



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 7 January 2011

Welcome New Member

James Zandi, EA



Dinner Menu

Pork Schnitzel
Chef's Choice Fish
Red Cabbage
Au Gratin Potatoes
Fresh Vegetable Medley
Caesar Salad
Three Bean Salad
Apple Strudel
Black Forest Cake
Coffee, Tea

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

January 18th Program 2 Hrs CPE

QUICKFINDER & TAXBOOK TUTORIALS

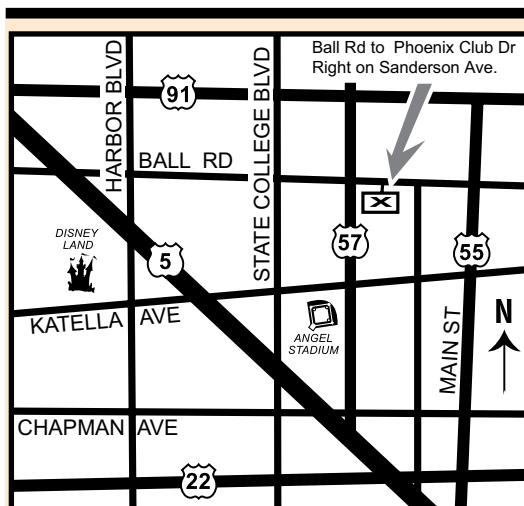
*Presented by Vicki Mulak, EA
and John Rumbold, EA*



Back by popular demand. Vicki Mulak and John Rumbold will be presenting tutorials on the Quickfinder Handbook and the TaxBook for the 2010 tax year. Each tutorial will be presented simultaneously and will last for 2 hours.

Vicki will present the Quickfinder tutorial. It's a walk-through of the 1040 Quickfinder Handbook and the Small Business Handbook, in an effort to discover the wealth of information available in this handy desk reference material. John will lead us through the TaxBook and explore the Individual, Small Business, and Estates & Trust sections.

You will also receive your pre-ordered books at this event. Or, bring your own if you did not order one through the Chapter.



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

Agenda January 18th

4:30 Board Meeting

5:30 Social Time

6:00 Dinner Hour

7:00 2 Hrs CPE Program \$45/\$50

\$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 562-424-3 088 or Lisa Newton EA at 562-267-0351

PRESIDENT'S MESSAGE

by Russell Fox, EA



When I was growing up, I played ice hockey. It might not look it (I'm definitely not that big), but trust me—I have the teeth of a hockey player. What got me to thinking about this is a saying that one of my coaches repeated at every practice: "You miss 100% of the shots you don't take."

Besides assisting our clients with their taxes, many of us are also businesspeople. We have to look to find methods of increasing sales, customer satisfaction, and employee satisfaction. With the economy having its share of troubles over the past year, this has definitely been a challenging time for almost all of us.

The same has been true for OCEA. We're here to help you, by providing some of the best continuing education available on timely topics. We need your help, too: Let us know what you want to hear about. When you attend one of our dinner meetings, complete the evaluation and note the topics you'd like to see. We look at that and use that information in planning future speakers. If you don't tell us what you'd like to hear about (say) mortgage interest, it's not likely you're going to see that as a topic.

The last Special Enrollment Examination (SEE) class was a huge success. We're already planning the next one. Classes will be on Saturdays from 9:00 to 4:00, beginning on June 18th and ending on August 27th. Pricing will be structured and there will be an early registration discount. More information will be on the website (<http://www.eaoc.org/>) beginning in January.

The 2011 Practitioner Seminar will be at the Irvine Hilton on Tuesday, January 11th. Besides earning seven hours of continuing education, you will learn about the Return Preparer Initiative, the Taxpayer Advocate Service, e-filing, and more. You can register and pay online at <http://media-enterprises.com/csea>.

Speaking of the Taxpayer Advocate Service, I recently had a case which might never have been able to be resolved without their help. My client was the victim of a Catch-22, and it took TAS to literally walk various paperwork items from one desk to another at an IRS Service Center to resolve the problem. The Taxpayer Advocate can be a huge help when you have what appears to be an impossible situation.

If you use QuickFinder or the Tax Book, make sure you attend our January dinner meeting on the 21st. Vicki Mulak and John Rumbold will be giving the tutorials on each of these books, and by attending you will be able to fully utilize the material.

The holiday party was a great success, with the rainy weather not putting a damper on festivities. I again want to thank Tish Patterson for her efforts in organizing the music, gift baskets, and poinsettias. There were nineteen gift baskets, and that took a lot of effort. And there were plenty of poinsettias for individuals to take home. Lori Cacioppo did a great job letting us know the changes happening at the IRS and answering questions.

