



# SOLANO-NAPA NEWS

CALIFORNIA SOCIETY OF ENROLLED AGENTS



*"WE SPEAK TAX"* - the Tax Professionals

**Volume II, Number 19**

**November 2007**

## **AMT – Does your client know what’s coming?**

Is the topic at our next education/dinner meeting, presented by Stewart Burch, EA. The location is the **Elks Club, 2480 Soscol Ave., Napa.**

Our Chapter Board meeting starts at 4:00 pm. Fun starts at 6:00 pm, dinner at 6:30 pm, and speaker immediately afterwards. So, do not miss out on information about the dreaded **AMT** and its assault on middle income taxpayers.

See you there, but bring your own flack jacket!

## **President’s Message**

November is here and now starts the holiday time of being with family and friends. May all of you have a wonderful time. Give yourself time to relax and get re-energized. You know what will be here all too soon!

We are issuing drawing tickets to all those who attend any of our meetings. The prize will be a free Super Seminar registration for 2008.

Do you want to be able to fully utilize CFS Tax Tools software? Come to our Tax Tools Workshop and find out how to handle interest tracing, qualified mortgage interest, rental property set up, MACRS depreciation, loan amortization, mutual fund cost basis and more.

Remember that our meeting this month will be at the Napa Elks Club. Those who show up at Jack and Linda’s on the 27<sup>th</sup> will be at the wrong place! A menu choice is needed, so contact Tereza and let her know your preference.

**Do you receive the CSEA Technology Magazine? Contact CSEA and let them know what you think about this magazine. It is costing us approximately \$12,000 a year to provide this “member benefit”. Do you utilize this magazine? Do you think it is a valuable member benefit? Should it remain as an opt-**

(See Prez, page 2)

## **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 other locations in the Solano-Napa area.

### **Breakfast Meetings – 8:00 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:**

<b>6:00 pm</b>	<b>Attitude adjustment</b>
<b>6:30 pm</b>	<b>Dinner</b>
<b>After dinner</b>	<b>Education</b>

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 \$35, Members and staff, \$40, non-members, who attend any portion of the meeting.** There is a **\$5** discount if your reservations are made timely. Reservations, and meal choice, when applicable, are due to Tereza Avalos, EA, fax (707) 678-1144 or email: [tereza@tabertax.com](mailto:tereza@tabertax.com) by 5 pm on the third Tuesday of each month. **Tereza is our only contact with restaurants. No member should ever contact restaurants for meal choices.**

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!)

## **Napa Satellite Group Luncheons**

Napa Satellite Group meets on the **third Thursday** of each month. These luncheons are at the Napa Elks Club, 2840 Soscol Ave., Napa. Meetings start at the 12:30 pm.

### **Lunch Meeting – 12:30 pm to 2:00 pm**

Invitation is open. **Cost is \$14.** For reservations, contact Chuck Gravett’s office at (707) 258-1030 and RSVP with his secretary. Make checks payable to Linda Luchsinger.

Jerry Pusateri, EA is available for car pool from Fairfield.

(Prez)

**out if you do not want it? Or should it be an opt-in if you wish to receive it? Please take the time to email CSEA and let them know your thoughts on this: [icole@csea.com](mailto:icole@csea.com)**

Those of you who did not attend the IRS Townhall in San Jose missed a good event. Lots of information was received, IRS contact numbers and website links were made available to the attendees. Identity theft information and assistance information was provided. Do you know how to request a list of your POAs? Take a look at this web address [www.irs.gov/foia](http://www.irs.gov/foia).

The most chilling news received was from the ICE (Immigration Customs Enforcement). They are stepping up enforcement and are going after not only the undocumented aliens, but the employers who hire them. At the time of the seminar, they were waiting on a court case in which ICE had planned to fine employers who hired illegal aliens even though they provided valid looking documentation. When the SSN and name mismatch letter comes, ICE wants the employer to fire the employee if they do not come up with new documents. The court case has settled against ICE stating that due to data entry errors at SSA, they would not allow the automatic firing because of the chance innocent employees may be dismissed. Under current law an employer cannot fire an employee because of the notice regarding possible invalid SSN. ICE recommends that the employer makes copies of the documents provided and attach to the Form I9. These should be kept in a separate file in alpha order. For those employers who hire legal aliens who have work authorization documents, these must be kept in a monthly file. These documents expire and must be renewed. It is up to the employer to keep track of these and renew the Form I9s if the work authorization has expired. Re-verification is very important. The employer must fire an employee who cannot provide a new work authorization card. ICE is targeting certain key groups (nuclear, chemical, defense, food processing and water treatment) and secondary groups (hotel, construction, care providers, agriculture etc). Currently they are doing independent review of non citizen

employees, but soon they will be verifying all employees. Social Security website, <http://www.socialsecurity.gov/bsowelcome.htm>, has information as to how to verify an employee social security number and information regarding the ICE enforcement issues.

