



The Bulletin



East Bay Association of Enrolled Agents
*To Enhance and Protect the Professional, Economic, and
Educational Interests of all Enrolled Agents*

March, 2006

General Meeting

NEXT MEETING Wed., March 15, 2006

Place: **Crowne Plaza, Pleasanton**

4:30 Board Meeting

6:30 Hospitality

7:00 Dinner Buffet

8:00 Program –IRS Tax Panel

Joe Calderaro & Karen Brosi

Cost: \$30.00 with reservation by 5pm Fri. 3/10

\$35.00 without reservation

Reservations: (800) 617-1040

email: [registration\(at\)ebaean.org](mailto:registration@ebaean.org)

STANDING RESERVATIONS

Our Chapter maintains a "Standing Reservations" list for those EAs who attend most monthly meetings. If you are on this list, you need to contact the Chapter office only if you will NOT be attending the meeting. If you wish to be added to or removed from the "standing reservations" list, call (800) 617-1040

Federal Tax Issues Panel Discussion

By Philip Fiegler, EA, Program Chair

I have one question. When are they going to have the Chapter of the Decade or Chapter of the Century vote? I think it must be us! This month we will have a panel discussion on Federal tax issues. We have our long-time friend, Joe Calderaro, IRS Technical Coordinator for Northern CA district returning one more time. Not many people in the entire tax industry know more than Joe. In fact, when thousands of EA and other tax professionals and IRS staff get stuck, they know that the one way they're sure to get an answer is to call Joe! After dinner last month several people told me we had to get Karen Brosi EA CFP® to come back.

President's Message

By Duncan Sandiland, EA

I'm as buried as you are so this will be mercifully brief. There are three items of note this month.

First off, a mea culpa. Last month we announced the new contact information for the Chapter Office, including the email address for dinner reservations. Several members dutifully sent in their responses to that address, but we never got them because...I gave you the wrong address! The CORRECT email address to use for all dinner meetings, educational events, etc is REGISTRATION(at)ebaean.org (please replace the (at) with the @ symbol when you write us). We will immediately respond to all email reservations with a confirming email.

Second, please note the new dinner meeting pricing and reservation policy elsewhere in this issue. The pricing is designed to keep us at break-even, and the reservation policy will help us get the right sized room so we won't get squeezed like sardines.

Third, there are still some members who are commenting that they aren't getting some emails. Remember that we have TWO different lists, one just for the Bulletin (and dinner reminder), and the other for breaking news. To sign up for either list, please go to <http://ebaean.org/cgi-bin/dada/mail.cgi> - it'll only take a minute to sign up for both lists. Also, you can see the archives of list messages, including the notes from last month's FTB panel discussion.

That's it, break's over, back to the salt mines...

Karen had so much fun last month that she agreed to come do the panel with Joe this month! When I informed Joe, he was thrilled. We just read Karen's bio a few weeks ago, and we all know who she is, so I will refrain from inserting it here.

Once again we will be collecting advance questions by email. It is crucial to e-mail your questions to the chapter office by 5PM on Friday, March 10th, if you want to have the best chance of having them answered. Questions will be compiled and submitted to the panel in advance so they can research as necessary. Questions will be asked in the order received, and we usually run out of time to answer questions from the floor, so PLEASE send in your questions early. Send the e-mails to registration(at)ebaea.org (replace the (at) with the @ symbol). Remember that if your question is vague, the answer will also be vague.

The following article was sent to us by local IRS, who asked us to transmit it to our members. No copyright infringement is intended.

San Jose Mercury News

Posted on Tue, Feb. 28, 2006

Domestic partners to be taxed as singles **IRS GUIDANCE DIFFERS FROM '05 STATE LAW**

By Mark Schwanhausser
Mercury News

California's registered domestic partners should report their pay on federal tax forms the way single people do, rather than using methods available to married couples, according to an internal memo the Internal Revenue Service released Monday.

The clarification is the first guidance from the IRS in the wake of a sweeping state law that took effect in 2005, giving gays and lesbians many of the rights of married couples.

The news should ease the confusion facing the state's 71,000 partners with the April 17 tax-filing deadline just weeks away. But the federal agency's response wasn't the answer that gay and lesbian activists wanted to hear, because it does not recognize the property rights California's domestic partners have under state law.

