

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 9 March 2010

Welcome to New Members

David Gonzalez, EA
Jill Risbon-Abusham, EA
William Rothenberg, EA



Dinner Menu

Corned Beef and Cabbage w/
Horse Radish Sauce
Chef's Choice Fish
Boiled Potatoes
Rice Pilaf
Garden Green Salad
Caesar Salad
Corn and Black Bean Salad
Strawberry Shortcake
Bee Sting 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 405 Members strong and proud to be the largest Chapter of CSEA.

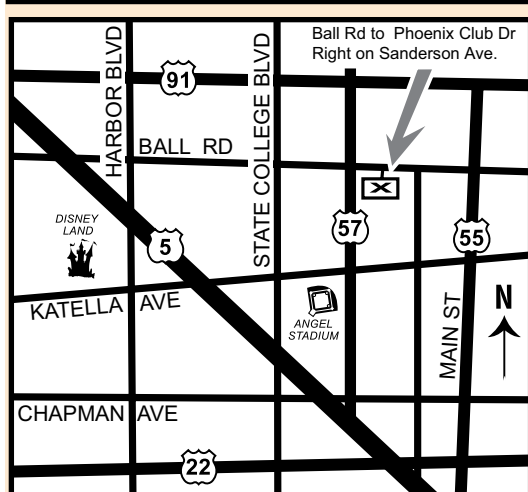


March 16th Program
1 Hr CPE Program

IRS' Initiative to Regulate Tax Preparers

by Lori Cacioppo

Lori began her IRS career in 1975 in New York. Prior to her current position as Senior Stakeholder Liaison, she held the position of Taxpayer Education and Electronic Filing Manager. She has held other positions in the Examination arena as well, including Section Chief of Quality Review, Office Examination Group Manager, Office Auditor and various other positions at the Brookhaven Service Center.



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

Agenda March 16th

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



As you are reading this letter, we are almost half way through tax season and I hope you are all holding up. Between all the new tax laws, lack of conformity by California and the new Use Tax Filing requirement I think it has been a little crazier than usual. Again, I am grateful that I have my colleagues in this organization to turn to when I have situations that I need a little help with. I am always moved by the generosity of our members to help each other, there is never a call for help that goes unanswered and I count that as one of the great benefits our chapter offers.

Your Board has done an exceptional job these past months being sure that everything is in order so they can all concentrate on their own business during these months. The only things I would like you to keep in mind, that the Board and the Education committee are focusing on, is this year's education. We are still looking for Members to teach courses, to help organize and to volunteer in any capacity you are willing. This year we are committed to taking our education to the next level and it will require a combined effort to get it done. We are planning the first new class in late May or June. We are tentatively scheduling our next Education Meeting before the May dinner meeting which is May 18th. I will let you know definitely as we get closer to that date. I hope you will think about getting involved.

If you were at the February meeting, you heard that we are starting to have some designated greeters at each meeting. We are doing this because I have learned over the past few years that new members feel somewhat intimidated coming into a group as large as ours and don't know exactly what to do or where to go. John Kristiansen, our Membership Chair, is recruiting Members to stand by the sign in table and greet all members, but especially new members. We want to be sure they are welcomed and brought together with another member that will spend the evening with them and help them through the awkwardness of being a new member. This month Mike Darany graciously accepted the request for help and was our "new member buddy". I know how great you all are, and how helpful you are when you know someone needs a little help, however, if you don't know there is a need, you can't do anything about it. I want to be sure everyone who comes through our door, guest or new member, knows how great you are and how great our chapter is! This is an easy job for all of us, if you are interested in helping, contact John Kristiansen.

I think I did a pretty good job in keeping this letter short enough that you can take time to read it.

Although we are all busy working, just like you, the Board and I are always available for any questions of issues you need addressed. Please do not hesitate to contact us if you have something on your mind.

Lori Cacioppo, the IRS Senior Stakeholder Liaison will be our speaker at our March 16th Meeting. If you can work it into your schedule, please try to attend, Lori always has plenty of good things to tell us. Hope to see you March 16th!



