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Members enrolled to practice before
the Internal Revenue Service



OCEA Newsletter Editor
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The Tax Experts



Orange County Chapter
California Society of Enrolled Agents

UPCOMING PROGRAMS and EVENTS

DATE	PROGRAM / EVENT	CPE	SUBJECT	LOCATION
February 15	Dinner Meeting	1 hr	California Update	Phoenix Club of Anaheim
March 15	Dinner Meeting	1 hr	IRS Update	Phoenix Club of Anaheim
April 15	T.G.I.O. Party		Celebrate End of Tax Season!	Phoenix Club of Anaheim
May 4	Seminar	5 hrs	IRS E-File Roundtable	Phoenix Club of Anaheim
May 17	Dinner Meeting	1 hr	Gift and Estate Tax Traps	Phoenix Club of Anaheim
June 21	Dinner Meeting	2 hrs	Ethics	Phoenix Club of Anaheim
July 9 - Sept 10	Special Enrollment Exam Course (10 Saturdays)			PFF Bank in Tustin
July 19	Dinner Meeting	2 hrs	Pass Through Entities	Phoenix Club of Anaheim
November 17 & 18	2 Day Seminar	16 hrs	Fall Update Seminar	Phoenix Club of Anaheim



The Tax Experts



The Orange County ENROLLED AGENT



The Tax Experts

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

www.eaoc.org

Volume 2004-2005 Issue 8
FEBRUARY, 2005

1 HOUR CPE PROGRAM (CTEC Approved)



QUICKIES from the QUILL



ALL PAST PRESIDENTS OF OCEA are invited to attend the February dinner meeting as a guest of the Chapter.



SCHOLARSHIPS are available for applicants who wish to further their education in the tax profession. (see page 3)

**HAVE A GREAT
TAX SEASON!**

AGENDA February 15th, '05

- 4:30 Board Meeting
- 5:30 Social Time
- 6:00 Dinner Hour
- 7:00 CPE Program

Meeting Location

Phoenix Club
1340 Sanderson Ave, Anaheim
(57 Freeway to Ball Rd exit, then EAST to Phoenix Club Dr, turn RIGHT to Sanderson Ave)

Wear your name badge and be recognized.

California Tax Update

Presented by
Lynn Freer, EA



Lynn Freer EA from Spidell Publishing will present a one hour presentation on California tax issues. Lynn Freer is widely known throughout California as being the foremost authority on California taxes.

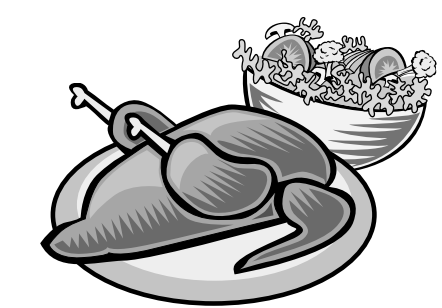
Spidell publishes the California Taxletter, Analysis & Explanation of California Taxes, and a new publication, the Elderly Care Planner.

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DINNER MENU

- Beef Roulade
- Roast Chicken
- Whipped Potatoes
- Spatzle
- Fresh Steamed Vegetables
- Tomato & Artichoke Hearts
- Garden Green Salad, 2 Dressings
- Fresh Fruit
- Rolls & Butter
- Apple Strudel
- German Chocolate Cake
- Coffee, Decaf, Hot & Iced Tea

ALL YOU CAN EAT BUFFET



\$30 for pre-registration before 4:00 P.M. on the Friday prior to the dinner meeting; \$35 for on-site registration.

Phone registration to Peggy Ligori, EA at 951-325-8877 or email reservation@eaoc.org (please include your EA number). Peggy will be using last years permanent list for this year, too. If you want to be added to the permanent list, or deleted from it, please contact Peggy.



PRESIDENT'S MESSAGE

by Bill Geideman, EA



Bill Geideman, EA

The February dinner meeting will feature our traditional program by Lynn Freer, EA of Spidell Publishing, who will give us a California update. The amnesty program by the FTB started on February 1 and runs through March 31. You should be aware of the implications of amnesty for your clients, both positive and negative. Come to the February meeting and hear Lynn explain it and be there to answer your questions.

A number of chapter members attended the tax call-in program at the Orange County Register in February. This is an important program in our efforts to publicize Enrolled Agents and make people aware of who we are. As usual, all the chocolate cookies were consumed early.

Our education chair, Patty Kappen, EA seeks input from all members on what kind of education programs would interest you. Her phone number and E-mail address are listed in the directors section of this newsletter. The next major event is the E-file Roundtable which will be held at the Phoenix Club on May 4. This event provides 5 hours of CPE and allows practitioners to discuss any E-file questions with both IRS and FTB representatives.

If you haven't visited our website lately, I encourage you to go there at www.eaoc.org. Neal Gallaway, EA has done a fantastic job in upgrading and improving the site. Your comments and any suggestions are welcomed by Neal.

