



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 2011 - 2012 Issue 3 September 2011



Sept 20th, 2011 1 Hr CPE Program

THE ABCs of RDPs

By Jean Nelson, EA

Welcome New Members

Jean Krieger

Andrew McVay EA

Dinner Menu

Jagerschnitzel Pork Cutlets
Chef's Choice Fish
Whipped Potatoes
Apple Sauce
Sauerkraut
Garden Green Salad
Sliced Seasonal Fruit
Carrot Cake
German Chocolate Cake

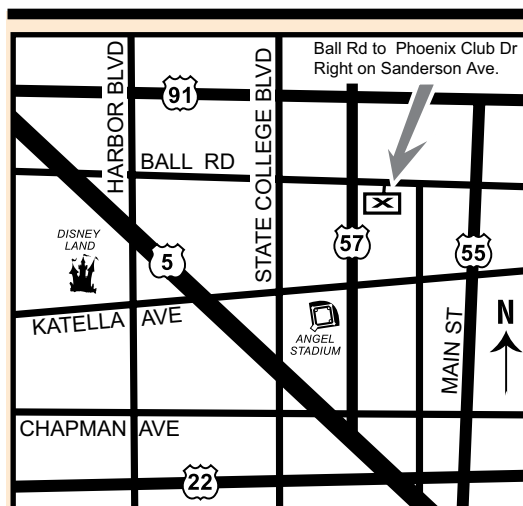
The Vision of OCEA is to serve, to represent the best interests of Enrolled Agents in Orange County, and to emphasize and enlighten the general public that an Enrolled Agent is the premier tax professional.

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 424 Members strong and proud to be the largest Chapter of CSEA.



CSEA President Jean Nelsen will discuss the definition of California Domestic Partnerships, the eligibility requirements, and what happens in a Dissolution of an RDP. Jean will explain the various tax laws regarding RDPs, and teach us how to handle Community Income, Separate Income, and the Allocation Worksheet. There will be numerous examples which will help us to expertly and efficiently prepare tax returns for our Registered Domestic Partnership clients. Come meet Jean Nelsen, EA, who has been an Enrolled Agent since 1983 and has a practice in San Francisco. She's been actively serving Enrolled Agents not only at the state level but also at the national level for years, which has given her a broad perspective of the role of Enrolled Agents.



Meetings are held at the Phoenix Club

1340 S Sanderson Ave, Anaheim, CA 92806

Agenda September 20th

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 at 562-424-2411 or Lisa Newton at 562-267-0351

PRESIDENT'S MESSAGE

by John Kristianson, EA

I cannot believe that it is almost the end of summer. By the time most of you receive this letter, Labor Day will be upon us and we will be looking toward the end of 2011. It has been a great summer from the OCEA perspective. We had excellent speakers for our dinner meetings, which have been well attended, as well as a very informative workshop on the Cancellation of Debt, with Lisa Ihm. September promises to be an excellent month with a six hour workshop featuring Vicki Mulak. Also, for the next month's dinner meeting we have the President of CSEA, Jean Nelsen. Jean will be speaking on the ABCs of RDPs and is a very engaging speaker. Please mark your calendars to attend these two important events.

Last month, I happened to be in Annapolis for the American Academy of Tax Practice with Bryan and Jean Gates along with three other excellent speakers. If you have ever attended this event, you know how informative and on point it is. Bryan usually offers the AATP seminars during the summer and one on each coast.

There were two themes that ran through the three days of topics. The first was the soon to be published (on the IRS web site as of August 2), Circular 230. If you have not had a chance to review this, please do so. I am sure that if you have attended an Ethics seminar in the past few months, like the excellent one Russell Fox gave in May, you have heard about some of the changes. But as we move into the new era of IRS oversight, I believe that the interpretation of the language in Circular 230 will be more important than the actual verbiage. So, as always, it is up to us to maintain our knowledge and review the information coming out of the IRS via OPR (Office of Professional Responsibility, under Karen Hawkins) and the new RPO (Return Preparer Office, under David Williams).

The second theme was regarding the new RTRP designation. I know that the EA community has been buzzing over this new IRS designation. You can read it in emails and on blogs. Some people are predicting that the Enrolled Agent designation will be submerged in a sea of these new RTRPs. In fact, I alluded to my own panic attack on this issue in the last news letter. It seems a bit overwhelming at times.

Throughout the seminar, Bryan Gates kept telling us that we as EAs (as well as Attorneys and CPAs), will be the only people who can represent taxpayers in Collections and Appeals. Additionally, as we all may know, RTRPs will only be allowed to represent clients on the tax returns that they have prepared in Exam. So we have become the "Collections and Appeals" experts. This theme was present throughout the three days. I personally think that Bryan has hit the nail on the head.

Another speaker at AATP was Beanna Whitlock. Beanna used to work for David Williams at the IRS. She is very knowledgeable and had some great insights. Beanna plans to be one of the first EAs in her area to take the RTRP exam. She challenged the audience to join her in this. She was very practical on her reasoning why she was going to do that. She said that she did not want to have some person down the street advertising that they were an RTRP and she could not make the same claim. The IRS is going to make a very big deal out of this RTRP



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next tax year, so we should not miss an opportunity to participate in the free advertising.