In short, IRS lawyers determined that a 1930 Supreme Court decision that entitles married couples to divide

their incomes cannot be extended to the state's domestic partners because they're not married. For example, if one partner earns \$100,000 but a stay-at-home partner earns nothing, that's what they'd report on their respective federal returns -- rather than \$50,000 each.

"The good news here is we actually have instructions on what to do. That alone is better than no response at all," said Frederick Hertz, an Oakland tax attorney and co-author of "A Legal Guide for Lesbian and Gay Couples." "What is bad news is it signals a lack of recognition for the community property rights of domestic partners."

The memo was dated Friday, the day after a Mercury News report described how tax experts were divided over the basic question of how to report income since California's Domestic Partner Rights and Responsibilities Act took effect in 2005.

Addressed to three top IRS officials in charge of processing tax returns and enforcing compliance with the tax law, the memo provides the first public indication of the agency's thinking on the controversial issue. It was posted on the agency's Web site Monday.

The memo from the office of chief counsel doesn't have the force of law, but tax experts say it sends a signal that the IRS intends to challenge domestic partners who split their income based on rules for married couples who file separately.

IRS spokesman Jesse Weller declined to comment on the legal aspects of the memo but said the IRS released it because "we know that guidance was needed, and it was needed before the filing deadline."

The memo maps out the safe ground for domestic partners who want to avoid an audit and possible penalties, experts say. In essence, partners should prepare their federal returns as they have in the past, reporting their own paychecks and other earned income on their individual tax returns.

But critics said the IRS is ignoring the community property rights extended to registered partners under the new state law.

"If there's no difference between the legal rights that spouses have in their community property and the legal rights that domestic partners have in their community property, then how can they be taxed differently?" said Donald H. Read, a Berkeley attorney who also practices

at Lakin-Spears in Palo Alto. "I can't say I'm shocked, but it strikes me as an indefensible position."

"The analysis is defective," added Jenny Pizer, senior counsel for Lambda Legal, a gay and lesbian advocacy group. "The federal government seems to have created another exception for gays and lesbians."

To read the IRS's legal memorandum, click on www.irs.gov/pub/irs-wd/0608038.pdf.

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MARK YOUR CALENDARS

Save the Date: Monday, August 21, 2006

Art Werner presents "Estate & Financial Planning for the Older Client"

What you will learn:

Understanding Medicare

Types of Life Insurance and the issues specific to the elder insured

Overview of Medigap Insurance

Understanding Social Security Issues

Issues surrounding the structure of long-term care insurance

Medicaid planning and its implications with trusts, insurance and annuities

Planning tips using Roth and other IRAs

Special estate planning issues for the older client

Housing and care alternatives

Gifting issues for the older client

8 Hours CPE for EA's and CFP's

Cost \$189.00, includes lunch

CSEA SUPER SEMINAR Early Bird discount ends March 14. Save \$50 by going to www.csea.org and registering now!

April 2006	No Meeting
05/17/06	EBAEA Dinner Meeting Long Term Care Ins. Stephen Fridge Reg. 6:00 pm Dinner 8:00 pm Crowne Plaza, Pleasanton
06/21/2006	OIC IRS Harley Gee
07/19/2006	Charitable Remainder Trust Frank Acuna

DINNER MEETING CHANGES

As most of you know the cost of everything keeps going up and we have been trying to keep the price of the dinner meeting low which means we have been losing money. Since that is not a financial responsible thing to do, at the last Board meeting we had a good debate on how to handle the situation. The conclusion was to raise the price of the dinner meeting but to have a larger discount if you register on time. Here are the details: Cost of the dinner meeting effective **May 2006** is \$45 but there is a \$10 discount if you register by 5:00PM the Friday preceding the meeting (so if you register early, the price is only \$35). If you have a reservation and need to cancel for some reason, you will need to do so by 5:00PM on the Friday preceding the meeting to avoid being charged. If you register at the door the cost is \$45 as long as there is room. If you make a reservation and do not show you will be charged. For those of you who have purchased the subscription plan you will not have a change until the renewal of the subscription.

San Ramon/Dublin/Pleasanton Group Info

The new EBAEA San Ramon/Dublin/Pleasanton small group will meet March 3 & 24 at 7:30AM at the Crown Plaza in Pleasanton (where the dinner meeting is) in the lounge by the bar. We also have the dates set for April 7 & 21 same time and same place.

Questions may be addressed to Bonnie Buhnerkempe, EA, CFP, CSA at 925-855-0829.