Keep informed by attending seminars on taxation and tax agency (IRS and State) liaison meetings. There is more than just the preparation of tax returns and employer payroll reports. A lot is happening in this area and we all need to keep on top of what is going on at the federal and state levels.

**Happy Holidays to All.....**

**Alma Guenther, EA  
President**

**The Best Laid Plans.....**



Ten years ago, December 1997, this band of Solano Breakfast Group Members attended the CSEA Public Information and Awareness Workshop in Emeryville, CA. With hopes of becoming a Chapter at some point in time, this picture was taken to commemorate the moment in anticipation of what the future would hold for Solano EAs and beyond.

I believe I speak for everyone in the picture when I say, "We sure do look better now than we did 10 years ago." Jerry Pusateri, EA

***Yeah, Baby! Look at us now!***

**This is an open invitation to all CTEC and other tax professionals to join our chapter:**

Dear Business Professional:



The Solano-Napa Chapter of the California Society of Enrolled Agents would like to inform you of our upcoming and continuing meetings. The meetings are open to all tax, bookkeeping, payroll, accounting, legal and financial business professionals with an interest in taxation.

**President:**

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**2nd Vice-President**

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**Breakfast Meetings – 8:00 am – 9:00 am:** On the second Tuesday of each month Solano-Napa EAs meet to share information with other EAs, tax professionals, and interested parties. They are Breakfast Meetings where a predetermined topic will be discussed. All attendees are encouraged to participate by sharing their knowledge and experience. The meetings are at Jack & Linda's Country Cafe, 2390 N. Texas Street, Fairfield, CA and, as announced, at other locations in the Solano-Napa area. Cost is Dutch Treat.

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**Napa Satellite Group** meets on the third Thursday of each month. These luncheons are at the Napa Elks Lodge, 2840 Soscol Ave, Napa. Meetings start at **12:30 and last till about 2:00pm.**

Invitation is open. Cost is \$14. For reservations, contact Chuck Gravett's office at (707) 258-1030 and RSVP with his secretary. Make checks payable to Linda Luchsinger.

If you would like to be placed on our e-mail list and receive our e-mail newsletter, please contact either of the following two people and they would be happy to oblige.

**Alma Guenther, EA-Chapter President**

Ph. 707-643-2226 e-mail: [almaea@pacbell.net](mailto:almaea@pacbell.net)

**Jerry Pusateri, EA-Membership Chair**

Ph. 707-426-4396 e-mail: [untaxit@pacbell.net](mailto:untaxit@pacbell.net)

Respectfully,

**Alma Guenther, EA**

President, Solano-Napa CSEA

**For your convenience, a CSEA Professional Associates Application is attached to this Newsletter.**

**We believe that the benefits of membership are well worth the fee.**

### **Foreclosure? Debt Forgiveness? How do you handle these?**

Are your clients facing foreclosure on real property? Where do you go to find the answers? North Bay Chapter CSEA is having a dinner meeting presentation on this topic on December 13<sup>th</sup>. Here is what they have advertised about this meeting:

When mortgaged property is foreclosed, repossessed, or abandoned, both the debtor and the lender have tax consequences. Congress may change the rules for this year. Bonnie DeSimone, EA, has been teaching Federal taxation on a national lecture circuit for over 15 years. She will travel from Santa Barbara County to Marin on December 13 to offer two CPE hours on Foreclosure and Debt Forgiveness at Inn Marin in Novato.

If you are interested in attending contact: Marla Eckdahl, EA, 415/971-3401 or [meckdahl@novato.net](mailto:meckdahl@novato.net)

### **From the Internal Revenue Service (IRS):**

This is very exciting news for any practitioners covered by Circular 230 who do not currently e-file or whose practices include representation but not tax return preparation.

Beginning November 1, Circular 230 Practitioners will have unlimited access to the e services' incentive products. They include:

- Disclosure Authorization (entering Form 2848 online),
- Electronic Account Resolution (to correspond with the IRS in a secure environment), and
- Transcript Delivery System (to request copies of transcripts for taxpayers with whom you have a Form 2848 on file).

