

Members enrolled to practice before
the Internal Revenue Service



OCEA Newsletter Editor
Dale Quelle, EA
14340 Bolsa Chica Road, #A
Westminster CA 92683
Phone: 714-899-2221

The Tax Experts



Orange County Chapter
California Society of Enrolled Agents

UPCOMING PROGRAMS and EVENTS

DATE	PROGRAM / EVENT	CPE	SUBJECT	LOCATION
August 5 – October 7	Saturdays		Enrolled Agent Exam Course	Concordia University, Irvine
August 15	Dinner Meeting	2 hrs	Interest Deductions	Phoenix Club of Anaheim
August 26	Seminar	4 hrs	Technology for the Tax Office	Phoenix Club of Anaheim
September 19	Dinner Meeting	1 hr	Expatriates & Taxes	Phoenix Club of Anaheim
October 17	Dinner Meeting	1 hr	2 Certainities: Death & Taxes	Phoenix Club of Anaheim
October 30 – 31	Seminar	8 hrs	Employment Tax/Fall Update	Irvine Hilton



The Tax Experts

The Orange County ENROLLED AGENT

The Tax Experts

Editor: Dale Quelle, EA • 14340 Bolsa Chica Rd. #A • Westminster, CA 92683–4868 • 714–899–2221

www.eaoc.org

Volume 2006-2007

Issue 2

AUGUST, 2006

2 HOUR CPE PROGRAM (CTEC Approved)



QUICKIES
from the QUILL

TECHNOLOGY FOR THE TAX
OFFICE Instructed by
Joe Ligori, EA, this informa-
tive class is taking enrollment
now! See page 3 for details and
sign-up.

EMPLOYMENT TAX SEMINAR/
FALL UPDATE Featuring Bonnie
DeSimone, EA on Federal Tax,
and Vicki Mulak, EA, CFP on CA
Tax Law/Agency. See page 5
for details and sign-up.

A Good Hard Look at
INTEREST DEDUCTIONS

Presented by Vicki Mulak, EA



Over the last 20 years, there have been many tax law changes in the area of interest deductions. The interaction of lowered capital gain rates and the recharacterization of capital gains as investment income will be reviewed. Lower interest rates and the subsequent period of real estate refinancing that took place in the last few years, has complicated matters on the Schedule A (and the Schedule E!) in determining what the mortgage interest deduction for regular tax should be and what the interest deduction for the AMT should be.

This intermediate class will take a detailed look at the law as it is today, and offer a practical approach to tax preparation with an emphasis on mortgage interest and investment interest deductions.

AGENDA
August 15th

- 4:30 Board Meeting
- 5:30 Social Time
- 6:00 Dinner Hour
- 7:00 CPE Program

\$40 for member pre-registration before 4:00 P.M.
on the Friday prior to the dinner meeting; \$45 for
on-site registration and for non-members.

Phone registration to Debbie Harris, EA at
562-438-6636 or email reservation@eaoc.org
(please include your EA number). Debbie will
be using last years permanent list for this year,
too. If you want to be added to the permanent
list, or deleted from it, please contact Debbie.

Wear your name badge- be recognized!

DINNER MENU

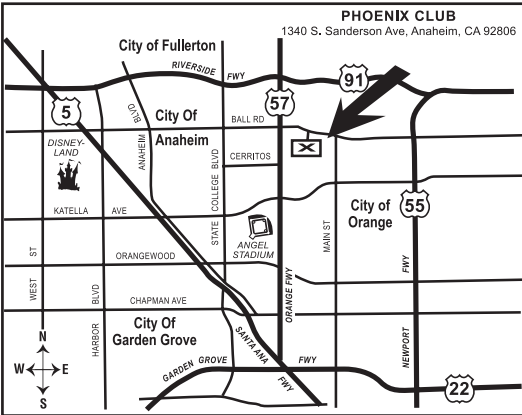
- Baked Ham, Pineapple Sauce
- Orange Chicken
- Rice Pilaf
- Fresh Steamed Vegetables
- Bay Shrimp Salad
- Garden Green Salad
- Fresh Fruit
- Dessert
- Coffee, Decaf, Hot & Iced Tea



ALL YOU CAN EAT BUFFET!

MEETING LOCATION

THE PHOENIX CLUB
1340 Sanderson Avenue, Anaheim



DIRECTIONS: Ball Rd Exit from 57 Fwy; Go East to Phoenix Club Dr;
Turn South on Phoenix Club Dr; Turn Right on Sanderson Ave.