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Patti

EATING FRUIT...

Submitted by Ralph Mantecon, EA

We all think eating fruits means just buying fruits, cutting it and just popping it into our mouths. It's not as easy as you think. It's important to know how and when to eat. What is the correct way of eating fruits?

IT MEANS NOT EATING FRUITS AFTER YOUR MEALS! * FRUITS SHOULD BE EATEN ON AN EMPTY STOMACH.

If you eat fruit like that, it will play a major role to detoxify your system, supplying you with a great deal of energy for weight loss and other life activities.

FRUIT IS THE MOST IMPORTANT FOOD. Let's say you eat two slices of bread and then a slice of fruit. The slice of fruit is ready to go straight through the stomach into the intestines, but it is prevented from doing so.

In the meantime the whole meal rots and ferments and turns to acid. The minute the fruit comes into contact with the food in the stomach and digestive juices, the entire mass of food begins to spoil....

So please eat your fruits on an empty stomach or before your meals! You have heard people complaining — every time I eat watermelon I burp, when I eat durian my stomach bloats up, when I eat a banana I feel like running to the toilet, etc — actually all this will not arise if you eat the fruit on an empty stomach. The fruit mixes with the putrefying other food and produces gas and hence you will bloat!

Graying hair, balding, nervous outburst, and dark circles under the eyes all these will NOT happen if you take fruits on an empty stomach.

There is no such thing as some fruits, like orange and lemon are acidic, because all fruits become alkaline in our body, according to Dr. Herbert Shelton who did research on this matter. If you have mastered the correct way of eating fruits, you have the Secret of beauty, longevity, health, energy, happiness and normal weight.

When you need to drink fruit juice - drink only fresh fruit juice, NOT from the cans. Don't even drink juice that has been heated up. Don't eat cooked fruits because you don't get the nutrients at all. You only get to taste. Cooking destroys all the vitamins.

But eating a whole fruit is better than drinking the juice. If you should drink the juice, drink it mouthful by mouthful slowly, because you must let it mix with your saliva before swallowing it. You can go on a 3-day fruit fast



to cleanse your body. Just eat fruits and drink fruit juice throughout the 3 days and you will be surprised when your friends tell you how radiant you look!

KIWI: Tiny but mighty. This is a good source of potassium, magnesium, vitamin E & fiber. Its vitamin C content is twice that of an orange.

APPLE: An apple a day keeps the doctor away? Although an apple has a low vitamin C content, it has antioxidants & flavonoids which enhances the activity of vitamin C thereby helping to lower the risks of colon cancer, heart attack & stroke.

STRAWBERRY: Protective Fruit. Strawberries have the highest total antioxidant power among major fruits & protect the body from cancer-causing, blood vessel-clogging free radicals.

ORANGE : Sweetest medicine. Taking 2-4 oranges a day may help keep colds away, lower cholesterol, prevent & dissolve kidney stones as well as lessens the risk of colon cancer.

WATERMELON: Coolest thirst quencher. Composed of 92% water, it is also packed with a giant dose of glutathione, which helps boost our immune system. They are also a key source of lycopene — the cancer fighting oxidant. Other nutrients found in watermelon are vitamin C & Potassium.

GUAVA & PAPAYA: Top awards for vitamin C. They are the clear winners for their high vitamin C content. Guava is also rich in fiber, which helps prevent constipation.. Papaya is rich in carotene; this is good for your eyes.

Never Drink Cold water after a meal! It is nice to have a cup of cold drink after a meal. However, the cold water will solidify the oily stuff that you have just consumed.. It will slow down the digestion. Once this 'sludge' reacts with the acid, it will break down and be absorbed by the intestine faster than the solid food. It will line the intestine. Very soon, this will turn into fats and lead to cancer. It is best to drink hot soup or warm water after a meal.

