



SOLANO-NAPA NEWS

CALIFORNIA SOCIETY OF ENROLLED AGENTS



"WE SPEAK TAX" - the Tax Professionals

Volume II, Number 21

January 2008

S-Corps – Ya Gotta Love Em!

Will be the topic at our next dinner meeting, Tuesday, January 22, 2008. The topic will be presented by Andy Rogers, EA. The location is Jack & Linda's Country Café, Fairfield.

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, as we kickoff another filing season, do not miss out on insights into those "crooked letter" corporations.

President's Message

Our holiday party was a great success. Member EAs and guests enjoyed the food, companionship and the great gift exchange. There were those gifts that got passed around and those that might just come back next year! Thanks to all who donated food for our yearly contribution to the food pantry at St. Marks. A special thanks to **Spingola the Great** who provided Jerry Pusateri a surprise in his magic act.

President Bush signed the AMT patch and thus those returns subject to AMT rules will need to be put on hold until February 11th. Congress is establishing a pattern of late tax legislation. Guess we should expect this. What would life be without some challenges? Let's admit it; we all thrive on these challenges. They are what make life interesting. Yes?

January might be the start of tax season, but we are still active and have chapter activities. It is during this time of year you need the networking the most. Come to our breakfast, lunch and dinner meetings. Bring your problems, and those not so ordinary situations you find yourself in this tax season. I already have one. What do you do when you have a cash basis sole-proprietor die and have outstanding account receivable at year end? Come to our Tax Panel at Jack and Linda's in February and find out. (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:

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 \$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 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, from page 1)

Don't forget about our January meeting which will cover S-Corporations.

January is also the month we will receive and distribute the QuickFinders to those who ordered them through our Chapter. Also, do not forget the Lacerte Users Group scheduled for January 12th at Jack and Linda's. I have downloaded the software and have noticed some changes. Bring your laptop, questions and the **\$25** fee to cover expenses. Be the first to get up to speed on the changes in the Lacerte tax program. So that we can tell the restaurant the attendance count, please contact me and let me know that you are coming.

Last but not least, remember to sign up for the Practice Preservation list. The letters went out December 1st and if you wish to participate then you need to turn in your signup document to either Peggy or me, as soon as possible. Let's be prepared and take the opportunity to help a fellow **EA** in time of need and also provide your family and staff the same opportunity in the event you need assistance during tax season. This is a member benefit that you must sign up for. So fax the signup page in and get on the list.

**Alma Guenther, EA
President**

Lacerte Users

Saturday, January 12th will be our annual Lacerte Software User Group meeting from 9 am until 1 pm unless we're done earlier, but that has never happened before so don't plan on it! This will be held at Jack & Linda's Country Cafe. Please plan to have your laptop connected and fired up by 8:45 am. Cost is **\$25** and make checks payable to Solano-Napa Chapter, CSEA. Burning questions should be sent to Peggy E at peggye@aol.com as soon as possible. Send your reservation to Alma at almaea@pacbell.net. Registration is limited to the first 20! For those who want to have breakfast before come around 8ish.

Christmas Party Fun!!! A great member benefit!



Figure 1 Christmas 2007



Figure 2 Great Gift!



Figure 1 The Gangs All Here!

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.

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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.

Dinner Meetings – 6:00 pm – 8:30 pm approx. 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 and \$40, nonmembers. There is a \$5 discount if your reservations are made timely. Reservations and meal choice are due to Tereza Avalos, EA, fax (707) 678-1144 or e-mail: tereza@tabertax.com by 5 pm on the third Tuesday of each month.

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

Jerry Pusateri, EA-Membership Chair

Ph. 707-426-4396 e-mail: 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.

From the Internal Revenue Service:
Taxpayers Given Greater Control over Information Held by Tax Preparers

The Treasury Department and the IRS released final regulations and a related revenue procedure giving taxpayers greater protection and control over their tax return information held by tax return preparers. They also issued a separate request for public comment on a proposal to restrict the marketing of refund anticipation loans and similar products. Details are in news release [IR-2008-2](#).