These products improve tax filing efficiency and problem resolution while saving valuable time and resources for tax professionals.

**New users must register for IRS e-Services at <https://la2.www4.irs.gov/e-services/Registration/index.htm>, complete an online IRS e-file application through IRS e-services and go through the same approval process used for Electronic Return Originators. However, Circular 230 practitioners will not have to meet the 5 e-filed return minimum to qualify for the incentive products, listed above.**

### **Standing Reservation Reminder:**

If you have a standing reservation for dinner meetings and if you do not want to be charged for a dinner that you do not consume due to not attending a meeting, then you must notify Tereza Avalos, EA, [tereza@tabertax.com](mailto:tereza@tabertax.com), that you will not attend a meeting. Please keep in mind that we need to have an accurate head count to give to Jack & Linda to prepare sufficient enough food, and for us to keep dinner cost as efficient as possible. If you do not notify Tereza, via email, that you will not attend a meeting, then you will still be charged for the standing reservation. Your cooperation is requested. Thanks.

### **From Board of Equalization (BOE):**

(Submitted by Alma Guenther, EA and Sherri Scarrott, EA, who attend California State Liaison Meeting)

BOE wants business to come forward and voluntarily disclose the use and sales tax liabilities. Both in state and out of state businesses are encouraged to file past three years (v/s 8 years regularly required) and be compliant and file future returns. In state businesses have until December 31, 2007 to come forward. After that penalties will apply and the 8 year look back will be enforced. BOE has collected \$5.46 million in Use Tax from the state income tax returns. While 60% of all returns filed are prepared by professional tax preparers, **only 12.8% of the returns containing use tax were prepared by professional tax preparers. We might have to be more vigilant on this question during our tax interviews, especially since the legislature has made this use tax reporting required and not just an election.** If a taxpayer is not required to file a Form 540, they can File Form BOE 401-DS to report and pay their use tax liability.

**- - - WIN - - -**  
**- - FREE SUPER SEMINAR - -**

SOLANO NAPA CHAPTER, in the small chapter category, had the largest increase in membership, 2005 - 2006.

With that honor comes a free SUPER SEMINAR Registration.

There will be a drawing at the dinner meeting

Tuesday, February 27, 2007.

Tickets may be purchased for \$10.

**Or**

You will receive one ticket for each Solano Napa function you attend beginning November 1, 2006. This includes:

Breakfast in Fairfield - 2<sup>nd</sup> Tuesdays

Lunch in Napa - 3<sup>rd</sup> Thursdays

Dinner in both locations - 4<sup>th</sup> Tuesdays

Holiday Party - Tuesday, December 12, 2007

**Or**

Sponsor a new member by February 15, 2007, and receive 5 tickets

**Or**

Win the dinner drawing and trade for 3 tickets

Need not be present to win. Registration may be in Reno or Las Vegas.

Early Bird deadline is March 15, 2007

Questions? Order by mail? Call - Anne Arms - (707) 745-1040  
1075 First St, Suite 6, Benicia, CA 94510

## Solano-Napa *Holiday Party* Tuesday, December 11, 2007

A Holiday Party for EAs, spouses, significant others and family members will be the theme of our December 11<sup>TH</sup> meeting.

Bring 1 wrapped white elephant gift (for our gift exchange) and non-perishable food donation for a local charity food pantry. Social hour with hors d'oeuvres will begin at 6:00 pm, dinner and entertainment starting at 7:00 pm. A special performance of magical mayhem will be provided by our own *Spingola the Great & Daughter*.

There will be no CPE or speaker at this meeting, just come and enjoy a time of celebration with fellow EAs. The site for the meeting will be Jack & Linda's Country Café, 2390 N. Texas

St., Fairfield. *Fun! Fun!! Fun!!!*

## WHAT IS YOUR PRACTICE WORTH?

Many of our tax practices are worth hundreds of thousands of dollars. You have taken steps to protect you and your family with disability insurance, life insurance, etc. What will happen to the value of your asset if you become disabled or if you pass away? If you have planned well, you might have a contingency plan in place. However, many of us have not been able to find a way to protect the value of the practice. It is very possible that the value of our practices will be greatly diminished, if not eliminated in the event of disability or death.

The Solano-Napa chapter of Enrolled Agents has developed a plan to assist its members through member participation in Preservation of Practice due to Medical Emergency or Death (PPMED). PPMED chairperson, Peggy Elliott, **EA**, has prepared letters that will be mailed to members in December 2007. There is a letter of renewal for members who have participated in the past and who wish to renew, and a letter of introduction to the benefits and requirements of the plan.