Breakfast Tax Meetings

Antioch /Brentwood

Brentwood Café, Brentwood
Every Friday 8:00 a.m.

Ken Seamann, EA (925) 634-8297

San Ramon

2nd Friday of Month 7:30 am

See info above

Bonnie Buhnerkempe, EA (925) 855-0829

Danville Area

Pascals French Oven
155 Railroad Ave. Danville

4th Tues of the Month 9:30am

Michael Power, EA (510) 366-8836

Livermore Area

Beebe's Sports Bar & Grill
915 Club House Dr. Livermore
1st & 3rd Wed. 7:30 am

Richard Goudreau, EA (925) 606-6672

Oakland/Berkeley

Contact Phil for details and location

Philip Fiegler, EA (510) 530-1174

So. Alameda County

1st Wednesday of the month,

9:30 am Dino's- Hayward

1 block West of Hwy 880 on Industrial Blvd.

Sal Romo EA or Walt Thomas EA (510) 487-1691

MEMBER NEEDS TAX PREP HELP

Due to an unforeseen emergency, member KeAloha Couch is in dire need of tax preparation assistance in her El Cerrito office. If you are experienced with Lacerte software and can spare one or more days per week to help out, please call her right away at (510) 558-8060. Compensation, hours, etc are all negotiable. Note that the non-tax issues are time-consuming but under control, so she would appreciate it if inquiries were limited to dealing with her workload concerns.

FOR SALE: 19 rolls of single ply thermal credit card machine tape. I bought more than I can ever use. The rolls are 2 1/4"X2 7/8". Each roll is 230' long. I am selling them at my cost of \$1.20 each. Call Carol J. Vernaci, EA at 510-471-0510

2005 - 2006 Board of Directors and Committee Chairs

Web Page <http://www.eastbayea.org>

President, Duncan Sandiland, EA, etc 925-691-1040

1st VP, Bonnie Buhnerkempe, EA, etc 925-855-0829

2nd VP, Thomas Johnston, EA 925-828-4500

Treasurer, Catharine Dombrowski, EA, CPA 925-754-6562

Secretary, Peggy Hall, EA 925-388-1040

Past President, Kim Kastl, EA 510-537-2122

2 Year Directors-

Mike Barrick, EA, etc. 510-339-7039

Janet Bridges, EA 510-538-0401

KeAloha Couch, EA 510-558-8060

Kristy Hanson, EA 510-538-0401

1 Year Directors-

Philip Fiegler, EA 510-530-1174

Diane Jaworski-Faulhaber, EA, etc 510-538-0948

Norman Madge, EA 510-489-8713

Eleanor Power, EA 510-525-9987

Vacant

Communication Committee, (1st VP)

Chair: Bonnie Buhnerkempe, EA, etc 925-855-0829

Membership: Penny Ashenfelter, EA 925-449-6748

Outreach (vacant)

Public Affairs: Michael Barrick, EA 510-339-7039

Social Affairs: Kristy Hanson, EA 510-538-0401

Inter-chapter Liaison Team (vacant)

CSEA Directors: Kim Kastl, EA 510-537-2122

Thomas Johnston, EA 925-828-4500

Education Committee, (2nd VP)

Chair: Tom Johnston, EA 925-828-4500

Inter-chapter Liaison: (vacant)

Tax Talk: Diane Jaworski-Faulhaber, EA 510-538-0948

Program: Philip Fiegler, EA 510-530-1174

SEE Class: Bonnie Buhnerkempe, EA 925-855-0829

Scholarship: Norm Madge, EA 510-489-8713

Continuing Ed: Joanne Anderson, EA 925-938-9086

Mini Seminar Team: (vacant)

Administration Committee (IPP)

Chair: Duncan Sandiland, EA 925-691-1040

Audit: Dave Britton, EA, CPA 510-794-1040

Bylaws/SOP: Sal Romo, EA 510-417-9492

Budget & Finance: Walt Thomas, EA 510-725-8356

Chapter Office: Bonnie Buhnerkempe, EA 925-855-0829

Legislative Affairs: Lillian Lea, EA 510-526-2220

Nominating: Kim Kastl, EA 510-537-2122

Strategic Advisory: James Hassing, EA 925-831-8945

Bulletin: Eleanor Power, EA 510-525-9987

TAX Agency Liaison:

LaRee Jensen-Graham, EA 510-601-0409

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