



The Orange County ENROLLED AGENT

The Tax Professionals

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

Volume 2010 - 2011 Issue 2 August 2010

August 17th Program 1 Hr CPE

Welcome to New Members

Hugh Cunningham, EA
Quinton Berry



Dinner Menu

Lasagna, with Meat
Penne Pasta Marinara, No Meat
Steamed Vegetables
Green Beans
Garden Green Salad
Caesar Salad
Assorted Garden Relish w/ Dip
Carrot Cake
Black Forest Cake

The Vision of OCEA is to serve, to represent the best interests of Enrolled Agents in Orange County, and to emphasize and enlighten the general public that an Enrolled Agent is the premier tax professional.

The Mission of OCEA is to encourage professionalism, personal growth, and educational growth, while providing member benefits and enhancing the role of Enrolled Agents among the local governmental agencies, other professionals, and the general public.

OCEA is 445 Members strong and proud to be the largest Chapter of CSEA.

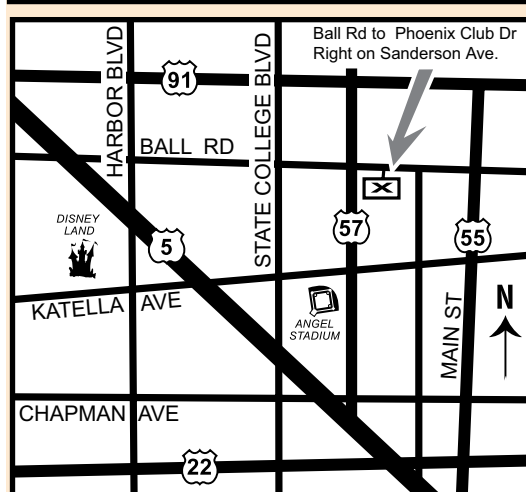
Elder Abuse and Taxes

With Julie Schoen



What would you do if you see one of your clients wearing dirty clothes and looking un-groomed when just 6 months ago they were well groomed and meticulously dressed? You notice that your client has a new caregiver who is driving a new car and the amount of money spent each month for this client is increasing substantially. Understanding and resolving elder / dependent adult abuse can be very challenging. Sometimes it

is difficult to determine if someone is being abused. Marcia Haber, and Julie Schoen, will provide information about the different types, signs and symptoms as well as community response approach to elder / dependent adult abuse which Enrolled Agents can access necessary resources to protect themselves and their clients.



Meetings are held at the Phoenix Club
1340 S Sanderson Ave, Anaheim, CA 92806

Agenda August 17th

4:30 Board Meeting

5:30 Social Time

6:00 Dinner Hour

7:00 1 Hr CPE Program \$35/\$40

\$35 for Member pre-registration before midnight on the Thursday prior to the dinner meeting; \$40 for on-site registration and for non-members for meetings with 1 hour of CPE credit. Meetings with 2 hours of CPE credit are \$45 and \$50 respectively. To make a reservation go online to our web site www.eaoc.org and select the sign up button next to the event you would like to attend and follow the prompts. If you incur any difficulties signing up contact Donna Miller EA at 562-424-3088 or Lisa Newton EA at 562-267-0351

PRESIDENT'S MESSAGE

by Russell Fox, EA

I actually like the June gloom we've been having in July. It keeps the days pleasant, saves on my air conditioning bills, and I enjoy keeping my office window open with the sea breeze rolling in. The only problem is that it gets me thinking that it would be great to be sitting on a beach somewhere. But I am heading on a vacation soon and hopefully you, too, will be able to take some time away from taxes in the coming weeks.

It was great seeing the large turnout for Ethics at our July meeting. Bill Geideman did an excellent job covering what has become a diverse topic. The new IRS preparer regulations dominated the first part of the discussion.

Just a couple of days following the meeting, the IRS announced that the PTIN regulation will cost \$50 annually plus a charge (to be determined) from the vendor. If you prepare tax returns, you will have to either obtain a PTIN or renew your PTIN. The IRS will be holding a public hearing on August 24th in Washington. You can find more details on the PTIN fees at <http://www.irs.gov/newsroom/article/0,,id=225875,00.html?portlet=7>. The proposed regulation can be seen at http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=2010_register&docid=fr23jy10-30. Registration (or renewal) for your PTIN is supposed to begin on September 1st; however, given that the hearing is on August 24th a delay until mid-September or even October is possible.

