



# SOLANO-NAPA NEWS

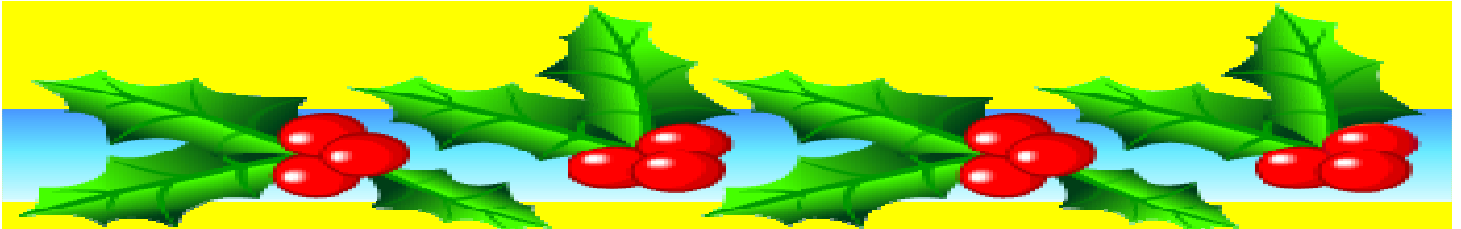
CALIFORNIA SOCIETY OF ENROLLED AGENTS

“WE SPEAK TAX” - the Tax Professionals



Volume IV, Number 6

December 2008



## Solano-Napa Holiday Party

Tuesday, December 9, 2008

At Jack & Linda’s Country Café, 2390 N. Texas St, Fairfield

A Holiday Party for EAs, their spouses, significant others and family members will be the theme of our December meeting. There will be no CPE or speaker at this meeting, just come and enjoy a time of celebration.



Bring a wrapped white elephant gift for our gift exchange and a non-perishable food donation for a local charity food pantry. Social hour with hors d’oeuvres will begin at 6 pm with the dinner and entertainment starting at 7 pm.



We will have a special performance of Christmas piano music by our own Marcia Gillespie, EA and, in a repeat appearance of Jerry Pusateri’s alter ego, “Rock Hardstone, EA” will entertain us with his tax case of “Truth or Consequence”.

Please direct any questions, comments or ideas to Patty Evans, EA, Party Coordinator at 707-374-3742 or [pattye422@yahoo.com](mailto:pattye422@yahoo.com)



### Another Holiday Event

The Napa Satellite Group has its annual **Holiday Lunch** on Thursday, December 18 at 12:30 pm at the Napa Elk Club, 2840 Soscol Ave.

### Only 2 more months to the Super Seminar 2009 Drawing

Each chapter member receives one ticket for each breakfast, lunch (in Napa) or dinner meeting (including the December Holiday Party) attended until the drawing date of February 24, 2009. You can even get five (5!!!) tickets all at once if you recruit a new member for our chapter, or 3 if you attend our workshop on January 12. Remember, each ticket brings you one step closer to winning a free Super Seminar registration next spring.



## President's Message

Soon we will be bringing in a New Year and be back to our busy season. Most of us have already started preparing for the tax season. Since I work out of my home, my big task is cleaning out my home office so three people can sit down. As I type this message, there is just enough space for me. That's the problem with a home office. It is too easy to convert it to storage space during the off season. If I had it to do over again, I would have started in this business 20 years earlier and have a real office now. I know some of you also work out of your home...now be honest, do you get more interruptions then if you were working in an office? Anyway, we make the best of it and once I get this place cleaned up it won't be so bad. Oh, wait a minute, I have to take care of something, be back in a few minutes...

...Ok, I'm back now. But you see what I mean, always getting interrupted. Anyway, our last meeting of the year was November 18<sup>th</sup> and Jennifer Henrie-Brown from the IRS gave us a good lesson in navigating the IRS website. You could spend hours just clicking on different tabs and links and still not see everything they have to offer. It is like having a library at your fingertips and it's free. Thanks for the information, Jennifer.

I wonder how many Sch D's we will see with large losses from the stock market this year. I don't see how anyone can lose in the stock market if you just take the advice of Will Rogers, "Don't gamble: take all your savings and buy some good stock and hold it till it goes up, then sell it. If it don't go up, don't buy it."

