The Bulletin

East Bay Association of Enrolled Agents

To Enhance and Protect the Professional, Economic, and Educational Interests of all Enrolled Agents

December 2009

NEXT MEETING Wed, December 16, 2009

Place: **DUBLIN Radisson Hotel**
(go to http://www.radissondestinationguide.com/locationMap.process/OID_EB39EA2D/?hotelCode=CADUBLIN)

4:30 Board Meeting

6:15 Networking

6:45 Dinner Buffet

7:30 Program: **"Retirement & Taxes"**

Cost: $35.00 with reservation by Friday December 11
$45.00 with reservation after deadline

Sign up online at:
https://www.123signup.com/calendar?Org=ebaea
(please print out your confirmation to ensure that you clicked all the right buttons to register) Questions: email ebaea@ebaea.org (preferred) or call 800-617-1040.

December Topic: "Retirement Plans & Taxes or is that Death & Taxes?"

Speaker: David Shaw, EA

With the US economy experiencing the worst down turn since the Great Depression, your clients will be looking for your expert advice on how they can reduce taxes on their retirement plan distributions since their retirement has already suffered enough. We will take a look at strategies on how to reduce taxes on retirement plan distributions including penalty free withdrawals, RMDs, and differences between IRAs and company retirement plans such as the 401(k) or Simple IRA. Do you know what to do when your client inherits an IRA or other retirement plan? We will discuss both spousal and non-spousal rollovers. In addition, we will also look at the current market conditions as your clients will ask you, "Should I contribute to my retirement plan?" Lastly, we will cover the K's, including the Solo 401(k), so you know trouble spots to avoid. Whether you do financial planning or not, this will material will help you further secure yourself as your clients trusted advisor.

David A. Shaw is an Enrolled Agent, an investment advisor, a life agent, and a veteran of the United States Air Force. As such, he lectures on taxation, representation, and various investment related topics. He is the Vice President and a principal of the Meyer Shaw Financial Group located in Yuba City, California. Meyer Shaw Financial Group offers tax return preparation, tax planning, small business advisory services, tax problem resolution and representation, wealth management, payroll, and accounting services. He has been quoted and interviewed by the news media and various publications such as the Sacramento Bee, Military Officers Association of America, Consumer Reports, and The Wall Street Journal. David is a Fellow of the National Tax Practice Institute and is currently the President of the California Society of Enrolled Agents. In addition, he donates his time to several charitable organizations and serves on various non-profit boards.

PRESIDENT'S MESSAGE

by Peggy Hall, EA

EBAEA won the CSEA membership challenge by getting 5 new Members as well as a few new Associate Members. Our Chapter is Hot! Tax Talk was very successful from the standpoint of both profit and satisfied attendees. Our Chapter Members have contributed articles in each of the last three issues of *California Enrolled Agent.* One of our Members is on the CSEA Board and another is on the NAEA Board. Our Speakers Bureau is off to a good start. We are offering regular mini seminars. Several of our Members are giving payroll seminars to small businesses, in partnership with the IRS and EDD. Our breakfast groups are meeting regularly. A Member of our Chapter is currently in Japan representing CSEA and giving tax classes to our Japanese affiliates. Our SEE class is producing new Enrolled Agents. Our Board of Directors is staying in touch with other Chapters and with the CSEA staff. Hot, Hot, Hot! Let's keep it going...

You can help. Write an article for the *California Enrolled Agent* magazine and submit it to Cliff Weimer at cweimer@csea.org. Come to Jim Stern Legislative Day in Sacramento and visit with your local legislator. Offer to mentor a newer Member, or tell us you want a mentor.

Our prize for winning the membership drive is to have our picture on the cover of CSEA's magazine, along with two gifts from CSEA President David Shaw, EA -- $100 for our promo fund and a bottle of wine. Come to our December dinner meeting to have your picture taken and to share in the celebration.

I am so Thankful to know all of you! Happy Holidays.

