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## Extreme Tax Makeover

Lisa McLuckie  
*Illinois Wesleyan University*

Erica Stein  
*Illinois Wesleyan University*

Darryl Brown, Faculty Advisor  
*Illinois Wesleyan University*

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Oral Presentation O3.1

## **EXTREME TAX MAKEOVER**

Lisa McLuckie, Erica Stein, and Darryl Brown\*

Business Administration Department, Illinois Wesleyan University

Our topic for this research paper will discuss the tax consequences of the reality television show “Extreme Makeover Home Edition” where host Ty Pennington and the people at ABC Family provide a new, custom designed home for families in need. We will begin by providing a brief description of premise of the show, and transitioning into how the lawyers for ABC Family have structured the plan for providing the building of the home tax-free for the family. The tax consequences of this show will be the focus of our presentation, but we will also briefly describe various other shows where the contestants are in need of the prizes they receive but may not necessarily have the means to pay the taxes associated with such prizes such as “What Not to Wear.”

We will then begin our discussion of problems relating to these types of shows and the unforeseen tax consequences that come along with the prizes. Most of the families or recipients are low-income and struggle to make enough money to survive let alone pay the property taxes on a million dollar home. Since these homes are typically built in low-income neighborhoods, there are also property tax consequences for the surrounding houses. We will use court cases to provide support to our opinions on the IRS practices regarding these types of receipts.

From this point, we will discuss how Congress ignores certain tax laws such as the catching of baseballs at professional baseball games and commercial fishing. To conclude our presentation, we will share our opinion on the treatment of such prizes and how the practice of taxation regarding baseballs should be somehow applied to the deserving recipients of the prizes on these shows.