There will be no meeting in December, just our fun Christmas Party. We have a new team working on it, and I'm told that they have some new ideas for this year's party, but will also keep some of the old favorites of ours. And be sure to make your reservations. It was brought up at our board meeting that some people show up at dinner meetings without a reservation. Although we try to accommodate everyone, the restaurant has to plan for the food and we really need to have a good head count. Reservations are a must!

With the economy the way it is, it is even more important for us (and for all businesses) to work smart. This may be the time to get up and be pro-active about getting business. As Will Rogers said, "Even if you're on the right track, you'll get run over if you just sit there."

I don't want to make this into a political column, but with the elections just over it's hard not to say something. But I'm not into Political Science so I won't make any predictions. I'll just quote Will Rogers again, "The more you read and observe about this Politics thing, you got to admit that each party is worse than the other. The one that's out always looks the best." He also said, "I don't make jokes, I just watch the government and report the facts."

Since I'm featuring Will Rogers this month, let me end with a quote of his relating to taxes, "The income tax has

*continued page 3*

*Have you signed up already?*

## Foreclosure/Short Sale/Insolvency Workshop

Presented by Jerry Pusateri, EA

**Monday, January 12, 2009**

**9:00 am to 1:00 pm**

*(Four hours of CPE)*

The workshop will cover:

- the three recently passed Federal Laws
- resources available to deal with the Mortgage Maze
- completing the Sale Process (yes, foreclosure is a sale)
- proving Insolvency -- Problems and Solutions
- consequences of your Actions as the Tax Professional

Jack & Linda's Country Café  
2390 N Texas Street, Fairfield

Early Bird Price \$85 (until January 5, 2009)

Regular Price \$95 (after Jan. 5)

**Solano-Napa chapter members also receive three bonus tickets for our 2009 Super Seminar Drawing**

Please register online at:

<https://www.123signup.com/calendar?Org=SCC>

## Your Associations need your Participation CSEA

The Membership & Chapter Development Committee has developed a Member needs assessment survey that is now live on the CSEA Website at [www.csea.org](http://www.csea.org).

Please accept this invitation to complete the survey and help us to identify the benefits that our Members need and value. Your response is crucial to help CSEA leaders and staff focus efforts on the areas that you think are important for you and for our profession.

The survey is electronic and anonymous. It is designed to take less than ten minutes of your time to complete, but it offers ample opportunity for your additional comments and suggestions.

If you only participate in one survey this year, please make it this one! Your voice counts, and your input will benefit all of our Members by providing information that will help us strengthen our organization.

## NAEA

An electronic ballot for NAEA's new Board of Directors should have already arrived in your e-mail inbox. It seems that many members don't participate in this election process because they frequently don't know any of the nominees, but we all do want to have good people sitting on our association boards. So, don't worry about voting for the full slate if you don't feel comfortable doing it, but do vote for those you know or that are known and respected by some of our own long-time leaders.

Here are two names worthy of your vote; Sherrill Gregory and Lonnie Gary.

**President's Message continued ...**

made more liars out of the American people than golf has." It's good we have EA's to keep them honest. See you all at the Christmas Party. It'll be fun, and that's no lie.

*Ken Spingola, EA*

**Some items from the Tax "Goodie" Bag:****IRS Announces 2009 Standard Mileage Rates:**

Beginning on Jan. 1, 2009, the standard mileage rates for the use of a car (also vans, pickups, or panel trucks) will be:

- 55 cents per mile for business miles driven
- 24 cents per mile driven for medical or moving purposes
- 14 cents per mile driven for charitable organizations

The new rates for business, medical and moving purposes are slightly lower than rates for the second half of 2008 that were raised by a special adjustment mid-year in response to a spike in gasoline prices. The rate for charitable purposes is set by law and is unchanged from 2008.

**Increased Fines for Undocumented Workers:**

Federal law requires that all employers verify the identity and employment eligibility of all new employees (including seasonal workers) within three days of hire. Employees are required to complete the Form I-9, and employees must provide employers with documentation establishing both identity and eligibility to work within the United States.

To help employers verify worker status, the Department of Homeland Security (DHS) and the Social Security Administration (SSA) have established an electronic system called E-Verify, which allows participating employers to electronically verify the employment eligibility of their newly-hired employees.

In March of 2008, the Department of Justice and the Department of Homeland Security enacted new border security reforms that increased the fines for hiring undocumented workers by as much as \$5,000.