AMT Patch Effect:

The IRS expects to begin processing returns for the vast majority of taxpayers in mid-January. However, as many as 13.5 million taxpayers using five forms related to the Alternative Minimum Tax (AMT) legislation will have to wait to file tax returns until the IRS completes the reprogramming of its systems for the new law. The IRS has targeted February 11, as the potential starting date.

For the affected forms and other details, see news release [IR-2007-209](#). Check [IRS.gov](#) periodically for AMT processing updates.

Disabled Veterans:

Payments under the Department of Veterans Affairs (VA) Compensated Work Therapy (CWT) program are no longer taxable and disabled veterans who paid tax on these benefits in the past three years can now claim refunds. See news release [IR-2007-198](#).

Misclassified Employees:

Employees who were misclassified by their employers as independent contractors should use new [Form 8919](#), *Uncollected Social Security and Medicare Tax on Wages*, to figure and report their share of uncollected social security and Medicare taxes. Find out more in news release [IR-2007-203](#).

January Phone Forums for Practitioners:

Check out the upcoming free [phone forums](#) for January. Topics include EITC due diligence and a Spanish presentation of how to choose a tax preparer. CPE credit may be available. Follow the information for how to sign up and be sure

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, 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.

to use the correct conference access code when registering.

Also see Navigating the IRS and other helpful sites for research later in this Newsletter.

From Franchise Tax Board:

Check out this site, <http://www.ftb.ca.gov/professionals/index.shtml>

It has the latest What's New, links to Employment Development Department, State Board of Equalization, and other helpful links and telephone numbers. Like:

Tax Practitioner Hotline – (916) 845-7057 or fax your question to (916) 845-6377. Monday - Friday, 8 a.m. - 5 p.m. except [official holidays](#).

Links to other Online Services

Schedules for Seminars and Workshops

- - - **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 26, 2008.

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 - 2nd Tuesdays

Lunch in Napa - 3rd Thursdays

Dinner in both locations - 4th 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, 2008

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

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 and mailed information to members. 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. If you have not already done so, please read this material carefully and consider the benefits of participation.

Navigating **IRS.gov** Research Hot Link

IRS Homepage – <http://www.irs.gov>

Tax Information for Tax Professionals – <http://www.irs.gov/taxpros/index.html>

Basic Tools for Tax Professionals – <http://www.irs.gov/taxpros/article/0,,id=118004,00.html>

Resources for Tax Professionals – <http://www.irs.gov/taxpros/article/0,,id=99134,00.html>

Tax Code, Regulations and Official Guidance – <http://www.irs.gov/taxpros/article/0,,id=98137,00.html>

Internal Revenue Code – Title 26 – http://www.law.cornell.edu/uscode/html/uscode26/usc_sup_01_26.html

U.S. Code Classification Tables – Office of Law Revision Counsel – <http://uscode.house.gov/classification/tables.shtml>

Proposed Regulations and Treasury Decisions – <http://www.irs.gov/taxpros/content/0,,id=103728,00.html>

Proposed Regulations Still Open for Public Comment – <http://www.regulations.gov/fdmspublic/component/main>

Code of Federal Regulations – <http://www.access.gpo.gov/cgi-bin/cfrassemble.cgi?title=200726>

Electronic Reading Room – <http://www.irs.gov/foia/article/0,,id=110353,00.html>

Internal Revenue Manual – <http://www.irs.gov/irm/index.html>

Advance Notice for Tax Professionals – <http://www.irs.gov/taxpros/article/0,,id=98697,00.html>

Draft Tax Forms – <http://www.irs.gov/taxpros/lists/0,,id=97782,00.html>

Official Release Schedule for IRS Forms and Publications – <http://www.irs.gov/formspubs/article/0,,id=169726,00.html>

Frequently Asked Questions – <http://www.irs.gov/faqs/index.html>

Tax Topics – <http://www.irs.gov/taxtopics/index.html>

Tax Trails – <http://www.irs.gov/individuals/article/0,,id=132035,00.html>

Site Map – <http://www.irs.gov/sitemap/index.html>

International Tax Treaties – <http://www.irs.gov/businesses/small/international/article/0,,id=96454,00.html>