PRESIDENT’S MESSAGE

by Peggy Ligori, EA



AT THE END OF JUNE we had our Planning Retreat at the Queen Mary in Long Beach, which was successful and well attended. All the committees came away inspired and eager to bring more education events and member benefits with you in mind. One of the new items, which Dale Quelle, EA has been working on, as you have noticed, is our newsletter that now has new colors. The SEE class organized by Bill Geideman, EA will be starting on August 5th, if you are interested in attending, please contact Bill to see if he still has room in his class. On August 26th, we are having a 4-hour seminar at the Phoenix club on “Technology in the Tax Office”; look for details on our Fall Update scheduled for the end of October. Please call Jack Allen, EA for information.

You may have also noticed at our last meeting, we have name cards of the board members, at the dinner tables, which a board member will be sitting at. The board members will be asking you questions such as what educational topics you would like to have in the future. Plus they will be asking your opinion on other issues as well. We need to hear from you and let us know what your needs are from your chapter. If you haven’t checked out our website lately, you should do so. Neal Gallaway, EA and Chris Newton have been busy working on updating it. Cathy Patel, EA has almost completed the line up of dinner meeting speakers.

CSEA held their first board meeting of the fiscal year at the beginning of July. In the coming months, Joni Terens, EA, Dona Evans, EA and I will keep you informed.

~ Peggy

TAX TEASER by Dale Larsen, EA

Kayla exchanged her unimproved land with an adjusted basis of \$80,000 and a fair market value of \$130,000 for unimproved land with a fair market value of \$100,000 and \$10,000 in cash. Kayla also paid \$5,000 in closing costs.

The unimproved land that Kayla gave up was subject to a \$30,000 mortgage for which she was liable. The other party assumed this mortgage. What is Kayla’s realized gain on this exchange:

- A. \$40,000
- B. \$55,000
- C. \$35,000
- D. \$25,000

ANSWER: B



The Tax Experts
Chapter Phone: 800-797-1410

President
Peggy Ligori, EA
1532 S Santa Fe Ave Ste 303
San Jacinto, CA 92583
(951) 654-9955, pmllea@ligoritax.com

1st Vice President
Cathy Patel, EA
2052 Newport Blvd #6
Costa Mesa, CA 92627-7158
(949) 515-2862, taxmatters@sbcglobal.net

2nd Vice President
Debbie Harris, EA
5848 Naples Plaza #204
Long Beach, CA 90803
(562) 438-6636, debbieha@aol.com

Secretary
Neal Gallaway, EA
1301 E Lincoln Ave #D
Orange, CA 92865
(714) 637-4339, nggallaw@sbcglobal.net

Treasurer
Patty Kappen, EA
31726 Rancho Viejo Rd #215
San Juan Capistrano, CA 92675
(949) 496-1174, patrecea@aol.com

Directors
Jack Allen, EA
6321 Dashwood St
Lakewood, CA 90713-2015
(562) 292-3806, jcallenfp@earthlink.net

Ken Noland, EA
17461 Irvine Blvd #M
Tustin, CA 92780-3039
(714) 505-1925, ken@companyco.com

Donna Miller, EA
3211 E Second St #3
Long Beach, CA 90803
(562) 621-0293, dmillerea@aol.com

Bill Stewart, EA
31726 Rancho Viejo Rd #215
San Juan Capistrano, CA 92675
(949) 584-9374, billstewart1@sbcglobal.net

Patricia Yeckel, EA
22342 Avenida Empresa #280
Rancho Santa Margarita, CA 92688
(949) 888-2829, pyeckel@canyontax.com

CaSEA Directors
Dona Evans, EA
130-D Centennial Way
Tustin, CA 92780
(714) 838-5002, devans4u@pacbell.net

Joni Terens, EA
17632 Irvine Blvd #150
Tustin, CA 92780
(714) 832-4633, joni@abt-tax.com

Immediate Past President
Lisa Newton, EA
1901 E Lambert Rd #103
La Habra, CA 90631
(562) 267-0351, lisa@eanewton.com

The following are paid advertisers. Their appearance here is not to be considered an endorsement by OCEA.

JAN

Payroll, Taxpay, Worker's Comp, HR services

714-438-4000 www.paychex.com

MAR

Mauricio Castro • Ali Villavicencio • Ben Armour

18000 Studebaker Road
Cerritos, CA

Your Local Tax and Accounting Solutions Provider

Ask about how you may benefit from the TaxWise Local Challenge.