A serious note about heart attacks **HEART ATTACK PROCEDURE'**: (THIS IS NOT A JOKE!) Women should know that not every heart attack symptom is going to be the left arm hurting. Be aware of intense pain in the jaw line. You may never have the first chest pain during the course of a heart attack. Nausea and intense sweating are also common symptoms. Sixty percent of people who have a heart attack while they are asleep do not wake up. Pain in the jaw can wake you from a sound sleep. Let's be careful and be aware. The more we know the better chance we could survive.

Read this....It could save your life!!



Anti-Tax Law Evasion Schemes

An excerpt from IRS' e-news for tax Professionals

Talking Points

* All citizens must comply with the requirements of the tax law to file returns and pay taxes. Fortunately, the vast majority of Americans recognizes their civic duty and voluntarily complies with their tax-filing obligation. Taxpayers who fail to file income tax returns and pay taxes pose a serious threat to tax administration and the American economy. Their actions undermine public confidence in the Service's ability to administer the tax laws fairly and effectively.

* Whether because of an inability to pay or severe procrastination, some citizens drop out of the tax system. The IRS has made attempts to make it easier for persons to voluntarily comply with the tax laws and to bring themselves current on any outstanding filings or tax due. Assistance is provided to those persons to resolve issues that caused them to drop out of the tax system and bring them back into compliance.

* When the Sixteenth Amendment to the Constitution was ratified (February 3, 1913) giving Congress the power "to lay and collect taxes on incomes", citizens began arguing that it was not properly ratified and income taxes are illegal. Unfortunately, some citizens continue to

raise such arguments in spite of the fact that they have no basis in law and the courts have repeatedly rejected their arguments as frivolous.

* Unscrupulous promoters and their followers have long employed frivolous arguments concerning the legality of the income tax as pretexts to enrich themselves or evade their taxes. Their motivation is usually monetary, not some legitimate purpose or belief. Anti-taxation groups have been around for a long time. They are small but vocal. Though the leadership of these movements used different arguments to gain followers, they all share one thing in common; they received substantial sentences in a federal prison for their activities. Their followers paid a steep price for following bad advice. Some were prosecuted, many more were involved in years of litigation and ultimately had to pay all taxes owed along with penalties and interest.

* People who are considering involving themselves in these anti-taxation "programs" should consider the consequences. Tax evasion is a serious crime punishable by imprisonment, fines, and the imposition of civil penalties.

* Complicated arguments against the American tax system are built by stringing together unrelated ideas plucked from widely conflicting court rulings, dictionary

definitions, government regulations, and other sources. Some of the most popular arguments follow:

I. Compensation Argument

Wages, tips and other compensation received for personal services are not income because there is allegedly no taxable gain when a person “exchanges” labor for money.

The Truth: The Internal Revenue Code defines gross income as income from whatever source derived and includes compensation for services.

II. Internal Revenue Code Arguments

- (1) There is no Internal Revenue Code that imposes taxes;
- (2) Only “individuals” are required to pay taxes; or
- (3) The IRS can only assess taxes against people who file returns.

The Truth: The tax law is found in Title 26 of the United States Code. The requirement to file an income tax return is not voluntary and it is clearly set forth in the Internal Revenue Code (IRC) Sections 6011(a), 6012(a), et seq., and 6072(a). Our system of taxation allows taxpayers to determine the correct amount of tax and complete the appropriate forms “voluntarily” rather than have the government do it for them. However, any taxpayer whose income falls below the statutory amount, does not have to file a return.

III. Sixteenth Amendment Argument

The Constitutional Amendment establishing the basis for income tax was never properly ratified.

The Truth: The Sixteenth Amendment was properly ratified in 1913, and it states “The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration.”

IV. Constitutional Argument

Filing a Form 1040 violates the Fifth Amendment right against self-incrimination or the Fourth Amendment right to privacy.

The Truth: The courts have consistently held that

disclosure of the type of routine financial information required on a tax return does not incriminate an individual or violate the right to privacy.

V. Religious Arguments

Individuals invoke the Freedom of Religion clause of the First Amendment by taking a vow of poverty or by fraudulently claiming charitable contributions of 50% or more of their adjusted gross income.

