

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 2009-2010 Issue 11 May 2010

Welcome to New Members

Goeffrey Stauffer
Sandra Bragg
Sylvia Mora
Robert Oesterle, EA
Rafael Alvarez
Jagjeet Wadwa, EA
Henry Lieu



Dinner Menu

Chicken Cordon Bleu
Chef's Choice Fish
Au Gratin Potatoes
Rice Pilaf
Garden Green Salad
Caesar Salad
Ambrosia Salad
Black Forest Cake
Carrot 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 435 Members strong and proud to be the largest Chapter of CSEA.

Sales and Use Tax Issues



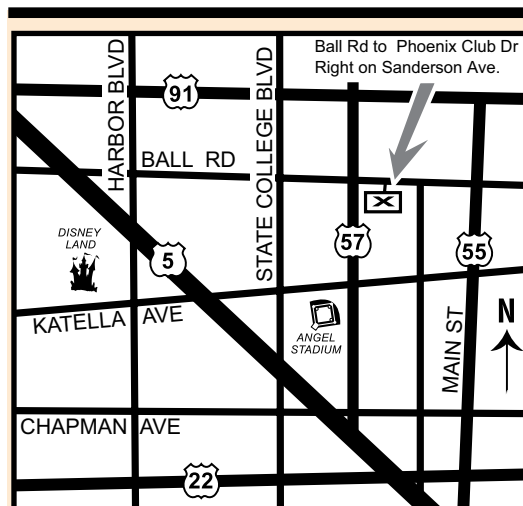
May 18th Program 1 Hr CPE

The current Great Recession has cut deeply into state sales and use tax revenue. Budget shortfalls are in double digits for many states, making it difficult to balance budgets and deliver essential services. This month's presentation will focus on what states are facing with regard to this fiscal crisis, what options states have to increase revenues, and what which of these options the state of California has chosen to implement in order to combat their revenue shortfalls.

From increased audit and tax collection activity, to broadening the tax base and new nexus and registration requirements, Graham Hoad, President of Sales Tax Resource Group, will share his knowledge and experience of dealing with the California State Board of Equalization from an audit, collection and compliance standpoint. He will also discuss key issues that you must know about as a tax consultant in order to keep your clients out of sales and use tax trouble.

Graham formed Sales Tax Resource Group in early 1999. As a former sales tax auditor with the California State Board of Equalization, and as a Multi-state Tax Consultant with a "Big 4" accounting firm, he was involved in many audits both as an auditor and a consultant.

Graham is a Certified Member-Sales Tax of the Institute for Professionals in Taxation (IPT). He is enrolled to practice before the IRS, and holds a Bachelors Degree in Accounting from California State University, Long Beach.



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

Agenda May 18th

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 Patti Kappen EA



TGIO! I think many will agree that this sentiment was echoed throughout the tax preparer community more profoundly this tax season than many prior tax seasons. Personally, I think this was one of my more stressful tax seasons and one where I seemed to be tax preparer/counselor for many clients who were hard hit by the economic chaos in our country. At the same time I was amazed by the many new businesses flourishing and success stories in the same economic climate. This situation seemed to be a common story shared by the other CSEA Chapter Presidents and Officers who were on the quarterly Presidents call April 21st. I am anxious to hear how our Members fared and if their stories are similar. I am glad that the Governor finally signed a California conformity bill which will be a major help to many taxpayers. I did follow the consensus of many of my colleagues and filed extensions for many of my clients with COD income – hoping for the long awaited bill to be passed. Thankfully my decision was a good one. Going forward, my hope is that the rest of the year will be better and we will sort out many of the problems we did not sort out by April 15th.

