeowners associations: government minus the checks and balances	Author looks at the restrictions and control HOA boards place on their associations.	Nevada
Florida homeowner scores permanent injunction against HOA after guests denied entry to his home	A resident, behind in his assessments, was having his guests and family members denied access to his home because of the unpaid fees. The homeowner sued his association because they would not communicate with him and he won the lawsuit.	Florida
Stapleton HOA moves to ban farm animals	An association known for its green, environmentally friendly community, has voted to ban all farm animals including chickens, ducks, rabbits and goats. Residents are angry because the animals help those committed to sustainable living.	Colorado
Bossier backyard washes away each time it rains	A homeowner is angry that his backyard is disappearing each time it rains because the developer of the homeowner association that is next door, left a pvc pipe was left underground. The HOA refuses to repair the common area that is causing the problem in the homeowners back yard.	Louisiana