Each and every one of us has decisions to make in the next few months. Should we take the RTRP exam? How will this change impact our respective practices? Should we move exclusively to Collections and Appeals representation and leave the Examinations to the RTRPs? There are lots of questions and very few answers at this point.

I believe it is important in this time of change to remember a few very important points. First and foremost, we, as Enrolled Agents, ARE THE TAX PROFESSIONALS. There are no others. There will be some very competent RTRPs out there, who may make a dent in our business. But their education standards will be lower than ours. I believe a vast majority of the new RTRPs will take the path of least resistance. That is, they will get the designation, maintain their education credits, and prepare tax returns.

Secondly, we want to advance our own skill set. Practice management will be a key in the next few years. Effective practice management will not only be a

competitive advantage, but it will help us to protect our clients' identity in compliance with the Gramm-Leach-Bliley Act. We also want to make sure that we are at the top of our game when it comes to dealing with Collections and Appeals. By offering a seamless approach to dealing with the IRS, we can set ourselves apart from the RTRPs.

Lastly, we each need to be involved. Not just involved with our practices, but Involved with our local, state, and national EA Societies. We need to encourage the Enrolled Agents that we know and who are not involved to get involved. PIA is not a committee. It is an activity that we all must engage in and contribute to. Bill Stewart, as good as he is, cannot be the eyes, ears and mouth of PIA for OCEA. We all need to pitch in and help.

As I said in my last column, this is YOUR business and your livelihood. In periods of uncertainty, the nimble and the quick often flourish. Are you nimble? Are you quick?

Enjoy your Labor Day!



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From The Quill

Notes from your Secretary

The August Board meeting was held at the Phoenix Club with 10 directors in attendance along with 10 guests. Our President, John Kristianson asked that each director to participate in the CSEA phone meetings.

Membership reported that we now have 70 members that have not paid their dues for this fiscal year. If you know someone who doesn't belong, talk to them about becoming a member. We discussed giving new possible members a free meal and the newsletter. CSEA has asked that we increase our membership by 10% this year.

We had our Booth in a Box at the meeting and it was very impressive. There was no problem finding our

meeting location thanks to Bill Stewart, PIA Chair.

We need members to help contact their legislators. Patricia Kappen has packets for you to provide to the legislator or their office delegate explaining what Enrolled Agents are and how we can help them. Volunteering will give you a great opportunity to meet your legislator!

Our meeting was about NOLs, presented by David Du Val, EA from Tax Resources and I learned some interesting information. It was a very timely presentation. Next month we will hear about RDP's from our CSEA President, Jean Nelson.

To Fellow Members:

Here is another By-Law amendment that the Board passed at its August 2011 monthly meeting.

This By-Law Amend fixes a systematic problem that we have been recently happening to the Immediate Past President, because we had one past president to resign in the middle of her term. Another past president, at then of her term become our chapter's Society Director, and our current Immediate Past President is moving to Nevada.

Right now the By-Laws only allows to either have the Immediate Past President to sit have the Board and vote, or this seat becomes vacant, because no other Board member or other member cannot replace this seat on the Board.

What this amend would do, allow for a past president to replace the Immediate Past President, with full voting rights, by going back via reverse chronological order.

The text of the By-Law Amendment is as follows:

7.02 Vacancies

c) If the Immediate Past President is not able fulfill the duties of the Office of Immediate Past President, then

the Office of Immediate Past President shall be ~~declared-vacant assumed by a Past President of the Chapter, with full rights and duties therein, who is willing to serve. The President shall give first priority to the Past President who served the most recent term, and the responsibilities of the Immediate Past President shall be re-assigned among the remaining Officers, Directors, and the Society Director, at the discretion of the President~~



Sincerely,
David S. Shashoua, JD, LLM, EA
Senior Enrolled Agent/
Tax Law Specialist

Chairman of the By-Laws Committee, Parliamentarian, & Director of the California Society of Enrolled Agents, Orange County Chapter for the (39th) 2011 - 2012 Term.

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Ten Tax Tips for Individuals Who Are Moving This Summer

IRS issue number 2011-16

Summertime is a popular time for people with children to move since school is out. Moving can be expensive, but the IRS offers 10 tax tips on deducting some of those expenses if your move is related to starting a new job or a new job location.

1. **Move must be closely related to start of work** Generally, you can consider moving expenses incurred within one year from the date you first reported to a new location, as closely related in time to the start of work.

2. **Distance Test** Your move meets the distance test if your new main job location is at least 50 miles farther from your former home than your previous job location was.

3. **Time Test** You must work full time for at least 39 weeks during the first 12 months after you arrive in the general area of your new job location, or at least 78 weeks during the first 24 months if you are self-employed. If your income tax return is due before you've satisfied this requirement, you can still deduct your allowable moving expenses if you expect to meet the time test in the following years.

4. **Travel** You can deduct lodging expenses for yourself and household members while moving from your former home to your new home. You can also deduct transportation expenses, including airfare, vehicle mileage, parking fees and tolls you pay to move, but you can only deduct one trip per person.