TOYS FOR TOTS COLLECTION

Our annual TOYS FOR TOTS collection will take place at our December dinner meeting. Please bring new, unwrapped toys and I will collect them and take them to the firehouse. Any questions please contact Joanne Anderson at 938-9086

IRS CHANGES SOME EFILE PROCEDURES

By Gerry Kelly-Brenner, IRS goddess-at-large

Yes, the rumors are true...the IRS is really moving into the 21st Century with the Form 1040 Modernized e-File program beginning in February 2010. The computer program schema are already developed, now it's just up to the software vendors if they choose to offer the new XML format. For more information about the 1040 MeF program, visit:
http://www.irs.gov/efile/article/0,,id=204750,00.html

My MAIN reason for sending this message is to let you know that if you are an Electronic Return Originator (ERO), you will NOT have to update your e-File application to be allowed access to the new XML format. HOWEVER, if you are a Transmitter, and directly transmit your e-filed returns to the IRS, you WILL need to update your e-file application. If you are not sure what you are, contact your software vendor and they can let you know.

This is also a reminder to sign up for Quick-Alerts, which provide you with the most up-to-date information of what is going on in the individual and business e-file program, including e-form availability updates, delays, etc. If you do not already receive free QuickAlerts please go to the QuickAlerts signup page at: http://www.irs.gov/taxpros/providers/article/0,,id=97623,00.html

Starting this fall, you will not be able to call the SSA to verify employee SSNs by phone. You can only use the Telephone Number Employer Verification (TEVN) system. You will need to register at 1-800-772-6270 or at www.socialsecurity.gov/employer/ .

NEW HOME BUYER CREDIT ALERT

By Cherry Comstock, EA

Letters are going to taxpayers who claimed First Time Homebuyer Credit on 2008 1040 or amended 2008 1040. The settlement page was not required until 11/6 legislation, but IS required retroactively. Letters are being received by OUR clients NOW. We did the return right at the time, but the letter is automatically sent. Required documentation pursuant to IRS Form 886-H-FTHBC is here:

http://www.irs.gov/pub/irs-pdf/f886hfth.pdf.

CSEA/STATE TAX AGENCIES LIAISON

By Cherry Comstock, EA

The CSEA/State Tax Agencies Liaison Meeting never fails to provide breaking information and clarification for issues that confound many tax professionals. The day began with the Employment Development Department. The issue that generated the most discussion was the Economic Enforcement Employment Coalition, formed to address the underground economy. This coalition is engaged in many efforts including unannounced workplace audits. Specific information can be found at: http://www.edd.ca.gov/Payroll_Taxes/Underground_Economy_Operations.htm The EDD also addressed the issue of UI solvency. Many employers were concerned about the eligibility of FUTA exemption for UI paid to a state with a solvency problem. ARRA gave our UI fund interest free loan for 2009 and 2010 and eliminates the possibility of solvency disqualifying our FUTA exemption. EDD said no increase to wage limit is planned.

Next up was the Board of Equalization. By far, this was the most controversial topic as we slipped into the registration requirement for all businesses with income over $100,000. Businesses have begun receiving their letters, coming alphabetically. Know what to do with this and begin to pro-actively notify your clients. This is a big issue to BOE.

Finally, we spent the afternoon with the Franchise Tax Board. The biggest message received from FTB was that they are trying as hard as possible to provide a high level of customer service in light of the three furlough days a month they take. Their operations have been hard hit with this budget crisis. All present emphasized their desire to partner with us and help California taxpayers.

There were many representatives from all agencies. They are always willing to share phone numbers and email addresses. The three agencies took back many questions for written answers. As soon as those are released, the CSEA website will make them available, along with all the contact information for the participants.

TAX TEASER

Antonio is an ordained minister. As a minister, Antonio is a common-law employee of the church where he works, but his earnings and parsonage allowance are treated as self-employment income on which he pays self-employment tax. If the church had no retirement plan under which Antonio was covered, which of the following would Antonio be permitted to establish for himself?

A) Traditional IRA
B) SIMPLE IRA
C) Simplified Employee Pension (SEP)
D) Both A and B

EBAEA EMAIL LISTS

EBAEA sends news to Members via two one-way (send-only) email distribution lists. Subscription is free and completely voluntary, and you can subscribe or unsubscribe to either list any time you wish. For more information and to manage your subscription, visit: http://ebaea.org/cgi-bin/dada/mail.cgi

Remember Me: A Thanksgiving Parable of Marketing

(from www.accountingweb.com)

"I'm the client who comes to your office, sits down, and patiently waits while the receptionist does everything except to see how she can help me, let alone make me feel welcome or offer me coffee.

I'm the one who waits and waits for you to return my urgent call.

I'm the person who sits quietly in your office awhile you have a conversation with one of your subordinates or colleagues.

I'm the fellow who brings in his tax return in February, only to receive a phone call on April 14th telling me that you have to file an extension.