Please visit the links below for more information:

- [M-274 Handbook for Employers](#)
- [About Form I-9 and E-Verify](#)
- [How Do I Use E-Verify?](#)

**IRS to Issue New CP 2057 Letter:**

You know those familiar CP 2000 letters - the letters the IRS sends to our clients for under-reported income. The letter lists income reported to the IRS that apparently wasn't reported on the tax return, usually a W-2 or 1099. It proposes a change to the tax return, computes the proposed tax due, and asks the taxpayer to agree, partially agree or disagree.

The IRS is now working to get CP 2000 type letters to even more taxpayers! However, it will apparently be a kinder, gentler letter. The new letter, the CP 2057, will inform the taxpayers that they may have under-reported their income and will recommend that they double check specific parts of the tax return for omissions. It will also suggest that an amended return might be in order.

Like the CP 2000, the CP 2057 will list specific items that might have been omitted from the return, but it will not include a calculation of the underpaid tax.

**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 generally at **Jack & Linda's Country Café, 2390 N Texas St., Fairfield**, unless another location in the Solano-Napa area is announced in the newsletter for a specific month.

**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. You pay for your breakfast.

**Dinner Meetings** (6:00 pm attitude adjustment; 6:30 pm dinner followed by an educational presentation): On the fourth Tuesday, we have Dinner Meetings with a speaker on a topic for continuing education, including practice management, legislative or other issues pertinent to our profession.

**Cost is \$35 for members and their staff, \$40 for non-members, who attend any portion of the meeting.** There is a **\$5** discount if your reservations are made timely.

**Reservations are now made through an on-line registration service called 123signup** (as in 1,2,3). The deadline for the discounted price is Midnight the preceding Tuesday.

<https://www.123signup.com/calendar?Org=SCC>

**Napa Satellite Group Luncheons**

The Napa Satellite Group meets on the **third Thursday** of each month. These informal luncheons are at the Napa Elks Club, 2840 Soscol Ave., Napa.

**Meeting time: 12:30 pm to 2:00 pm**

**Cost is \$17.** For **reservations**, contact Chuck Gravett's office at (707) 258-1030 and RSVP with his secretary.

**Jim Stern Legislative Day**

Named after an Enrolled Agent who was a very active CSEA member for ten years, specifically in the political action arena, this is an important event for all of us.

Please try to join your fellow CSEA members in Sacramento on

**Friday, January 9, 2009, 8 a.m. to 4 p.m.**

(lunch included)

and find out more about the revenue and taxation legislative process from members of the California state legislature.

For additional information and registration click on:

[www.csea.org/LinkClick.aspx?fileticket=gKjM48ZczwE%3d&tabid=282](http://www.csea.org/LinkClick.aspx?fileticket=gKjM48ZczwE%3d&tabid=282)

## [IRS Key Messages for Tax Practitioners](#) (\*)

Tax return preparers perform a vital function in assisting taxpayers in meeting their tax obligations. As a tax professional, you have a vested interest (as both a taxpayer and a tax preparer) in the protection of the integrity of the tax filing system. We are committed to providing tax professionals with the information and tools needed to prepare timely, accurate and complete tax returns for their clients.

- Stakeholder Liaison: Your local IRS contacts
- IRS Telephone Directories for Practitioners (by state)
- IRS.gov web page for Tax Professionals
- IRS National/Local Phone Forums and Webinars for Practitioners
- Tax Calendar for Small Businesses and Self-Employed, Publication 1518
- Adjusted Employment Tax Returns (Forms 94X)
- EITC information for Tax Preparers
- Qualifying Taxpayers for EITC
- Standards of Practice for Tax Professionals
- Stakeholder Liaison Offers Tax Professional Education
- Requesting Taxpayer Advocate Service Assistance
- Practitioner Priority Services
- Disaster Relief
- E-File Assistance
- The Tax Gap
- Tax Return Preparer Fraud
- Suspicious E-mails and Identity Theft
- Report Attempts to Impede Tax Administration
- Online Payment Agreement Application Enhancements Available
- E-file Form 2290, Heavy Highway Vehicle Use Tax Return
- Report Fraud, Waste, and Abuse
- Low Income Taxpayer Clinics
- Identity Theft
- Information Reporting Advisory Committee
- Internal Revenue Service Advisory Council
- Governmental Liaison Program
- Publication 4437, Tax Hints
- Business Provisions of the Economic Stimulus Act of 2008
- Practitioner assistance for Volunteer Income Tax Assistance and Tax Counseling for the Elderly
- Where's My Refund?