It was clear from our meeting that many members have very strong feelings regarding the new preparer regulations. If you don't like what you're seeing, submit comments on the IRS proposals. The second link (above) contains where you can either post comments (via the Internet) or mail comments on the proposal. While the NAEA will be submitting comments on behalf of its members (us), you, too, can submit comments.

I want to remind all members that you're welcome to attend our Board of Director meetings. They begin at 4:30 at the Phoenix Club and last about an hour. If you have something to contribute, join us or let a Board member know of your concern.

Our SEE course is beginning in just a couple of weeks. This is definitely the year to consider becoming an Enrolled Agent. The cost of this course is just \$950. That may sound like a lot but it's really only \$15 an hour for top-notch instruction. If you need more information, email Patti Kappen at patti@sanjuanfinancial.com. Scholarships are available for this course.

The CTEC Qualifying Course is starting in one month (on September 6th). The course includes 60 hours of education (45 federal, 15 California) and is a bargain at \$399. You can obtain more information from John Rumbold at jrumbold@rfta.biz.



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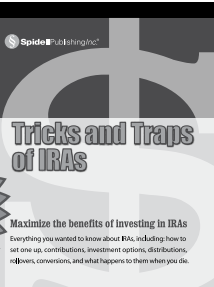
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biz
Our August meeting focuses on a topic that impact many: elder abuse and taxes. I look forward to seeing many of you on August 17th.



Form to Claim Payroll Tax Exemption for Hiring New Workers Now Available

An excerpt from IRS' Tax Information for Tax Professionals

IR-2010-64, May 18, 2010

WASHINGTON — The Internal Revenue Service has issued the newly revised payroll tax form that most eligible employers can use to claim the special payroll tax exemption that applies to many new workers hired during 2010.

Designed to encourage employers to hire and retain new workers, the payroll tax exemption and the related new hire retention credit were created by the Hiring Incentives to Restore Employment (HIRE) Act signed by President Obama on March 18.

Employers who hire unemployed workers this year (after Feb. 3, 2010, and before Jan. 1, 2011) may qualify for a 6.2-percent payroll tax incentive, in effect exempting them from the employer's share of Social Security tax on wages paid to these workers after March 18. This reduction will have no effect on the employee's future Social Security benefits. The employee's 6.2 percent share of Social Security tax and the employer and employee's shares of Medicare tax still apply to all wages.

In addition, for each qualified employee retained for at least a year whose wages did not significantly decrease in the second half of the year, businesses may claim a new hire retention credit of up to \$1,000 per worker on their income tax return.

How to Claim the Payroll Tax Exemption

Form 941, Employer's QUARTERLY Federal Tax Return, revised for use be-



ginning with the second calendar quarter of 2010, will be filed by most employers claiming the payroll tax exemption for wages paid to qualified employees. The HIRE Act does not allow employers to claim the exemption for wages paid in the first quarter but provides for a credit in the second quarter. The instructions for the new Form 941 explain how this credit for wages paid from March 19 through March 31 can be claimed on the second quarter return.

The HIRE Act requires that employers get a signed statement from each eligible new hire, certifying under penalties of perjury, that he or she was not employed for more than 40 hours during the 60 days before beginning employment with that employer. Employers can use new Form W-11, Hiring Incentives to Restore Employment (HIRE) Act Employee Affidavit, released last month, to meet this requirement. Though employers need this certification to claim both the payroll tax exemption and the new hire reten-

tion credit, they do not file these statements with the IRS. Instead, they must retain them along with other payroll and income tax records.

These two tax benefits are especially helpful to employers who are adding positions to their payrolls. New hires filling existing positions also qualify as long as they are replacing workers who left voluntarily or who were terminated for cause and otherwise are qualified employees. Family members and other relatives do not qualify for either of these tax benefits.

Businesses, agricultural employers, tax-exempt organizations, tribal governments and public colleges and universities all qualify to claim the payroll tax exemption for eligible newly-hired employees. Household employers and federal, state and local government employers, other than public colleges and universities, are not eligible.