5. **Household goods** You can deduct the cost of packing, crating and transporting your household goods and personal property. You may be able to include the cost of storing and insuring these items while in transit.

6. **Utilities** You can deduct the costs of connecting or disconnecting utilities.

7. **Nondeductible expenses** You cannot deduct as moving expenses: any part of the purchase price of your new home, car tags, drivers license, costs of buying or selling a home, expenses of entering into or breaking a lease, security deposits and storage charges except those incurred in transit.

8. **Form** You can deduct only those expenses that are reasonable for the circumstances of your move. To figure the amount of your moving expense deduction use Form 3903, Moving Expenses.

9. **Reimbursed expenses** If your employer reimburses you for the cost of the move, the reimbursement may have to be included on your income tax return.

10. **Update your address** When you move, be sure to update your address with the IRS and the U.S. Postal Service to ensure you receive refunds or correspondence from the IRS. Use Form 8822, Change of Address, to notify the IRS.

For more details, review IRS Publication 521, Moving Expenses, and Form 3903, Moving Expenses.





Continuing Professional Education Program

Seminar - 6 hours CPE

"C" is for Conversion and Choice of Entity



Presenter: Vicky Mulak, EA, CFP
When: Tuesday, Sept 20 - 10 am to 4 pm
Location: The Phoenix Club
Lunch: Provided

"C" is for Conversion, Course Description:

Converting a C Corporation to an S Corporation requires a special type of competency in the tax professional. Timing and attention to detail can prevent trouble in a subsequent tax year. Determination of the source of distributions becomes an annual task, as the corporation maintains two retained earnings accounts, i.e., one from the C Corporation years, and a AAA account for the S corporation years. Corporate-level taxes may also apply, so an understanding of the effect on flow-through taxation is crucial. This intermediate presentation will enhance awareness of the many concerns affecting the "converted C Corporation" and a step-by-step approach to the issues involved.

Choice of Entity from Multiple Perspectives, Course Description:

This intermediate session will review tax law applicable in choosing, forming, operating and dissolving the C Corporation, S Corporation, and LLC. Update your knowledge on what the IRS and the courts think are important considerations in each entity format. Learn what you need to know to be as valuable as possible to new and existing clients.

Registration Fee

By September 1st - \$125
 After September 1st - \$140
 Day of Seminar - \$155

Register On-Line at EAOC.org

For Additional information: Mr. Joseph Dimino, EA
diminobraunsen@sbcglobal.net 949.999.2036

MAIL-IN REGISTRATION FORM

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

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Mail to: Joseph P. Dimino, EA, 1901 Newport Blvd, Suite 350, Costa Mesa, CA 92627

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.

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IMMEDIATE CAREER OPPORTUNITY FOR EA or CPA, Full time, year round Tustin office needs a Tax and Accounting Manager. S-Corp and Small Business Emphasis, QuickBooks Certified Preferred. Multi-Tasking Environment with friendly staff. Mentor provided for smooth transition. Email resume' to Cdeibert@americanfinancialtax.com or call (714) 669-1172. Ad placed by Vicki Mulak, EA. 07/11

TWO EA POSITIONS AVAILABLE. The Tax Help Line, an Irvine based tax resolution firm is looking to employ 2 EA's to help bring delinquent taxpayers into compliance. IRS Negotiation experience desired. \$20/hr. Respond with resume to Suzanne@TheTaxHelp-Line.com or call Hugh Cunningham (714) 803-0300. 06/11

TAX SEASON HAS COME TO AN END, and many of us are heaving a sigh of relief. That being said, some of us would now like to retire or quit. Arlington Business Services, Inc., is interested in talking to any practitioners thinking of selling their practice. If that is the case, please contact our office so we can talk to

you directly, or e-mail us at david@legalrc.net. Please ask for Joseph Sheinin, or Mr. David Samuel Shashoua, JD, LL.M., EA, if you are interested. 05/11

TAX PRACTICE WANTED: Looking to purchase a small to medium tax book of business. Currently practice in Irvine serving individual, corporate, partnership and trust clients. Please contact John Rumbold, EA, CFP® at 714-452-7202 or jrumbold@rfta.biz. 01/11

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OPEN FORUM ROUNDTABLE DISCUSSION OF TAX TOPICS



All tax professionals are invited to attend the informal roundtable discussion time of 3:30 p.m. at the Phoenix Club held on the third Tuesdays of each month. This is a peer-to-peer discussion of whatever tax topic people bring to the group. No reservations are necessary for these discussion groups. However, you might just want to stay for a good meal and informative dinner meeting topic held at the same location beginning at 5:30 p.m..

UPCOMING PROGRAMS & EVENTS

<u>DATE</u>	<u>PROGRAM / EVENT</u>	<u>CPE</u>	<u>SUBJECT</u>	<u>LOCATION</u>
Sept 20, 2011	Meeting	1	The ABCs of RDPs	Phoenix Club
Sept 20, 2011	Seminar	6	Conversion and Choice of Entity	Phoenix Club
Dec 20, 2011	Seminar	4	LLC Workshop	Phoenix Club