1.800.840.2195 ex.2821

www.taxwise.com

MAY

We find solutions to IRS and State Tax Problems.

FREE Initial Consultation

LaDonna T. Kienitz Esq.
949-300-6951
www.taxsolutionsite.com
ladonnakienitz@sbcglobal.net

Appeals, Negotiations, Offers in Compromise, Representation in US Tax Court.

JULY

Payroll Solutions with Personal Service

951-300-1101 800-218-9577

Improved Service
Reduced Cost

SEPT

GIVING YOU & YOUR CLIENTS Nightmares?

SlackTax,

Set up & Problems Resolution

(714) 755-1040

NOV

Ready to slow down?

We are interested in buying write-up and Business tax clients

• Will buy WHOLE practice or BLOCKS

• Will work with you on exit strategy

• Stay as involved as YOU want

Call Art Husami (562) 406 – 3888

www.HusamiAndAssociates.com

FEB

✓ Solve financial problems.
✓ Avoid excessive costs
✓ Compare loan alternatives

Over 18 Years Experience
PAM DUNN
Office: 714.289.0047
Fax: 714.289.9715
Cell: 714.501.0639
pdmortg@msn.com
1745 W. KATELLA, STE. F, ORANGE

APR

PUT AN EXPERIENCED LEGAL TEAM ON "YOUR" SIDE

INITIAL CONSULTATION AT NO CHARGE

3100 Birch Street, Suite 102
Newport Beach, CA 92660
Phone: 949-475-0544
Fax: 949-475-0547
marc@mtlaw.com

Real Estate Litigation
Judgment Collections
LLC Corporate Formations

Corporations
SEO Maintenance

State Civil Litigation
Federal Civil Litigation
Venture Capital

JUNE

THE MORTGAGE COMPANY OF CALIFORNIA
Henry Broussard EA
▶▶▶ Reverse Mortgage Consultant ◀◀◀

Improve the quality of life by replacing your traditional mortgage with a **Reverse Mortgage** – Or simply receive tax free income for life. Only borrowers 62 and over will qualify for this program. Call **800-569-6594** to see how much you qualify for. Remember, **no mortgage payments** until sale or death and you may enjoy additional income **TAX FREE**. Consult your Enrolled Agent.

AUG

IRS TAX PROBLEMS? Law experience has a SOLUTION to tax problems business or personal.

OFFERS-IN-COMPROMISE Many of our EAs, CPAs and Attorneys, who have lost clients over the length of time required to obtain acceptance, now enjoy our faster SOLUTION.

Levy Releases, Leins, Garnishments, Installment Agreements , Bankruptcy Opinions of Dischargability.

ATTORNEY SOLUTION, ALC

Ph: 562-988-8086 • E-Mail: lblanch355@msn.com

OCT

A Professional Corporation
Jeffery Corporate Center
5450 Trabuco Canyon Rd
Irvine, CA 92620

Phone: (949) 261-9700
Facsimile: (949) 261-9799
email: rick@barnetttrubin.com

State Bar Certified
Personal & Small Business Bankruptcy Specialist
Business Formations • Business Litigations • AV Rated

Richard L. Barnett
Attorney At Law

24 YEARS EXPERIENCE PRACTICING LAW IN ORANGE COUNTY

DEC

The ultimate book on California taxes from the California tax experts at Spidell Publishing

The BEST information on:
Conformity Credits
Partnerships Sales taxes
LLCs Corporate tax
Payroll taxes Property taxes
Estates and trusts Personal income tax
Periods and methods And more!

Purchase your 2006 edition NOW!

Call (714) 776-7850 for your copy today!
Or visit www.caltax.com to order



Board of Directors (left to right): Patricia Yeckel, Director; Joni Terens, CaSEA Director; Peggy Ligori, President; Donna Miller, Director; Debbie Harris, 2nd Vice President; Bill Stewart, Director; Patti Kappen, Treasurer; Dona Evans CaSEA Director; Neal Gal-laway, Secretary; Lisa Newton, Immediate Past president; Jack Allen, Director; Cathy Patel, 1st Vice President; Ken Noland, Director.



TAX RESEARCH
RESOURCES
Where to find...?
by Cathy Patel, EA

www.caltax.com California tax information.
Best areas: Hot News & Notes, Tax Links
www.socialsecurity.gov/planners/calcula-tors.htm Three different retirement benefit calculators, from simple to complex.