Also, be sure to check out the IRS and [TAS Tax Toolkit](#) Web site. This tool kit is available to you 24 hours a day, seven days a week. It provides information in English and Spanish, as well as audio in both languages. The highlights include:

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• Choosing a tax preparer</li> <li>• Complying with tax laws</li> <li>• Visiting an IRS office</li> <li>• Employers of disabled persons</li> <li>• Taxpayers with disabilities</li> <li>• Individual taxpayer identification numbers</li> <li>• Income tax refund delivery</li> </ul> | <ul style="list-style-type: none"> <li>• Earned income tax credit and family credits</li> <li>• Tax benefits for education</li> <li>• Collection and Payment Alternatives</li> <li>• Recordkeeping for Small Businesses</li> <li>• Starting a Small Business</li> <li>• Mortgages: Basic Information</li> <li>• Identify Theft</li> <li>• Federal Payment Levy Program</li> </ul> |
|--|---|

(\*) **CLICK ON HEADLINE.** It will take you to the IRS.gov web page and all detailed information of the 31-point outline.

NAEA joins forces with **Totally Chocolate** to offer delicious tax-related treats for clients and EAs. NAEA members receive a discount on "Bite Back at the IRS" chocolate bars and coins, 1040 candy bars, "thank you" coins—and a special "EA" coin. As an additional incentive, order 250 or more of any of the bars before March 31, 2009 and **Totally Chocolate** will imprint your logo or message on the back of the wrapper at no additional charge! [click here](#) for details.

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# Solano-Napa Chapter CSEA

c/o Alma Guenther, EA

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**First Class Mail**

Return Service Requested



**NEIGHBORING CHAPTERS:** CSEA's other Bay Area chapters also present excellent educational programs. Go to their websites, or CSEA's, for complete listings of these opportunities for professional education. Check out our website ([www.solanonapa-ea.org](http://www.solanonapa-ea.org)) under FAQ and get their web addresses.

## 2008/2009 CALENDAR OF EVENTS

### DEC

- 3 CSEA Audio Tax: California Update  
Check [www.csea.org](http://www.csea.org) for more details.
- 9 **ANNUAL CHAPTER HOLIDAY PARTY**; Jack & Linda's Country Café, Fairfield, 6:30 pm (no speaker/CPE)
- 18 Napa Satellite Group, **HOLIDAY LUNCH**  
12:30 pm, Napa Elk Club, 2840 Soscol Ave, Napa

### JAN 2009

- 7 CSEA Audio Tax: Federal Update  
Check [www.csea.org](http://www.csea.org) for more details.
- 12 **Foreclosure/Short Sale/Insolvency Workshop**  
Jack & Linda's Country Café, Fairfield
- 13 Solano-Napa Breakfast Meeting - 8:00 am  
Jack & Linda's Country Café, Fairfield
- 15 Napa Satellite Group, Lunch Meeting - 12:30 pm  
Napa Elk Club, 2840 Soscol Ave., Napa
- 27 Solano-Napa CSEA Board Meeting 4:00 pm  
Solano-Napa Dinner 6:30 pm Topic: **Protecting**

**your ASSETS with 1099 Reporting**, chapter board member Lillian Meyers, EA, CFP, CDFA; Jack & Linda's Country Café, Fairfield

### FEB

- 10 Solano-Napa Breakfast Meeting - 8:00 am  
Jack & Linda's Country Café, Fairfield
- 19 Napa Satellite Group, Lunch Meeting - 12:30 pm  
Napa Elk Club, 2840 Soscol Ave., Napa
- 24 Solano-Napa Dinner 6:30 pm - **SolanoTax Panel with Joe Calderaro**; Jack & Linda's Country Café, Fairfield

### MARCH

- 10 Solano-Napa Breakfast Meeting - 8:00 am  
Jack & Linda's Country Café, Fairfield
- 19 Napa Satellite Group, Lunch Meeting - 12:30 pm  
Napa Elk Club, 2840 Soscol Ave., Napa,
- 24 Solano-Napa Dinner 6:30 pm – **Napa Tax Panel with Joe Calderaro**; Napa Elk Club, 2840 Soscol Ave., Napa