The newsletter advertising function has been assumed by Coleman Cook, EA. We still have three vacancies in our advertiser list. If you know of anyone who would like to advertise, please let me know and I will get their name to Coleman.

~ Bill

TAX TEASER by Dale Larsen, EA

Sherwood received disability income of \$6,000 for 2003. All premiums on the health and accident policy were paid by his employer and included in Sherwood's income. In addition, he received compensatory damages of \$10,000 as a result of inadvertent poisoning at a local restaurant. He received no other income this year.

How much income must Sherwood include on his 2003 tax return?

- A. \$16,000
- B. \$10,000
- C. \$6,000
- D. \$0

ANSWER: D

Chapter Phone:
800-797-1410



The Tax Experts

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Conformity	Credits												
Partnerships	Sales taxes												
LLCs	Corporate tax												
Payroll taxes	Property taxes												
Estates and trusts	Personal income tax												
Periods and methods	And more!												

The CLASSIFIEDS

FAST GROWING LA MIRADA FIRM seeks a corp. tax professional for a full-time position w/ benefits. The qualified applicant will have strong background in tax preparation, including individual, corporate, and partnership tax preparation. Experience in IRS/FTB negotiation, collections and representation is a plus. Candidates who are a CPA or an EA are a plus. Must have strong computer skills. Experience w/ defined benefit planning is a plus. Fax resumes: 562-404-3126; E-mail: nathan@liberatorecpa.com

OFFICE SPACE AVAILABLE - ANAHEIM Located within a two-story professional CPA office. Shared reception, kitchen area, conference Room. Internet access. \$350/month. Call Lee Akin, EA (714) 491-9500 Strayer Saylor and Associates, Inc.

AVAILABLE OFFICE SPACE in Irvine. Airport area windowed office in Koll Center mid-rise building. 11' by 16' plus shared secretarial area and kitchen with 3 EA's and CPA's. Furnished or unfurnished \$600 per month. 18401 Von Karman #260. Call Rich Quartermann, EA at (949) 261-2111.

OCEA MEMBERS Have questions regarding bankruptcy, business formations or business litigation? Call a certified specialist in personal and small business bankruptcy with 24 years of experience practicing law in Orange County. Call Rick Barnett, Barnett & Rubin (AV rated), 949-261-9700 or rick@brlawyers.com

OFFICE SPACE AVAILABLE - Laguna Hills Located in Hillside Plaza, a mid-rise building. 10' x 16' office. Share reception, secretarial and kitchen area with 4 EA's. \$580/month. 23161 Mill Creek Drive, Suite 350. Call Dale Lankford, EA @ (949) 768-8336

IRS COLLECTION PROBLEM? Got a client with an IRS collection problem? Call Carl! OCEA member, retired IRS Revenue Officer. Phone/fax 949-589-1137, E-mail Carl Carter at buick61guy@aol.com preferred.

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PLEASE NOTE: Classifieds are available for OCEA members & associates to advertise items for sale or rent, want ads and employment opportunities. Ads will run for two consecutive months free of charge (or longer based on space available. Please let us know when your ad is no longer needed). Email to 4quelle@msn.com or FAX your ad copy to 714-899-2224. Be sure to include your name and phone number or email.



By Bill Guideman, EA, MBA

TAX HINTS

DID YOUR CLIENT PAY AMT LAST YEAR? If so, the state income tax refund may not be includable as income this year.

The IRS code says that state tax refunds are taxable income to the extent that they reduced tax in the prior year. Since income tax is excluded as a deduction for AMT, the prior year may not have been reduced by the income tax deduction. Rerun the prior year's tax return without the state income tax deduction and see what the difference is in tax due. If there is no difference, the tax refund is NOT income.

FIND AN ENROLLED AGENT!

With tax season almost upon us, there couldn't be a better time to take advantage of signing up for the **FIND AN ENROLLED AGENT ONLINE ADVERTISING PROGRAM**. This is **FREE** advertising and any Member who is looking for business should avail themselves of this opportunity.

The CSEA office received numerous calls during tax season asking where a taxpayer can find an Enrolled Agent. Those calls are directed to the website but if there are no Enrolled Agents signed up in the taxpayer's area there is little value to the taxpayer and it is a lost opportunity for a Member. **SIGN UP NOW, TODAY** to ensure you are available when a taxpayer calls!

Signup forms and information are available at:

www.csea.org

Just a quick note...

TRUE or FALSE?

We want you to know what we have been doing on your behalf - and we want you to have a little fun! Take this quick quiz to test your OCEA knowledge to see how much you know about OCEA (see answers below). Then go back to the Associate Application Form on page 5!



- 1) OCEA members and associates meet the third Tuesday of every month for continuing professional education.
- 2) OCEA members and associates look to one another as peers and as such have "open door" access to some of Orange County's most experienced tax professionals for Q & A.
- 3) OCEA publishes a monthly newsletter to keep our members and associates informed about local programs and events.
- 4) OCEA has scholarships available for tax related education.
- 5) OCEA members and associates can volunteer to speak publicly through our Speaker's Bureau. This is a great confidence builder!
- 6) OCEA helps you to be the best tax professional that you can be by offering advanced level tax preparation classes.
- 7) OCEA can help you pass the IRS' Special Enrollment Exam so that you too can become an Enrolled Agent.
- 8) OCEA has a website at www.eaoc.org so that you may easily find member and associate contact information.