Online help for estimating retirement income and expense at: moneycentral.msn.com/retire/home.asp www.fool.com/Retirement/Retirement.htm

An interesting article by David Braze at
www.fool.com/retirement/care/04.htm

Reverse Mortgage information on the AARP web site at www.aarp.org/revmort-decisions/ www.AARP.org/revmort/list

The IRS provides information at www.irs.gov/charities/index.html for Charities & Non-Profits, (Exempt Organization function) with a search feature to verify that an organization is qualified. The IRS Publication 78, Cumulative List of Organizations, is also available online.

Use car pricing information: www.edmunds.com/
www.nadaguides.com/ www.kbb.com/

The Schwab Fund for Charitable Giving:
www.schwabcharitable.com/giving/benefits_compare.html

Online EIN applications: sa2.www4.irs.gov/sa_vign/newFormSS4.do
W-9 www.irs.gov/pub/irs-pdf/fw9.pdf?portlet=3

Per diem rates: domestic per diem rates for Federal employees at ion-share3.gsa.gov/FTRD.nsf/Introduction ; foreign per diem rates for Federal employees at www.state.gov/m/a/als/prdm/

Taxpayers who are scammed: Contact the Treasury Inspector General for Tax Administration (TIGTA) at toll-free fraud referral hotline 1.800.366.4484; fax: 202.927.7018; Mail: TIGTA Hotline, PO Box 589, Ben Franklin Station, Washington, D.C. 20044-0589; TIGTA website: www.ustreas.gov/tigta. Charities and Nonprofits e-filing: http://www.irs.gov/charities/index.html

The CLASSIFIEDS

BILL VASANI, EA is interested in buying a small tax/accounting prac-tice. Please respond to suevasani@sbcglobal.net.

PRIVATE OFFICE available for lease. 2nd floor, 260 Sq Ft, \$400/month. Holds 2-3 people. All professional building; 1 block from I-5 Fwy & 55 Fwy. Call Ken Noland, EA at 714-505-0015

IRS COLLECTION PROBLEM? Got a client with an IRS collection problem? Call OCEA member, retired IRS Revenue Officer Carl Cart-er. Phone/fax 949-589-1137, E-mail buick61guy@aol.com preferred.

The OCEA Classifieds are now accepting new entries. If you have an item you wish to buy or sell, space to rent or a position to fill, list it here. Email to 4quelle@msn.com or FAX to 714-899-2224. Include your name and phone number or email.

PLEASE NOTE: Classifieds are available for OCEA members & associates to advertise items for sale or rent, want ads and employment opportunities. Ads run for 2 consecutive months free of charge (longer based on space available. Let us know when your ad is no longer needed). Email to 4quelle@msn.com or FAX to 714-899-2224. Be sure to include

WELCOME NEW MEMBERS!

- Harvey Garte, CPA
- Margarita Puga, EA
- Gloria Haro
- John McCready

California AB 205, the California Registered Domestic Partner Rights and Responsibilities Act of 2003 becomes effective January 1, 2005. Complete list of rights: www.Lambdalegal.org

General Federal Tax Information:
Tax Policy Center: www.taxpolicycenter.org

AARPs BenefitsCheckUp to learn about programs that may help an older family member or help you pay for prescriptions, groceries, property taxes, etc. www.benefitscheckup.org/

The Partnership for Prescription Assistance can help limited income people get free/low-cost drugs at 1.888.477.2669 or www.pparx.org

Check your Health Credit to see what insurance companies are told. Medical Information Bureau (MIB) keeps tabs on things such as test results and serious ailments you suffer. You probably have a record if you have applied for individual life, health, or disability coverage within the past seven years. To get your report call 1.866.692.6901 or check the website at www.mib.com

Toll Free Information from your cell phone. Dial 800.373.3411 (FREE 411). Let us know of websites that you have found useful so we can pass the information on.

Credential number required: The current credential number should be easy to obtain from the school’s district office or the California Commis-sion on Teacher Credentialing (CTC). Email your request for a credential number to credentials@ctc.ca.gov. Include the teacher’s name, Social Security number, and an address or telephone number in your request.