Our Chapter, amazingly, while we were so busy, had one of the largest increases in membership that I have ever seen! If you have not looked at your April Newsletter, take a minute and look, I think you will be as impressed as I am. I am going to say thank you to all of you who are making efforts to continue the growth and successful continuity of our Chapter. I am sure our Membership Committee's efforts and the SEE and CTEC classes are also contributors to the growth. When people new to the tax community or those who have been around a while but have never really gotten involved meet our instructors and Members, they immediately see something inviting and are anxious for the opportunity to belong. I am anxious to continue with our "Greeters" at our monthly meetings. I notice when a new Member or guest is welcomed and informed and invited to participate, they usually will. We are a dynamic chapter, many are nearing retirement and we also have many new Members. We all have to do our parts to be sure that the years of knowledge in our Chapter is never lost, that we bring in and bring up new tax professionals by enrolling, training and preparing them to step up and become leaders in our Chapter one day. This is the responsibility of every Member of our Chapter. I know you all know this, because if it wasn't true, I would not be your President today. I just wanted to remind some of you and thank many others.

Speaking of training, we are embarking on what I think will be our most comprehensive year of education. I think no matter where you are, we will

continued on page 3



The Tax Professionals

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Nominees for OCEA Board of Directors

by Joe Guccione, EA

The following names and their positions have been selected by the nominating committee to be placed on the next ballot for the 2010/2011 fiscal year beginning July 1st. The general election will be held at the May 18th dinner meeting. Any regular Member whose name is not on this list may be nominated from the floor by any other regular Member at the election.

President	Russell Fox
1st VP	John Kristianson
2nd VP	Donna Miller
Secretary	Patricia Yeckel
Treasurer	Robin Miller
CSEA Director	Patti Kappen
Director	Devang Mehta
Director	Lori Page
Director	John Rumbold
Director	Dan Carlberg
Director	David Shashoua

President's message continued

have something you or your Staff will be interested in. Our plan is to continue the SEE Review class starting in August and the Basic class starting in September. We will add a thirty hour advanced preparer class for those who have completed the Basic class and want more tax preparation education. We will also offer some more Advanced Seminars this summer. We will decide what they will be at our May meeting. Of course we will continue to have great dinner meeting speakers, with short informative topics and we are prepared to offer whatever education may be needed for the new preparer testing that is coming up. We want our Chapter to be known as the Chapter that offers Top notch Tax Education that cannot be found easily anywhere else, where the classes are small enough that the students can interact with the instructors and leave not only with increased knowledge of the topic but also with the beginnings of relationship building in the tax preparer community. As you can well imagine, this is going to be a lot of work and take a lot of dedicated people willing to give up some time to get it started and keep it go-

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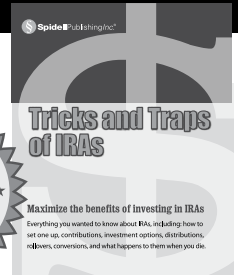
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ing. You are all leaders, instructors and organizers; we need you to work with us to achieve this goal. Please, join us at the next Education Meeting May 18th at 2PM at the Phoenix Club (before our May dinner meeting)

Last but not least, May is election night, please come out and help elect those of your Members who have offered to be in leadership positions this year. They need your support, support that they well deserve for the sacrifices they make to take these positions for a year. These are the people who will make decisions regarding your chapter, please come and if you know the candidates, encourage them, if you don't know them, meet them and either way, if possible, offer to help them this year.

We are such a great Chapter and we continue to get better every year. You are all so amazing and I am so grateful to know all of you and as I write this letter, my heart is filled thinking of you and all that you contribute, I am fortunate to be one of you, thank you for "bringing me up"

Patti



Make 2010 a year to get involved

Please join us on June 16th and 17th for OCEA's annual planning retreat at the UCLA Lake Arrowhead Conference Center located on the picturesque shore of Lake Arrowhead. At the meeting, committees are formed, and the operating budget for OCEA set. All members interested in volunteering and contributing are invited to attend. The Chapter will pick-up the room charge for Members who attend. Let's keep OCEA among the premier chapters in the country.

Daniel J. Carlberg
Retreat Committee Chairman

TAX TEASER ?\$?\$?\$?\$?\$?\$?\$?\$?\$?\$?\$?\$?\$?\$?\$?\$?