Finally, I want to wish everyone a Happy, Healthy, and Prosperous New Year.

-- Russ



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The Channel Islands, Inland Empire, Palomar, Orange County,
San Fernando Valley, San Diego & South Bay Chapters of CSE,
and the Internal Revenue Service present



2011 Practitioner Seminars

Hear directly from IRS representatives about policies and procedures that impact you and your clients. Learn how to maximize IRS resources to increase your value to your clients, and earn up to 7 hours of CPE. Cost includes handouts, continental breakfast, lunch and refreshments.

Get the latest including:

- ❖ *Return Preparer Initiative – What you need to do to prepare for the 2011 filing season*
- ❖ *Taxpayer Advocate Service – How we can work together to help your clients!*
- ❖ *Collection and Examination Updates*
- ❖ *Modernized e-File & e-Services*

January 10 – Torrance – Holiday Inn, Harbor Gateway, 19800 S. Vermont

- ❖ **Andy Stamatelatos, EA**–1215 Crenshaw Blvd. Torrance, CA 90501, 310-328-8121 Fax 310-328-6312

January 11 – Irvine – Hilton Irvine, 18800 MacArthur Boulevard

- ❖ **Joni Terens, EA**–17632 Irvine Blvd, Ste 150, Tustin, CA 92780, 714-832-4633x4 Fax 714-832-1369

January 12 – San Diego – Sheraton San Diego, 1433 Camino Del Rio South

- ❖ **Roger Garay, EA**–2065 Arnold Way #103, Alpine, CA 91901 619-445-5523 Fax 619-445-1421

January 13 – San Bernardino – Hilton Hotel, 285 E. Hospitality Lane

- ❖ **Connie Bracher, EA**–P.O. Box 3278, Crestline, CA 92325, 909-338-0041 Fax 909-338-5609

January 14 – Burbank – Pickwick Gardens, 1001 Riverside Drive

- ❖ **Clive Edwards, EA**–6227½ Randi Ave. Woodland Hills, CA 91367 818-489-3387 Fax 818-992-6299

January 15 – Santa Barbara – Holiday Inn, 5650 Calle Real, Goleta

- ❖ **Cyndy Scalisi, EA**–270 Storke Road #13, Goleta, CA 93117 805-968-6288 Fax 805-968-6674

COST:

\$170 Registration after 12/31/10 or at the door.

TIME: Registration starts at 7:00 AM

CPE 8:00 AM to 4:00 PM including lunch

Register and pay online at media-enterprises.com/csea

OR

Send check payable to CSEA or fax registration form with credit card information to the contact person shown above for the location you wish to attend.

Please complete a separate form for each attendee.

LOCATION: _____ NAME: _____ ADDRESS: _____ CITY: _____ STATE: ____ ZIP: _____ PHONE: _____ E-MAIL: _____ Check here for a vegetarian lunch _____	EA# _____ CPA# _____ BAR# _____ CTEC# _____ Credit Card #: _____ Expiration Date: _____ Signature: _____ Credit card name if different than attendee: _____
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From The Quill

Notes from your Secretary

- Our OCEA Shredding Day has become an annual event, due to popular request! Put January 22, 2011 from 8:00-Noon on your calendar and tell your clients about it too! It will again be held in Orange, and watch for further details elsewhere in the newsletter.
- Our new Membership Directories went out in December, thanks to a wonderful job by Lisa Newton. If you didn't receive one or if you need extras, contact Lisa. Check your information and make sure it is correct, and if not contact CSEA to make corrections.
- Our new microphone system is being ordered and hopefully we'll enjoy it at our January meeting!
- Your Board of Directors is working toward Website update proposals from vendors and is looking for anyone interested in being on a "website coordination committee". If you have website knowledge and are able to help, please contact John Kristianson. The goal will be to make decisions about our needs and evaluate vendors by May.
- A decision was made to give our waiters and bartender some recognition at our holiday meeting, along with a total of \$300 in gratuities. It was the Board's intention to show appreciation for excellent service all year.
- CSEA has prepared and distributed 2010-2011 Action Plans to increase public recognition of EA's as the preferred tax professionals.



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TAX TEASER

By Blake Quelle, EA



David sold a building for \$100,000 cash plus property with a fair market value (FMV) of \$10,000. He had purchased the building 5 years ago for \$85,000. He made \$30,000 worth of improvements and deducted \$25,000 for depreciation. The buyer assumed David's real estate taxes of \$12,000 and mortgage of \$20,000 on the building. What is the amount realized, under IRC Section 1001, on the sale of the building?

