



SOLANO-NAPA NEWS

CALIFORNIA SOCIETY OF ENROLLED AGENTS



"WE SPEAK TAX" - the taxpayers' tax experts

Volume I, Number 5

November, 2005

Reminder: Enrolled Agent Renewal Period

If your SSN ends with 7, 8, or 9, you must renew your enrollment between November 1, 2005 and January 31, 2006. OPR has already sent out [Form 8554](#) (Application for Renewal of Enrollment to Practice Before the Internal Revenue Service) and a [cover letter](#). Questions about enrollment renewals may be directed to OPR by mail (Enrolled Practitioner Program, P.O. Box 33968, Detroit, Michigan 48232), e-mail (epp@irs.gov), and fax (313/234.1293).

From NAEA E@lert, 10/28/2005

Solano-Napa Chapter Breakfast & Dinner Programs

Solano-Napa EAs meet on the **second and fourth Tuesdays** of each month to share information with other EAs and tax professionals. The meetings are at Jack & Linda's Country Café, 2390 N Texas St., Fairfield, CA and as announced, at Jonesy's Famous Steak House, 2044 Airport Road, Napa, CA.

President's Message

I recently was a participant in a CSEA Committee telephone conference call. All the participants were Chapter Committee Chairs and the CSEA Committee Chair. During the call, it became apparent that some of the Chapter Committee Chairs did not know that CSEA has two websites. I was appalled! So here we go with Solano-Napa Chapter's version of CSEA 101.

www.csea.org is the original website and is now the public site. This website is for your clients, prospective clients, colleagues who are not members. They can find out about EAs, can find an EA, and find out about chapters and education available.

www.enrolledagent.org is for the CSEA member. This one you have to log in. You can find the minutes of all CSEA Committee Meetings for the last three years, or the board packet for a CSEA Board Meeting, under calendar - click on a date and find out what's happening around the state, or find Solano-Napa Chapter and see what we're doing.

Solano-Napa Chapter has a new Director. Kerry Freeman, who was involved early on in the formation of our chapter, has relocated to Arizona. He is now an Honorary Director and welcome to participate whenever he is in town. Filling the
(Continued on page 2, see Message)

Breakfast Meetings - 7:30 am - 9:00 am:

On the second Tuesday, we have Breakfast Meetings where a predetermined topic will be discussed. All attendees are encouraged to participate by sharing their knowledge and experience. Cost is Dutch.

Dinner Meetings:

6:00 pm	Attitude adjustment
6:30 pm	Dinner
After dinner	Education

On the fourth Tuesday, we have Dinner Meetings where generally there will be a speaker on a topic for continuing education, practice management, legislative, or other issues pertinent to our profession. **Cost is \$30, Members and staff, \$35, non-members.** There is a **\$5** discount if your reservations are made timely. Reservations and meal choice are due to Louanna Grindle, EA, fax (707)451-4866 or email: taxhouse@sbcglobal.net by 5 pm on the third Tuesday of each month. **PLEASE NOTE: THIS IS A NEW DINNER POLICY!**

If you don't want to worry about timely reservations, this would be a perfect time to have your name added to the **Standing Reservation List**. (That way you only have to give notice when you are not going to be there!)

(Message, continued from page 1)

Director seat is Matt Jones, EA, who is currently our Newsletter Editor and has been a loyal attendee at all our Board meetings.

Our October Dinner Meeting was really special. Karen Brosi, EA, was our speaker on "House Myths". Karen is so passionate about her subjects and it becomes contagious. We really appreciate her efforts to speak at our fledgling Chapter.

Solano-Napa Committees have a good beginning – a Chair for each of them. At our dinner meeting, we passed out sign up sheets for members to volunteer to serve on the committees. To those who were there, **thanks** for signing up. To those who were not there, we will be sure you, too, have the opportunity to sign up.

The **strength** of our Chapter is up to each one of us. How are you helping?