Issue Management Resolution System (IMRS) – <http://www.irs.gov/businesses/small/article/0,,id=158507,00.html>

Chief Counsel Notices (1999 to present) – <http://www.irs.gov/foia/lists/0,,id=97652,00.html>

Action on Decisions (1997 to present) - <http://www.irs.gov/foia/lists/0,,id=97630,00.html>

Legal Advice Issued by Field Attorneys (2003 to present) – <http://www.irs.gov/foia/article/0,,id=103755,00.html>

Legal Advice Issued by Chief Counsel (2006 to present) – <http://www.irs.gov/foia/article/0,,id=162993,00.html>

Chief Counsel Bulletins (Various) – <http://www.irs.gov/foia/lists/0,,id=97720,00.html>

Tax Court – <http://www.ustaxcourt.gov>

District Court (Northern California) – <http://www.cand.uscourts.gov>

Court of Federal Claims – <http://www.uscfc.uscourts.gov>

Appeals Court (9th Circuit) – <http://www.ca9.uscourts.gov>

Supreme Court – <http://www.supremecourtus.gov>

Other Research Sites (Not authorized or endorsed by the Internal Revenue Service)

Legal Bitstream (Code, Regs., Revenue Rulings, Rev. Procs. Announcements, Notices, Letter Rulings, etc.) – http://www.legalbitstream.com/irs_materials.asp?pl=1

Tax Almanac (Code, Regs., Revenue Rulings, Rev. Procs. Announcements, Notices, Letter Rulings, etc.) – http://www.taxalmanac.org/index.php/tax_Research_Resources

Salvation Army Value Guide (for determining value of non-cash charitable contributions) – <http://www.satruck.com/ValueGuide.asp>

Goodwill Industries Value Guide (for determining value of non-cash charitable contributions) – <http://www.goodwillsew.com/page.asp?dbID=295>

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hEArd It Through The Grapevine

[Revenue Ruling 2008-5](#) provides that if an individual sells stock or securities for a loss and causes his or her IRA or Roth IRA to purchase substantially identical stock or securities within a specified period, the loss on the sale of the stock or securities is disallowed under section 1091, and the individual's basis in the IRA or Roth IRA is not increased by virtue of section 1091(d). It will be published in IRB 2008-3 dated Jan. 22, 2008.

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First Class Mail

Return Service Requested



2008 CALENDAR OF EVENTS

JAN

- 4 CSEA FTB Facilities Tour, check www.csea.org for more details.
- 8 Solano-Napa Breakfast (2nd Tue.) 8:00 am
Jack & Linda's Country Café, Fairfield
Topic: **Digital Document Management**
- 9 CSEA Federal Update II, Bonnie DeSimone
Check www.csea.org for more details.
- 12 Lacerte Workshop, Jack & Linda's Country
Café, Fairfield, 8:00 am
- 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 (4th Tue.) 6:30 pm Topic:
Learning to Love the S Corp, Andy Rogers,

FEB

- 12 Solano-Napa Breakfast (2nd 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 (4th Tue.) 6:30 pm Topic:
Panel Discussion, Joe Calderaro, IRS
Jack & Linda's Country Café, Fairfield

MAR

- 11 Solano-Napa Breakfast (2nd 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 (4th 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 (2nd 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
Club, 2840 Soscol Ave., Napa, 12:30 pm
- 19-21 **CSEA Super Seminar A, Las Vegas, NV**
Check www.csea.org for more details.
- 22-24 **CSEA Super Seminar B, Las Vegas, NV,**
Check www.csea.org for more details.
- 26-28 **CSEA Board Meeting, Reno, NV**
- 27 Solano-Napa Board Meeting, 4:00 pm
- 19-22 29-31 **CSEA Super Seminars, Reno, NV,**
Check www.csea.org for more details.

JUN

- 10 Solano-Napa Breakfast (2nd Tue.) 8:00 am
Jack & Linda's Country Café, Fairfield