- A. \$110,000
- B. \$142,000
- C. \$130,000
- D. \$145,500

Answer B

OCEA is Looking for Future Leaders

The current administration is running like a fine tuned engine, firing on all 8 cylinders. Now is the time for future OCEA leaders to join us to see how a well run organization operates. Director positions for the next term are available. We are always looking for new people with new ideas to get involved. Those interested in being on a winning team, please contact: Joe Guccione at gucci-one@msn.com



John Rydell (562) 425-0564
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Starting in 2011, Many Paid Preparers Must e-File Federal Income Tax Returns for Individuals, Estates and Trusts

WASHINGTON — The Internal Revenue Service today detailed how, starting Jan. 1, 2011, paid tax return preparers can comply with a new law that requires paid tax return preparers who meet the definition of “specified tax return preparer” under the new law to electronically file (e-file) federal income tax returns that they prepare and file for individuals, trusts and estates.

The e-file requirement will be phased in over two years.

Starting Jan. 1, 2011, paid preparers who prepare income tax returns for individuals, trusts and estates, such as Forms 1040, 1040A, 1040EZ, and Forms 1041, and who reasonably expect to file 100 or more of these income tax returns in 2011 are specified tax return preparers required to file these returns electronically.

Tax return preparers who are members of a firm are specified tax return preparers and must electronically file the income tax returns they prepare and file if the firm’s preparers, in the aggregate, expect to file 100 or more of these income tax returns in 2011.

Starting Jan. 1, 2012, the 100-return threshold will be reduced to 11 or more income tax returns that the preparer, or the preparer’s firm in the aggregate, expect to file in 2012 for individuals, trusts and estates.

“Electronic filing is the safest, fastest and easiest way for taxpayers to file their tax returns. E-filing is good for the tax system, good for taxpayers and good for the tax preparation industry,” said IRS Commissioner Doug Shulman. “This requirement reflects the realities of the modern world where technology has evolved to the point that everyone should be filing their tax returns electronically.”

To comply with the new law, a tax return preparer who is subject to the electronic filing requirement and does not already provide e-file for clients must become an authorized IRS e-file provider, which means he, she, or the firm, if the preparer is a member of a firm, must obtain an electronic filing identification number (EFIN). It takes up to 45 days to obtain an EFIN so return preparers who have not started the process should start immediately.

Proposed regulations issued today detail the two-year phase-in

plan and provide exclusions from the e-file requirement for undue hardship waivers approved by the IRS and for certain administrative exemptions. In addition, under the proposed regulations, the e-file requirement does not apply to an individual income tax return when a tax return preparer’s taxpayer-client chooses to have the return completed in paper format and the taxpayer-client, and not the

preparer, will file the paper return with the IRS. A notice issued with the proposed regulations contains a proposed revenue procedure on undue hardship waivers and taxpayer choice statements to file in paper format.

Tax professionals and other interested parties have until Jan. 3, 2011 to submit comments regarding the proposed regulations and the notice

of proposed revenue procedure. Final regulations will be published in early 2011, but will be retroactively effective as of Jan. 1, 2011, as described in the proposed regulations.

Advantages of IRS e-file

The e-file requirement for paid tax return preparers was approved by Congress in 2009, based on recommendations from the IRS, the Treasury Inspector General for Tax Administration and the Electronic Tax Administration Advisory Council. Numerous states already have a similar electronic filing requirement.

In 1998, Congress set a goal of having 80 percent of tax returns electronically filed. Last year, two of every three individual tax returns were transmitted through IRS e-file.

IRS e-file benefits taxpayers and tax return preparers. For the tax return preparer, it can mean a more efficient, productive business and fewer errors on the tax return. It is safe and secure. For taxpayers, it can mean faster refunds, the ability to file now and pay later and peace of mind that comes with a receipt acknowledgement.

This year marks the 20th anniversary of IRS e-file as a national program. And in those 20 years, IRS e-file has transmitted more than 800 million tax returns safely and securely.



Just 4 Fun

Mayonnaise Jar and 2 Cups Of Coffee

Submitted by Ralph Mantecon, EA

When things in your life seem
Almost too much to handle,
When 24 Hours in a day is not enough,
Remember the mayonnaise jar
And 2 cups of coffee.

A professor stood before his philosophy class
And had some items in front of him.
When the class began, wordlessly,
He picked up a very large
And empty mayonnaise jar
And proceeded to fill it with golf balls.

He then asked the students
If the jar was full.
They agreed that it was.