TAX TEASER

Starting in 2009, Mr. Gibson must pay his former spouse \$20,000 annually under a divorce decree in the following amounts:

- * \$1,000 a month for mortgage payments (including principal and interest) on a jointly owned home.
- * \$200 a month for tuition fees paid to a private school until their son attains the age of 18 or leaves the school prior to age 18.
- * \$5,000 a year cash payment to former Mrs. Gibson until she dies.
- * In addition to the above amounts, the former Mrs. Gibson also received in 2009 a lump-sum amount of \$150,000 from the sale of their other marital assets.

The parties did not file a joint return and were not members of the same household. There were no written statements between the parties as to how the amounts should be treated. What is the amount of Mr. Gibson's 2009 alimony deduction?

- A. \$20,000
- B. \$17,600
- C. \$17,000
- D. \$11,000

Answer D

Quickies From The Quill

From your OCEA Board....

- Your new OCEA Board members are working hard to set up some great educational programs and speakers for the coming year. We're talking about programs on various real estate topics, installment sales, 1031 exchanges, to name a few. We gladly accept input from any interested member, and urge you to contact John Kristianson or Devang Mehta with your ideas.
- Bill Stewart is our new PIA Chairman, whose main job is to help create public awareness about EA's and what they do. He has gotten our OCEA Chapter set up on LinkedIn, the business networking site, and it's gotten 8,000 hits already! Very exciting!
- Each month our chapter members are doing better on registering online so we are improving our ability to give an accurate count to the Phoenix on a timely basis. Thank you to those members who have made that adjustment, and keep it up!
- CSEA Director Patti Kappen gave out the CSEA Board calendar of meetings for the year and pointed out that it would be great if more of our members attended a meeting. Since our Chapter is the largest we'd like to have more representation. Let Patti know if you have an interest in that. A suggestion was made that CSEA set up a fund to help defray costs for members to attend their meetings. CSEA has changed their logo, which we'll be seeing soon; also there may be a new name for Enrolled Agents, so get ready for these changes!

Chapter Secretary, Patricia Yeckel, EA

Embark on a New Career in Tax Preparation

Earn Extra Income



California requires registration by CTEC* to prepare taxes for a fee in the state.

The Orange County Chapter of the California Society of Enrolled Agents invites you to enroll in a CTEC* approved 60-hour Qualifying Education classroom course taught by skilled Enrolled Agents.



Classes start Monday, September 6th to Thursday, November 18th

Monday and Thursday evenings 6:30 PM – 9:30 PM

South Coast College, 2011 W. Chapman Ave., Orange, CA 92868

¼ mile east of the 57 Freeway at Chapman

60 total hours of education, 45 Federal and 15 California

* California Tax Education Council (www.ctec.org)



Curriculum Includes:

- Tax History, Accounting Periods & Methods
- Overview of Tax Forms, Marital Status, Filing Status
- Earned Income, Wages, Tips, Etc.
- Standard Deduction, Personal Exemptions
- Deducting the Children & Other Dependents
- Child Tax Credit, Child & Dependent Care Credit
- Unearned Income, Interest, Dividends, Etc.
- Itemized Deductions; medical, Interest, Taxes
- Itemized Deductions; Casualty Losses, Contributions
- Tax Benefits of Education
- Retirement Income, Pensions & Social Security
- Depreciation
- Capital Gains & Sales of Home
- Retirement Planning
- Rental Income & Other Passive Activities
- Travel, Entertainment, & Home Office Expenses
- Estimated Payments, Underpayments
- Amended Returns
- Ethics
- Plus California adjustments and treatment of the above

Course Registration Form

\$399 for the course including textbooks (\$425 after August 20)

Name: _____

Address: _____

City: _____ Zip: _____

Daytime Telephone: _____

Email: _____

Check ☐ Payable to **OCEA**

Visa ☐ M/C ☐ Amex ☐ Card # _____ Exp. Date _____ Security Code _____

Date Signed _____ Signature _____

Mail, Fax or email to:

OCEA

C/O John Rumbold, EA

3 Winterhaven

Irvine, CA 92614

Fax: 714-242-1888

Email: jrumbold@rfta.biz

Questions: 714-425-7202

**Class size limited
Enroll early**

PLEASE NOTE: It is OCEA policy not to issue refunds once a student has registered for a course. However, a written request can be submitted to OCEA for consideration at the next Board Meeting in the following three cases; (1) Cancellation at least one week before the event, (2) a medical emergency preventing the registrant from attending, or (3) a death in the family. \$160 of the course fee is non-refundable to cover the textbooks which cannot be returned. www.eaoc.org

IRS SPECIAL ENROLLMENT EXAM COURSE

SESSIONS BEGINNING AUGUST 7, 2010

The Orange County Chapter of the California Society of Enrolled Agents is offering a review class to prepare YOU for the new IRS Special Enrollment Exam. The three parts coincide with the new structure of the exam.

Part 1: Individual Taxation
AUGUST 7, 14, 21

Part 2: Partnerships, C Corporations, S Corporations, Fiduciaries and other topics
SEPTEMBER 11, 18, 25 AND OCTOBER 2, 2010

Part 3: Practice before the IRS, Power of Attorney, Ethics and other topics
OCTOBER 23, 2010

Course Fee: \$950 for the three parts. The cost of the textbook is included.
Registration for taking Parts 1, 2 or 3 separately available – Call 949-496-1174 for price
Location: South Coast College, 2011 W. Chapman Ave., Orange, CA 92868
Time: 8:00 AM to 3:00 PM
Instructors: Kathleen Rossow EA, Vicki Mulak EA, Norm Schmidt EA, Donna Miller EA

Enclose your check made payable to: Orange County Chapter, CSEA. OR charge to your credit card.

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Credit card number _____ Exp. Date _____

Your name _____ Signature _____

Address _____ Phone/days _____

City _____ State _____ Zip _____

Mail to: Patricia Kappen, 31726 Rancho Viejo Rd. # 215, San Juan Capistrano, CA 92675

Fax to: 949-496-8084 Email: patti@sanjuanfinancial.com or patrecea@aol.com

Call for info: 949-496-1174

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.

CLASSIFIEDS

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PART-TIME BOOKEEPER/SECRETARIAL Help Needed. Quickbooks Experience Necessary, please call Mr. David S. Shashoua, JD, LL.M, EA at 949-253-5890, and e-mail a copy of résumé to david@kayatax.com 03/10

POSITION AVAILABLE TaxResources, Inc. is hiring tax professionals for the 2010 tax season! Positions are available at our Orange County and Sacramento locations. Enjoy Flexible hours and enjoy great pay. To find out more about our company and our job opportunities, and to apply online, please visit our website at <http://jobs.taxaudit.com> . Carolyn Richardson (888) 701-9695 Ext 12253. 02/10

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Visit our Web site

The Tax Professionals

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Why should I choose an Enrolled Agent who is a member of the National Association of Enrolled Agents (NAEA)?

The principal concern of the National Association of Enrolled Agents and its members is honest, intelligent and ethical representation of the financial position of taxpayers before the governmental agencies. Members of NAEA must fulfill continuing professional education requirements that exceed the IRS' required minimum. In addition, NAEA members adhere to a stringent Code of Ethics and Rules of Professional Conduct of the Association, as well as the Treasury Department's Circular 230 regulations. NAEA members belong to a strong network of experienced, well-trained tax professionals who effectively represent their clients and work to make the tax code fair and reasonably enforced.

UPCOMING PROGRAMS & EVENTS

<u>DATE</u>	<u>PROGRAM / EVENT</u>	<u>CPE</u>	<u>SUBJECT</u>	<u>LOCATION</u>
August 17, 2010	Dinner meeting	1	Elder Abuse and Taxes	Phoenix Club
Aug 7- Oct 23, 2010			Special Enrollment Exam Course	South Coast College
Sept 6 - Nov 18, 2010			CTEC 60 Hour Tax Prep Course	South Coast College
Sept 21, 2010	Dinner Meeting	1	The tax implications of Domestic Partnerships	Phoenix Club
Oct 19, 2010	Dinner Meeting	1	Real Estate Topics	Phoenix Club
Nov 16, 2010	Dinner Meeting	1	Representation, the Three Sided Desk	Phoenix Club