Anne T. Arms, EA
**President,
Solano-Napa Chapter, CSEA**

Enrolled Agents Continuing Professional Education (CPE) Audit (From IRS.gov Site)

The Office of Professional Responsibility (OPR) is in the process of sending CPE Audit letters to approximately 300 Enrolled Agents with social security numbers ending in 0, 1, 2 or 3.

In order to qualify for renewal of enrollment, an individual enrolled to practice before the Internal Revenue Service must certify, on the application for renewal form that he or she has satisfied the continuing professional education requirements as described in Section 10.6(e) of Treasury Circular 230. Random audits are conducted to ensure compliance with these important requirements. Non-compliance may be grounds for disciplinary action. Section 10.6(i) requires that individuals applying for renewal must retain for a period of three years following the date of renewal of enrollment the documentation showing evidence of completion of courses taken.

OPR is requesting the necessary documentation to validate the number of CPE hours claimed on Form 8554, Application for Renewal of Enrollment to Practice Before the Internal Revenue Service.

This is for real. Here's a first-hand account from an East Bay Chapter member:

"I was one of the lucky souls who got my hours audited by the IRS. I was in a state of panic because for the very first time in 27 years, I was short hours and had to use made up hours in this fiscal year to meet the requirement. (My firm has gotten a little silly with my CPE hours because none of our in-house training applies to me unlike the CPA's) Along with that, I had been told by the IRS last year that it was conceivable that if the education requirements were strictly interpreted, my CA tax law classes wouldn't count.

Well, good news. I received a letter yesterday thanking me for taking my continuing-ed requirements seriously and then for responding to their request for proof of attendance. Just thought you might want to pass it on."

So, keep your continuing education records in order. You could be next!

IRS/EDD Needs Your Knowledge and a Small Amount of Your Time

The IRS needs our help. In addition to our regular speaker in November, we will also have Deborah Torres come and speak on the VITA Program. IRS needs volunteers to teach the VITA preparers who will be doing very basic tax returns. IRS and EDD are also looking for our members to deliver payroll tax seminars to small business owners in California. They have invited our organization to partner with them. The volunteer will be instructors for the IRS portion of these seminars. Classroom training will be provided to prepare the volunteers to be successful, knowledgeable instructors and the seminar materials will also be provided. **This is an opportunity to make Solano-Napa known as an organization of knowledgeable EAs and tax professionals who not only prepare returns but give back to the community.** Let's join together and assist our low income taxpayers and small business community. More information will be available soon regarding the IRS/EDD program. Come to the dinner meeting on November 15th and hear about the VITA program.

Solano-Napa Officers and Directors

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hEArD It Through The Grapevine

Super Seminar Schedules Set

May 15-17, 2006

Stardust Hotel and Casino, Las Vegas, NV
(Last annual Super Seminar at the historic Stardust!)

June 1-3, 2006

Reno Hilton Hotel and Casino, Reno, NV
(No smoking instituted in meeting area!)

June 15-17, 2006

Hilton Waikoloa Village, on the Kohala Coast of Hawaii's Big Island, (Last annual Super Seminar in Hawaii!)

Online registration will be available at www.csea.org on Nov. 15, 2005, and the catalog is mailing Dec. 1, 2005.

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First Class Mail

Return Service Requested



2005-2006 CALENDAR OF EVENTS

OCTOBER

- 11 Solano-Napa Breakfast (2nd Tue.) 7:30 am
Topic: OIC – Initial Considerations
Jack & Linda’s Country Café, Fairfield
- 25 Solano-Napa Dinner (4th Tue.) 6:00 pm
Topic: House Sale Myths, Karen Brosi, EA
Jack & Linda’s Country Café, Fairfield

NOVEMBER

- 8 Solano-Napa Breakfast (2nd Tue.) 7:30 am
Topic: OIC - Process ability
Jack & Linda’s Country Café, Fairfield
- 15 Solano-Napa Dinner (3rd Tue.) 6:00 pm
Topic: BOE, Tax Auditor & IRS, Rep
Jack & Linda’s Country Café, Fairfield