The professor then picked up a box of pebbles
And poured them into the jar.
He shook the jar lightly.
The pebbles rolled into the open
Areas between the golf balls.

He then asked
The students again
If the jar was full..
They agreed it was.

The professor next picked up a box of sand
And poured it into the jar.
Of course, the sand filled up everything else.
He asked once more if the jar was full.

The students responded
With an unanimous
'yes.'

The professor then produced
Two cups of coffee from under the table
And poured the entire contents
Into the jar, effectively
Filling the empty space between the sand.
The students laughed.

'Now,' said the professor,
As the laughter subsided,
'I want you to recognize that
This jar represents your life.

The golf balls are the important things -
God, family, children, health,
Friends, and Favorite passions --
Things that if everything else was lost
And only they remained,
Your life would still be full.

The pebbles are the other things that matter
Like your job, house, and car.

The sand is everything else --
The small stuff.

'If you put the sand into the jar first,'
He continued,
'there is no room for
The pebbles or the golf balls.
The same goes for life.

If you spend all your time
And energy on the small stuff,
You will never have room for
The things that are
Important to you.

So...

Pay attention to the things
That are critical to your happiness.
Play With your children.
Take time to get medical checkups.
Take your partner out to dinner.
Play another 18.

There will always be time
To clean the house
And fix the disposal.

'Take care of the golf balls first --
The things that really matter.
Set your priorities.
The rest is just sand.'

One of the students raised her hand
And inquired what the coffee represented.

The professor smiled.
'I'm glad you asked'.

It just goes to show you that no matter how full
Your life may seem, there's always room for
A couple of cups of coffee with a friend.'

Please share this with
Someone you care about.



CLASSIFIEDS

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

EXPERIENCED EA or CPA needed for established tax practice in Fountain Valley. Must have at least 5 years of experience with diverse personal returns, corporate, partnership, and trust returns. Owner will be semi-retiring within 3 years, the right person may have the opportunity to purchase part of the tax practice. Lacerte experience is required, QuickBooks is preferred. Contact Judee Slack, EA at 714-755-1040 or email resume to judee@slacktax.com 12/10

ARE YOU SELLING A TAX PRACTICE? Enrolled agent with 36 year's experience is seeking to purchase a tax practice of 100-250 clients in the North Orange County area (Fullerton, Anaheim, Buena Park, La Mirada). Please contact Kenneth Clark, EA at (562) 902-9169 or kennethwclark@hotmail.com 12/10

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ISN'T IT ABOUT TIME YOU GOT YOUR OWN OFFICE? The Coronado Building in Tustin, is offering a few single-office monthly rentals to help people move into a commercial office building with ease. Conveniently located on Irvine Blvd. and the CA 55 freeway, the building is very nice, and well maintained. There is no long-term lease to worry about. Rents run from \$165 to \$275 per month - with free Wi-Fi included! For an additional \$10 per month it comes furnished, and parking is always free. Contact Ken Noland or Rita Downs at (714) 505-0015 for a showing. 11/10

FOR LEASE. Share office space with other professionals in Anaheim Hills (La Palma Ave & Lakeview). \$600 per month for a 120 square foot furnished office including utilities except telephone. Call Faye Genadry EA at (714) 321-2660. 10/10

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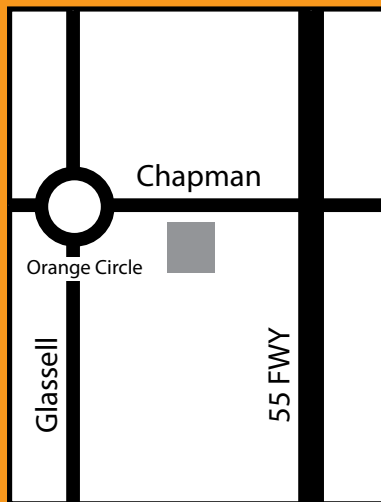
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The Tax Professionals

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OCEA DOCUMENT SHREDDING DAY

SATURDAY, JANUARY 22, 2011

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Time: 8:00 am to 12 noon

UPCOMING PROGRAMS & EVENTS

<u>DATE</u>	<u>PROGRAM / EVENT</u>	<u>CPE</u>	<u>SUBJECT</u>	<u>LOCATION</u>
Jan 11, 2011	IRS/Practitioner Seminar	7		Hilton Irvine
Jan 18, 2011	Dinner Meeting	2	Quickfinder Tutorial	Phoenix Club
Feb 15, 2011	Dinner Meeting	1	California Update	Phoenix Club