Official California Legislative Information: www.loginfo.ca.gov

Online resource for Revenue Rulings from 1954 to present (service ap-pears to be approximately one year behind): www.taxlinks.com

To find a complete list of NAICS codes: www.census.gov.naics



Technology for the Tax Office
Achieving Greater Efficiency with Less Cost

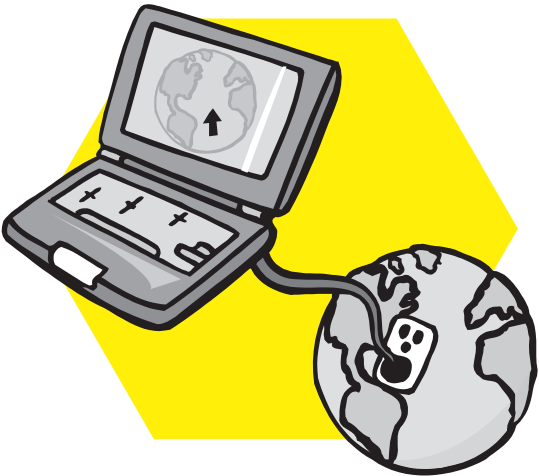
Presented by: Joseph Ligori, EA
Sponsored by the Orange County Chapter of the CALIFORNIA SOCIETY OF ENROLLED AGENTS

Do you need to network your office Computers?
What should you consider when choosing Printers and Scanners?
What are the techniques for Sharing Data and efficiently using Office Equipment?
What flavor of commonly available Tax Software might you want to use? What Internet resources are available?
With what Security issues should you concern yourself? If you go “Paperless,” what procedures should you use?

WHEN: SATURDAY, AUGUST 26, 2006
Registration: 9:00 am (continental breakfast)
9:30 am to 2:00 pm (lunch included)

WHERE: THE PHOENIX CLUB
1340 S. Sanderson Avenue
Anaheim, CA 92806
(714) 563 - 4166
Directions:
East on Ball Road from the 57 Fwy.
Turn south on Phoenix Club Drive
Turn right on Sanderson Avenue.
Note: Meeting room is upstairs,
with no elevator access.

COST: \$80.00 PER ATTENDEE (Registration prior to 08/16/06, continental and lunch included)
\$90.00 PER ATTENDEE (Space-available registration post-08/16/06, continental and lunch included)
Registration – contact Jack Allen, EA, (562) 292 – 3806



CONTINUING EDUCATION CREDITS: NAEA/CSEA – 4 hours CTEC/OPR – zero

The California Society of Enrolled Agents & its local Chapters have been recognized as an approved curriculum provider by the California Tax Education Council. Success-ful completion of this course may be reported to fulfill the continuing education requirement of the California Business & Professional Code §22250-22259. This does not constitute an endorsement by the California Tax Education Council as to the quality of the course or its contribution to the professional competence of the preparer.

PLEASE NOTE: It is OCEA’s policy not to issue refunds once a registrant has registered for an event or class. However, a written refund request can be submitted to OCEA’s Treasurer by the next Board meeting for consideration by the Board for the following three cases: (1) reservation cancellation at least 72 hours prior to the event or the first class, or (2) a medical emergency preventing the registrant from attending the event or class, or (3) a death in the registrant’s family.

REGISTRATION: FAX to 562-292-3806; mail to OCEA, c/o Jack C. Allen, EA, 6321 Dashwood St, Lakewood, CA 90713-2019

☐ VISA ☐ MasterCard ☐ Check (Made out to “OCEA”)

Credit card number: _____ Code: _____ Expiration date: _____

Name: _____ Signature (credit card req’m’t): _____

Address: _____

City _____ State _____ ZIP _____

Daytime phone: _____ Evening phone: _____ FAX: _____

☐ Enrolled Agent ☐ CTEC ☐ (Other) _____ Number: _____



ATTENTION,
ATTENTION,
ATTENTION...

All Tax
Practitioners!

by Bill Stewart, EA



President Peggy Ligori welcoming new attendees at the July dinner meeting.

NAEA, CSEA, and OCEA have Scholarships available. You possibly have someone in your office you would recommend for these. Possibly someone who would like to enroll for the course but cannot afford to. Please let them know about these valuable scholarships.

Many people simply are not aware that financial aid is here for the asking. I will be very happy to work with them and walk them through the application process.

Contact: Bill Stewart, EA, OCEA Scholarship Chair, at (949) 584-9374 or email billstewart1@sbcglobal.net

Calling All Members!!!

THE OCEA MEMBERSHIP DIRECTORY for 2007 is in the process of production and will be sent to OCEA members in December. In order to make sure that our information is current we are asking each member to respond by completing the information sheet below and return it by fax at (949) 888-2831 or email pyeckel@canyontax.com .