The Truth: Taking a purported vow of poverty or claiming fraudulent contributions to filter income through a church is not legal. Many fraudulent religious organizations use funds for personal expenses.

VI. Forming a Trust Argument

Forming a business trust to hold your income and assets will avoid taxes. A family estate trust will allow you to reduce or eliminate your tax liability.

The Truth: Although there are legitimate trusts and legitimate reasons why individuals establish trusts, establishing a trust, foreign or domestic, for the sole purpose of hiding your income and assets from taxation is illegal and will not absolve you of your tax liability. The underlying claims for many “untaxing” trust packages rely on other frivolous arguments--arguments that have subjected promoters, as well as willing participants, to criminal penalties.

* Some American citizens use these and other clever arguments advocating non-compliance with the tax laws. Don't be misled. Inspect their promotional material carefully. Aside from being false and misleading, you will notice the materials often contain elaborate disclaimers such as “this report is offered as vehicle for discussion and debate and for general informational purposes only. It does not constitute legal or professional advice and should not be relied on as a substitute for proper research and inquiries into original sources of authority.” Actually, many of these promoters don't even follow their own advice but choose to pay their own taxes.

* The IRS will:

- (1) Assist taxpayers who have been misled to correct their returns; and
- (2) Vigorously pursue prosecution and prison sentences for individuals who violate the tax laws.

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
2nd VP	Donna Miller
Secretary	Patricia Yeckel
Treasurer	Robin Miller
Directors:	Dan Carlberg
	John Kristianson
	Devang Mehta
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Quickies From The Quill

- Since we are all fully “engulfed” in TAX SEASON at this time, it was agreed that the Board Meeting before the March meeting will be at 5:00 instead of 4:30. Any members who like to attend these meetings as guests should note this on their calendar.
- Again this month the Board discussed the importance of everyone getting in the habit of making your reservation for the monthly dinner meeting as soon as you get the Newsletter in the mail. We are gradually making progress on this, but still have to do better.
- If anyone has suggestions about topics or speakers you’d like to hear, please contact Russell Fox. We know that many members come mostly because of the topic and the speakers that are scheduled, and we’d like to hear your ideas.
- The committee is gearing up for another SEE course this year and another CTEC class, so if you think of someone who would benefit from these excellent programs, let them know now. More details will follow. Our Chapter is a leader in education programs, so take advantage of them!
- From now on, the buffet table line at the dinner meetings will not start until the guest speaker gets there, so the speaker has time to eat before the presentation. Let’s be mannerly and considerate, also when announcements are being made from the podium.
- Again, if you are interested in being on the Board or on a committee, contact Joe Guccione, Chair of the Nominating Committee, as he is still looking for interested candidates.
- Again, are you interested in helping be a “greeter” at our meetings and helping with the Membership Committee? If so, John Kristianson would love to hear from you!

Chapter Secretary, Patricia Yeckel, EA

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BI-LINGUAL (SPANISH-ENGLISH) EA WANTED P/T to F/T for tax season. UltraTax experience helpful. San Juan Capistrano office. Contact Patti Kappen at patti@sanjuanfinancial.com. 12/09

NEED EXTRA HELP? Enrolled Agent/CFP looking for per diem tax preparation or bookkeeping work. Knows Quickbooks and Lacerte. Proficient with individual, corporation, partnership, LLC, and estate/trust tax returns. Call Sallie Allen at (562) 987-2151. salliea@aol.com. 7/09

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How does one become an Enrolled Agent?

The license is earned in one of two ways, by passing a comprehensive examination which covers all aspects of the tax code, or having worked at the IRS for five years in a position which regularly interpreted and applied the tax code and its regulations. All candidates are subjected to a rigorous background check conducted by the IRS.

UPCOMING PROGRAMS & EVENTS

<u>DATE</u>	<u>PROGRAM / EVENT</u>	<u>CPE</u>	<u>SUBJECT</u>	<u>LOCATION</u>
March 16, 2010	Dinner Meeting	1	IRS Update	Phoenix Club
April, 2010	No Meetings			
May 18, 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