DECEMBER

- 13 Solano-Napa *Holiday Party*, 6:00 pm
Jack & Linda’s Country Café, Fairfield

JANUARY

- 7-8 CSEA Board Meeting, Lion’s Gate Resort,
Sacramento, CA
- 10 Solano-Napa Breakfast (2nd Tue.) 7:30 am

Topic: TBA

- 19 Jack & Linda’s Country Café, Fairfield
Solano-Napa Dinner (3rd Thu.) 6:00 pm
Topic: **New IRS Definition of Qualifying
Child**, Gary McBride, EA
Jack & Linda’s Country Café, Fairfield

FEBRUARY

- 28 Solano-Napa Dinner (4th Tue.) 6:00 pm
Jonesy’s Famous Steak House, Napa
IRS Panel, Joe Calderaro

MARCH

- 28 Solano-Napa Dinner (4th Tue.) 6:00 pm
Jack & Linda’s Country Café, Fairfield
IRS Panel, Joe Calderaro

MARK YOUR CALENDARS NOW!! CSEA AUDIO TAX SESSIONS

From the comfort of your office (or home), receive one (1) hour of CPE via a telephone conference call class from professional speakers. Take an early lunch and eat your lunch while learning and earning CPE credit. Save the first Wednesday of each month for classes you need. Call CSEA for more information at 800/777-2732. See <http://csea.org/doc.asp?ID=1077> or the California Enrolled Agent to register: Members: \$50; Non-Members: \$75. Registration, confirmation, and session materials will all be via email, including access to CPE certificate and evaluation.

December 7, 2005 (11am - 12pm"Long Term Care" with Debra Carpenter
Description: Can you explain exactly what Long Term Care is, and how it works, to your clients? This is your opportunity to learn what it is and why it should be part of your clients' portfolio. Ms. Carpenter is a Long Term Care Specialist with Genworth Financial.

January 4, 2006(11am - 12pm"Federal Update" with Bonnie DeSimone, EA
Description: In 2005, some rules have changed for the first time in 25 years! Learn how the new universal definition of a child will affect your taxpayers. Discover how your contractors and small manufacturers can benefit from the repeal of the extraterritorial income exclusion (it's not just for the big guys!). Understand the special provisions for Hurricane Katrina survivors and special contribution rules for donations to hurricane relief. Understand the new Energy Policy Act tax credits. The IRS has recently issues clarifications to explain how to apply the numerous tax acts we have had in recent years. What are you doing right? What are you doing wrong? Find out before it's too late regarding the following:

- * New rules for head of household
- * New rules for dependency
- * Special deduction for domestic manufacturers and contractors
- * Energy Policy Act of 2005
- * Katrina Emergency Tax Relief Act of 2005
- * Charitable gift substantiation, including automobiles
- * Business incentives
- * Indexing provisions for 2005
- * Recent Law and Developments

February 1, 2006(11am - 12pm"California Update" with Vicki Mulak, EA, CFP

LEGISLATIVE UPDATE

Governor Schwarzenegger signed AB 115 (Conformity)
<http://tax.cchgroup.com/news/headlines/2005/nws101105.htm#3>

20-Year Statute on Collections Becomes Law. The FTB now has a 20-year statute of limitations on collecting tax debts (AB 911, Ch. 05-398). Other provisions of the bill include: authorizing the FTB to extinguish certain old tax debts, allowing taxpayers to net refund years with balance-due years for amnesty-eligible years for purposes of the 50% interest penalty, and eliminating the requirement for amnesty participants to file timely 2005 and 2006 tax returns to remain in compliance with their amnesty agreement. For a more Legislative Update see the November issue of California Enrolled Agent.

DID IRS LOOSE YOUR CLIENT'S CHECK IN THE BAY?

East Bay member Eleanor Power ran into this situation, and she kindly provided the following information on how to send in the replacement check:

Checks must be sent to:

Internal Revenue Service
Remittance Security Coordinator
Stop 313
P.O. Box 8337
Fresno, CA 93747-8337

The taxpayer must note on the check the following information:

- (1) The taxpayer's Social Security Number
- (2) 2005 Form 1040 ES; and
- (3) the words "Replacement Check"