Ms. Cross owns a house that she rents to non-related parties. She incurred the following costs during 2008:

- \$400 to resurface a tub in the master bathroom
- \$500 to paint the kitchen after installing new cabinets
- \$2,000 to replace cabinets in the kitchen
- \$600 to replace the built-in dishwasher

How should these costs be characterized and in what amounts:

- A. \$3,100 as improvements to be capitalized and \$400 as repairs
- B. \$400 as improvements to be capitalized and \$3,100 as repairs
- C. \$3,500 as improvements to be capitalized
- D. \$2,000 as improvements to be capitalized and \$1,500 as repairs

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
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- 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)

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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

The FDIC - short for the Federal Deposit Insurance Corporation - is an independent agency of the United States government. The FDIC protects depositors of insured banks located in the United States against the loss of their deposits if an insured bank fails.

Any person or entity can have FDIC insurance coverage in an insured bank. A person does not have to be a U.S. citizen or resident to have his or her deposits insured by the FDIC.

FDIC INSURANCE COVERAGE BASICS

FDIC insurance is backed by the full faith and credit of the United States government. Since the FDIC began operation in 1934, no depositor has ever lost a penny of FDIC-insured deposits.

What does FDIC deposit insurance cover?

FDIC insurance covers all types of deposits received at an insured bank, including deposits in a checking account, negotiable order of withdrawal (NOW) account, savings account, money market deposit account (MMDA) or time deposit such as a certificate of deposit (CD).

FDIC insurance covers depositors' accounts at each insured bank, dollar-for-dollar, including principal and any accrued interest through the date of the insured bank's closing, up to the insurance limit.

The FDIC does not insure money invested in stocks, bonds, mutual funds, life insurance policies, annuities or municipal securities, even if these investments are purchased at an insured bank.

The FDIC does not insure safe deposit boxes or their contents.

The FDIC does not insure U.S. Treasury bills, bonds or notes, but these investments are backed by the full faith and credit of the United States government.

How much insurance coverage does the FDIC provide?

The standard maximum deposit insurance amount is described as the "SMDIA" in FDIC regulations. The SMDIA is \$250,000 per depositor, per insured bank, through December 31, 2013. On January 1, 2014, the SMDIA is scheduled to return to \$100,000 per depositor, per insured bank, for all account ownership categories except Certain Retirement Accounts, which will remain at \$250,000 permanently per depositor, per insured bank. 1.

The FDIC insures deposits that a person holds in one insured bank separately from any deposits that the person owns in another separately chartered insured bank. For instance, if a person has a checking account at Bank A and has a checking account at Bank B, both accounts would be insured separately up to the SMDIA. Funds deposited in separate branches of the same insured bank are not separately insured.

The FDIC provides separate insurance coverage for funds depositors may have in different categories of legal ownership. The FDIC refers to these different categories as "ownership categories." This means that a bank customer who has multiple deposits may qualify for more than \$250,000 in insurance coverage if the customer's accounts are deposited in different ownership categories and the requirements for each ownership category are met.

1 In 2006, the U.S. Congress permanently increased the SMDIA for Certain Retirement Accounts to \$250,000 per depositor, per insured bank.



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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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Are Enrolled Agents required to take continuing professional education?

In addition to the stringent testing and application process, the IRS requires Enrolled Agents to complete 72 hours of continuing professional education, reported every three years, to maintain their Enrolled Agent status. NAEA members are obligated to complete 90 hours per three year reporting period. Because of the knowledge necessary to become an Enrolled Agent and the requirements to maintain the license, there are only about 46,000 practicing Enrolled Agents.

UPCOMING PROGRAMS & EVENTS

<u>DATE</u>	<u>PROGRAM / EVENT</u>	<u>CPE</u>	<u>SUBJECT</u>	<u>LOCATION</u>
May 18, 2010	Dinner Meeting	1	Sales and Use Tax Issues	Phoenix Club
June 15, 2010	Dinner Meeting	1	Taxes & Online Gambling	Phoenix Club
July 20, 2010	Dinner Meeting	2	Ethics	Phoenix Club
August 17, 2010	Dinner meeting	1	Elder Abuse and Taxes	Phoenix Club