Look for those letters. Read them carefully and consider the benefits of participation.

# Solano-Napa Officers and Directors

## President

**Alma Guenther, EA**  
707 643-2226  
[almaea@pacbell.net](mailto:almaea@pacbell.net)

## 1st Vice President

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## 2<sup>nd</sup> Vice President

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## Secretary

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## Treasurer

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## CSEA Director

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### RESERVATIONS

Tereza Avalos, EA  
707 678-1144  
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### Preservation of Practice due to Medical Emergency

Peggy Elliott, EA or Death (PPMED)  
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### *hEArd It Through The Grapevine*

CSEA dues have been increased for 2008-2009. **Dues for Members will increase \$15, to \$155 per year; for Professional Affiliates, dues will increase \$20, from \$225 to \$245.** Dues for other categories of membership, including Professional Associate and Student Associate will not change. Based on information considered by the Board, these increases will bring CSEA close to keeping up with the cost of living increases in running the Society. Based on what other similar professional groups' charge, CSEA is still priced at the lower end of the professional spectrum. NAEA will not increase its dues.

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# Solano-Napa Chapter CSEA

c/o Matt Jones, EA

2437 Springs Rd.

Vallejo, CA 94591-5610

**First Class Mail**

Return Service Requested



## **2007-2008 CALENDAR OF EVENTS**

### NOV

- 13 Solano-Napa Breakfast (2<sup>nd</sup> Tue.) 8:00 am  
Jack & Linda's Country Café, Fairfield  
Topic: **Source Documents**
- 15 Napa Satellite Group, Lunch Meeting, Napa  
Elks Club, 2840 Soscol Ave, Napa, 12:30 pm
- 27 Solano-Napa Board Meeting, 4:00 pm  
Solano-Napa Dinner (4<sup>th</sup> Tue.) 6:30 pm Topic:  
**AMT: Does your client know what's coming?**  
Stewart Burch, EA, Napa Elks Club

### DEC

- 11 **Solano-Napa 2007 Holiday Party**, Jack &  
Linda's Country Café, Fairfield

*Happy Holidays!*

### JAN

- 4 CSEA FTB Facilities Tour, check  
[www.csea.org](http://www.csea.org) for more details.
- 8 Solano-Napa Breakfast (2<sup>nd</sup> Tue.) 8:00 am  
Jack & Linda's Country Café, Fairfield  
Topic: **Digital Document Management**
- 17 Napa Satellite Group, Lunch Meeting, Napa  
Elks Club, 2840 Soscol Ave, Napa, 12:30 pm
- 22 Solano-Napa Board Meeting, 4:00 pm  
Solano-Napa Dinner (4<sup>th</sup> Tue.) 6:30 pm Topic:  
**Learning to Love the S Corp**, Andy Rogers,  
EA

### FEB

- 12 Solano-Napa Breakfast (2<sup>nd</sup> Tue.) 8:00 am  
Jack & Linda's Country Café, Fairfield  
Topic: **Evaluating New Clients**
- 21 Napa Satellite Group, Lunch Meeting, Napa Elks  
Club, 2840 Soscol Ave, Napa, 12:30 pm
- 26 Solano-Napa Dinner (4<sup>th</sup> Tue.) 6:30 pm Topic:  
**Panel Discussion**, Joe Calderaro, IRS  
Jack & Linda's Country Café, Fairfield

### MAR

- 11 Solano-Napa Breakfast (2<sup>nd</sup> Tue.) 8:00 am  
Jack & Linda's Country Café, Fairfield  
Topic: **Irate Clients!**
- 20 Napa Satellite Group, Lunch Meeting, Napa Elks  
Club, 2840 Soscol Ave, Napa, 12:30 pm
- 25 Solano-Napa Dinner (4<sup>th</sup> Tue.) 6:30 pm Topic:  
**Panel Discussion**, Joe Calderaro, IRS  
Jack & Linda's Country Café, Fairfield

### APR

- TBA *Thank Goodness It's Over!*

### MAY

- 13 Solano-Napa Breakfast (2<sup>nd</sup> Tue.) 8:00 am  
Jack & Linda's Country Café, Fairfield  
Topic: **Out-of-Season Revenue – Staying in  
Business**
- 15 Napa Satellite Group, Lunch Meeting, Napa Elks