I'm the client that you turn over to a novice or new hire who knows nothing about me and without communicating with me why you did it -- I thought I hired you.

I'm the person who receives your bill, can't figure it out, but is simply too tired to try to get a hold of you again, so I merely pay it.

I feel more like another file to you than a human being. You might think that I'm a good client. But do you know who else I am? I am the Client Who Never Comes Back, and it amuses me to see you spending all sorts of money every year to get me back into your office, when I was there in the first place. All you had to do to keep me was to give me a little service, show me a little courtesy and say 'thank you.'"

- An Anonymous Client

What is your firm doing this season - and the coming year - to make your clients feel wanted, important and welcome?

BULLETIN ADVERTISING POLICY

by Duncan Sandiland, Bulletin Editor

To encourage more Members to use the Bulletin to fill their needs, we present the Bulletin advertising policy:

1) All Bulletin notices are run for a maximum of three months. If you wish to run a notice for a longer period, you must resubmit it.
2) Maximum notice size is 1.5 column inches. This equals a space one and one-half inches high by one column (3.5 inches) wide. The standard Bulletin font is Times New Roman 11 point.
3) The Bulletin Editor reserves the right to edit any notice for style, content and length.
4) All notices must be submitted (and payment received) by the 25th of the month prior to initial publication. Send the desired text to: bulletin@ebaea.org
5) Member notices seeking or offering employment, clients or EA-practice-related matters are run at no charge as a Member benefit. This includes an ad run by a firm which employs a Member. Member notices offering other services or products, and all non-Member notices are run at the standard fee of $150 for the three-month insertion. The Bulletin Editor reserves the right to modify or reject any notice which, in the sole opinion of the Editor, violates any of the principles of EBAEA.

HELP WANTED: Tax Professional/Seasonal

Established tax office in the Hayward is seeking an EA with a minimum of 5 to10 years current experience. Work is in a contemporary and pleasant office environment. Responsibilities include preparation of simple to complex tax returns for individuals and small businesses. 2+ yrs experience using Lacerte; assemble returns for signature, use of work papers & documentation management.

Successful candidate should have good communication skills and be computer literate. Please fax or e-mail a copy of your resume including a cover letter and salary requirements to: Attn: Patty Pringle, EA, Office Manager; Secure Taxes, Incorporated; FAX: (510) 537-9331; ppringle@yoursecuretaxes.com

HELP WANTED: Tax Professional/Seasonal

Castro Valley tax office seeking EA with min 3-5yrs experience in preparing individual tax returns. 20-30hrs per week. Please fax resume to 510-247-1183

HELP WANTED: Tax Preparer/Seasonal

EA tax practice in Berkeley looking for experienced EA, or possibly a CTEC, during tax season. Possibility of part-time year around work with new clients. Input and review of 1040 returns during the 2010 tax season. 16 to 30 hours per week with flexible schedule. Experience with Lacerte preferred. FAX: 510 295 2696 or hyarmo@hyarmo.com.

HELP WANTED: Tax Reviewer/Seasonal

EA tax practice with offices in El Cerrito and Martinez looking for experienced EA during tax season to review 1040 returns and some client interviews. 24-30 hours/week with flexible schedule. Experience with Lacerte preferred. Contact Grizel at (510) 558-8060

HELP WANTED: Tax Preparer/Seasonal

Accountant/Tax Preparer, for 2009 tax season in fast paced Walnut Creek firm. Minimum 5yrs exp. pref. Pay commensurate with production and ability. Fax to: 925-979-1088 or email: firm@huntercpa.biz

CALENDAR OF EVENTS

December 2009

2 CSEA digiTAX: "Research with the IRS"
@ csea.org (webinar)

14 EBAEA Miniseminar: "Household Payroll Tax"
@ 100 Lafayette Circle, Lafayette

16 EBAEA Dinner Meeting: "Retirement & Taxes"
@ Radisson Hotel, Regional St, Dublin

January 2010

6 CSEA digiTAX: "California Tax Update"
@ csea.org (webinar)

20 EBAEA Dinner Meeting: "Hot Audit Issues"
@ Radisson Hotel, Regional St, Dublin

February 2010

8 EBAEA Miniseminar: "Preparing a 990"

17 EBAEA Dinner Meeting: "FTB Tax Panel"
@ Radisson Hotel, Regional St, Dublin

March 2010

17 EBAEA Dinner Meeting: "IRS Tax Panel"
@ Radisson Hotel, Regional St, Dublin

Tax teaser answer: A

Small Group Tax Meetings

Antioch /Brentwood — Fridays 8:00am
Brentwood Café, 8500 Brentwood Blvd, Brentwood
Ken Seamann EA (925) 634-8297