Name: _____
Address: _____
City, Zip: _____
Phone number: _____
Fax Number: _____
e-mail address: _____

by Debbie Harris, EA



and Patricia Yeckel, EA



OCEA
Members...
We Need YOU!

by Ken Noland, EA

Ken Noland, EA is a Director of OCEA, and is Chairman of both PIA and Bylaws Committees. Ken is looking for other OCEA members to join him on these Committees. By working on a committee, members not only make a contribution to all members of OCEA, but will also learn much about the subject matter of the committee, and get to better know other OCEA members.

PIA (Public Information and Awareness): This Committee is about marketing, branding, and advertising. It will help all OCEA members build their businesses. Also, techniques developed by the Committee can be used to develop each individuals business. Projects to develop include building a Speakers' Bureau, advertising in major media, working with IRS and State agencies in their programs and seminars, working with other CSEA PIA Committees, answering questions in media call-in shows (like O.C. Register), and other programs. The idea is to inform the public about EA's and our roll as tax professionals and tax experts.

BYLAWS: This Committee is about Policies and Procedures. OCEA is chartered under the CSEA (California Society of Enrolled Agents), and must conform to their bylaws. But in addition, we are our own organization and operate under a set of bylaws developed by OCEA. These bylaws are implemented through a set of Policies. All this needs to be reviewed and updated during the current year.

Ken operates his accounting, tax, and consulting business under the trademark CFO TO GO® in Tustin. He has owned several businesses and has considerable experience in marketing and advertising. Contact him by e-mail at ken@companycfo.com, or by phone at (714) 505-1925. Ken looks forward to working with as many OCEA members as possible.



Employment Tax Seminar & Fall Update

Presented by

INTERNAL REVENUE SERVICE
Southern California Area

CALIFORNIA SOCIETY OF ENROLLED AGENTS
Orange County Chapter

You are invited to a unique opportunity for practitioners to hear directly from IRS and EDD personnel about employment tax issues and how to deal effectively with processing, procedures and services. This is a great opportunity to get first-hand information from the experts.

DON'T MISS THIS ONE!!!

Seminar location: Hilton Irvine, 18800 MacArthur Blvd, Irvine CA

Monday, October 30th

Bonnie DeSimone, EA

Federal Tax Update

This year, the emphasis is on the application of laws and rules, including: Energy Act Credits, Roth 401(k)s, Kiddie Taxes, HSAs and the TIP Act.

Vicki Mulak, EA, CFP

California Tax Law and Agency Update

This comprehensive update on 2006 legislation will include areas of conformity and non-conformity to Federal legislation, as well as recent procedural changes, rulings, and other items of interest.

Tuesday, October 31st

IRS

- Retirement Plan Correction Programs
- Small Business/SE Tax Exam Issues
- Trust Fund Recovery Penalty
- Employee Plans/Exempt Organizations
- Illegal Employment Tax Schemes
- Large/Mid-size Employment Tax Exam Audits
- International Employee Issues

EDD

- Independent Contractor vs. Employee

Day One - 10/30		Day Two - 10/31	
Early Bird	\$140	Early Bird	\$ 85
After October 6, 2006	\$155	After October 6, 2006	\$155
Attend Both Days and SAVE!			
Early Bird	\$200	After October 6, 2006	\$240

Registration: 7 a.m. to 8 a.m.

Seminar: 8 a.m. to 5:00 p.m.

REGISTRATION INSTRUCTIONS:

1. Send your check, made payable to "OCEA" with this registration form to Joni Terens, EA at 17632 Irvine Blvd #160 / Tustin, CA 92780-3160. Complete one registration form for EACH registrant (you may copy this form).
2. Requests postmarked after Friday, October 6, 2006, and walk-in registrations, IF AVAILABLE, are not eligible for the Early Bird discount. Your canceled check is your registration confirmation. (No other confirmation will be sent.).
3. It is OCEA's policy not to issue refunds once a registrant has registered for an event or class. However, a written refund request can be submitted to OCEA's treasurer by the next board meeting for consideration by the board in the following three cases: (1) Cancellation at least 72 hours before the event, or (2) a medical emergency preventing the registrant from attending the event or (3) a death in the family.

NAME _____ EA, CPA or CTEC Number _____
(please circle)
COMPANY _____
ADDRESS _____
CITY _____ STATE _____ ZIP _____
Phone (____) _____ E-MAIL _____

I will be attending: ☐ Day One 10/30/06 ☐ Day Two 10/31/06 ☐ Both Days
☐ I wish to have a vegetarian lunch