Danville Area — 4th Tue 9:30am
Pascals French Oven, 155 Railroad Ave, Danville
Michael Power EA (510) 366-8836

Livermore Area — Fridays 8:45am
Rock House Café on Portola Ave, Livermore
Richard Goudreau EA (925) 606-6672

Castro Valley — 3rd Tue 8:00am
Carrow's, 2723 Castro Valley Blvd @ Lake Chabot, CV
Dagmar Bedard EA (510) 537-3883

South Alameda County — 1st Wed 9:30am
Dino's, 1 block W of I-880 on Industrial Blvd, Hayward
Sal Romo EA or Walt Thomas EA (510) 487-1691

Email-only Group — as needed
Send an email to halloftaxes@hotmail.com
Peggy Hall EA (925) 388-1040

HMMMM…

Series EE savings bonds bought from the US Government as of 11/01/09 will earn 1.2% per year throughout the 30-year life of the bond. (Treasury)

An average American male that graduates from college will earn $367,000 more during his lifetime than he would have earned if he had achieved only a high school degree. (Organization for Economic Cooperation and Development)

The last budget submitted by President Bush to Congress on 2/04/08 was for fiscal year 2009 (i.e., the 12 months ending 9/30/09). The proposal anticipated $2.7 trillion of tax receipts and $3.1 trillion of government spending, resulting in a $407 billion deficit. The actual results for fiscal year 2009 (i.e., the 12 months ending 9/30/09) were $2.1 trillion of tax receipts and $3.5 trillion of government spending, producing a $1.4 trillion deficit. (White House, Treasury)

"It should be known that at the beginning of a dynasty, taxation yields a large revenue from small assessments. At the end of the dynasty, taxation yields a small revenue from large assessments" Ibn Khaldûn, the Arab philosopher, historian and politician, was born in Tunis in 1332.
Editorial comment: As compliance rates drop, what conclusion might be drawn with respect to the American Dynasty?

HUMOR

Just let 'em feel that you can save 'em something on taxes and nobody will keep you out.
--Warren Buffett

Doing your own income tax return is a lot like a do-it-yourself mugging.

2009 - 2010 Board of Directors and Committee Chairs

Web Page http://www.ebaea.org

President: Peggy Hall EA	925-388-1040
1st VP: Thomas Johnston EA	925-828-4500
2nd VP: Cherry Comstock EA	925-778-0281
Treasurer: Tim Hintzoglou EA	925-930-7737
Secretary: Marjorie Williams-Jones EA	510-482-6204
Immed Past Pres: Thomas Johnston EA	925-828-4500
Director 2009-2010:	
Chris Christopherson EA	925-786-7660
Jerrilynn Krebs EA	925-980-6568
Bob Olsen EA	925-837-8329
Director 2009-2011:	
Margie Hines EA	510-247-9255
Patty Pringle EA	510-912-1682
Andy Rogers EA	510-522-2300
CSEA Director: Thomas Johnston EA	925-828-4500

Communication Committee, (2nd VP)

Chair: Cherry Comstock EA	925-778-0281
Membership: Clare Flores EA	510-785-8356
Membership: Marjorie Wms-Jones EA	510-482-6204
Outreach:	
Public Affairs: Lonnie Gary EA, USTCP	408-572-4440
Social Affairs: Patricia Gilchrist EA	925-833-8822
Practice Preservation: Linda Fox EA	925-846-5913
Disaster Services: Janet Bridges EA	510-505-0818

IRS Practitioner Panel: Phil Fiegler EA	510-530-1174
CTEC Panel: Walt Thomas EA	510-487-1691

Education Committee, (1st VP)

Chair: Thomas Johnston EA	925-828-4500
Tax Talk: Patty Pringle EA	510-912-1682
Program: Irene Moore EA	510-791-8962x16
Continuing Ed: Joanne Anderson EA	925-938-9086
Town Hall: Ravi Sundarraj EA	925-984-1219
SEE Class: Thomas Johnston EA	925-828-4500
Mini Seminar Team: Andy Rogers EA	510-522-2300
VITA Team: Brian Pon EA, etc	510-849-4667

Administration Committee (IPP)

Chair: Thomas Johnston EA	925-828-4500
Financial Review: Shelagh Gallagher EA	510-614-1834
Bylaws/SOP: Sal Romo EA	510-487-1691
Budget & Finance: Walt Thomas EA	510-487-1691
Chapter Office: Dagmar Bedard EA	510-537-3883
Legislative: Chris Christopherson EA	925-786-7660
Nominating: Thomas Johnston EA	925-828-4500
Strategic Advisory:	
Bulletin: Duncan Sandiland EA, etc	925-691-1040
Tax Agency Liaison:	
Volunteer Coordinator: Patty Pringle EA	510-912-1682

EAST BAY ASSOCIATION OF ENROLLED AGENTS

30100 Mission Blvd, Suite 6, Hayward CA 94544

(800) 617-1040 or (510) 487-2063 fax (510) 487-1501 email: ebaea@ebaea.org

Intermediate 1120S
Solving S Corp Problems

- Solving Basis Issues including “The Golden Rule”
- How to Create a Balance Sheet, L, M-1 and M-2
- Section 351 Tax Free Conversions
- Reasonable Wages and Possibilities for Correcting after the Fact
- Auto Expenses and Health Insurance: reporting the correct way, and how to fix them
- Excess Distribution Solutions
- What Treasury Decision from 2008 should make you happy

After this “flashlight with batteries” session, you should be able to **quickly solve** the most common problems encountered with “S” Corporation returns and accurately file a Form 1120S, even if your client has made a mess of things.
You will also know what to tell your clients **now** to get them to make your life easier next year and reduce the likelihood of future problems.

A seminar for Enrolled Agents.
The class level is intermediate.

CLASS LIMITED TO 5 PARTICIPANTS

Choose from three dates:
Tuesday January 5 : 10 am – 2 pm.
Thursday January 21 : 10 am – 2 pm.
Tuesday February 9 : 10 am – 2 pm.

Class Location:
Law Office Conference Room, 1516 Oak Street, Suite 109, Alameda CA 94501.

Fee Schedule:
NAEA/CSEA Members paid one month in advance $175
Non-Members or paid “late” $225

“This is the best class on S Corps I’ve ever been to, and I’ve been to a lot”
“Excellent, Exceeded Expectations”

Contact:
Andrew S Rogers, E.A.
Tax Buddha
E Andy@TaxBuddha.com, P (510) 522-2300, F (510) 522-2307
Day of Seminar Only: Cell (510) 332-0401

“We have entered into an agreement with the Office of Professional Responsibility, Internal Revenue Service, to meet the requirements of 31 Code of Federal Regulations, Section 10.6(g), covering maintenance of attendance records, retention of program outlines, qualifications of instructors and length of class hours. This agreement does not constitute an endorsement by the Office of Professional Responsibility as to the quality of the program or its contribution to the professional competence of the enrolled individual.” Sponsor Number 797

Refund Policy: Request for refund must be postmarked ten days before scheduled class. All refunds subject to a service charge of $15

Household Worker Payroll Tax Seminar

Limited Space, register early!

Monday December 14th 10 AM - 2 PM

Registration fee; $75

Location: 100 Lafayette Circle, Lafayette CA

Why Should You Attend?

- Because the Household worker will file for unemployment (despite what they agreed to when you hired them).
- Because if you're not declaring them and paying the tax, your homeowners insurance will not cover them when they are injured and you'll loose your house.
- Because the government classifies non payment of payroll tax as tax evasion.
- Because you will pay penalties you can't afford.
- Because you need to know if the babysitter should be on payroll or not.
- Because household employment has weird rules, due dates and forms.

What We Will Cover:

- Practical Examples with completed forms for a sample family.
- We'll sort out the blizzard of California and IRS forms you may have to file.
- When do you have to withhold from Payments to Workers?
- When and how do you send payments to the government?
- "I 'forgot' to withhold," how to gross up wages.
- What records do you need to keep, for how long?

Presenter:
Andrew S Rogers, E.A. presents seminars for the IRS, the US SBA, and Tax Buddha™
People have said: "Very clear explanations, easy to understand and funny!"
"Informative and easy to follow, Andy is Great!"

To Sign up: www.123signup.com/calendar?Org=ebaea

Refunds: Request for refund must be received in writing by November 30, 2009. No refunds will be granted after November 30, 2009. For more information regarding refund, complaint and/or program cancellation policies, please contact the Andrew S Rogers, E.A. at (510) 522-2300.

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