ANSWERS: All of the above are TRUE and only highlight a few of the benefits offered by OCEA to members and associates!

SCHOLARSHIPS

Do you know anyone who would like to become an Enrolled Agent? Bill Geideman's EA Preparation Class has the highest pass rate in the state of California. In its efforts to promote the Enrolled Agents profession as a career choice, CSEA offers scholarships. If you would like an application, email your request to: taxmatters@sbcglobal.net and you will receive an application as soon as they are available.

WHO QUALIFIES? Residents of California sponsored by one of CSEAs local chapters who are planning to attend an educational institution or preparatory course for The Special Enrollment Examination. The application contains all instructions. Early applications will be reviewed and, if necessary, returned for resubmission including any missing information. OCEA will review all applications before forwarding them to the CSEA Scholarship Committee for final scoring.

WHAT ARE SOME OF THE QUALIFICATIONS?

Complete the Scholarship Application, including the following:

- What are your educational goals?
- What are your career and professional goals?
- What additional information do you feel would be helpful to us in evaluating your application?
- In 50 words or less: **"What is an Enrolled Agent?"**
- Are you interested in joining a professional tax organization?

AMOUNT OF SCHOLARSHIP?

Varies - up to 100% of requested amount. Scholarship is limited to tuition and books only.

TIPS AND TRICKS: Remember, neatness counts!

"WHAT IS AN ENROLLED AGENT?" (under 50 words)

- If applicable, include additional information about your career.
- Looks count—Submitting a good presentation increases your chances of success!

For your application, email taxmatters@sbcglobal.net

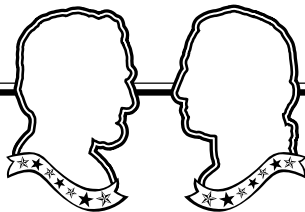


Cathy Patel, EA
Scholarship Committee Chair

OCEA RECOGNIZES
PAST PRESIDENTS

February is past presidents month. All past presidents of CSEA are invited to attend the February 15th dinner meeting at the Phoenix Club of Anaheim as a guest of the chapter.

OCEA wants to say thank you to all past presidents whose contributions led to our chapter's growth and success.



D.J. Atkinson, EA	1973/74
Howard Sobelman, EA	1974/75
Peter Remeika, EA	1975/76
S, Robert Radus, EA	1976/77
Robert Pugh, EA	1977/78
Lester Starbard, EA	1978/79
Derral Wilson, EA	1979/80
Squire Burke Sr., EA	1980/81
Harold Shafer, EA (Dcsd.)	1981/82
Del Schmidt, EA	1982/83
Leona Flansberg, EA	1984
Arthur Koehler, EA	1985
Bill Kirkendall, EA	1986/87
Yvonne Kirkendall, EA	1987/88
Donna Nance, EA	1988/89
Clay Ball, EA	1989/90
Frank Nathan, EA	1990/91
Marcia Davis, EA	1991/92
Doug Pryor, EA	1992/93
Joni Goff-Terens, EA	1993/94
R. Michael Reedy, EA	1994/95
Yvonne Kirkendall, EA	1995/97
Dale Quelle, EA	1997/98
Bill Guideman, EA	1998/99
Al Shifberg-Mencher, EA	1999/00
Rich Quarterman, EA	2000/02
Bill Williams, EA	2002/03
Curt Harrington, EA	2003/04

SPECIAL ANNOUNCEMENT !!!

The American Academy of Tax Practice (East) and NAEA's National Tax Practice Institute have affiliated.

The East Session of the American Academy of Tax Practice will be held in Washington, DC on Sunday, Monday and Tuesday - July 31, August 1, and August 2, 2005 in affiliation with NTPI 2005, which will run the same dates. There will be no changes in American Academy format, instruction or intensity.

The West Session of the American Academy of Tax Practice will be held in 2005, as it traditionally is, in Las Vegas, Nevada beginning the Wednesday after Labor Day (September 7, 8, and 9).

MARK YOUR CALENDARS NOW !

Jean & Bryan Gates, EAs
American Academy of Tax Practice

BECOME A BETTER TAX
PROFESSIONAL - JOIN CSEA!

Are you a seasoned tax professional? Or are you just starting your career in the tax profession? Either way, CSEA is here to help further your success. Our members include some of Orange County's best minds in the tax business. CSEA members are a diverse group of tax professionals who have attained vast knowledge in various specialties of taxation - tax preparation, audit and appeals representation, tax collection, international tax issues, and practice management.

Join CSEA and take advantage of the many resources available to expand your horizons. Plan now to attend our dinner meetings of the Orange County Chapter of Enrolled Agents, held monthly on every third Tuesday at The Phoenix Club of Anaheim, starting at 5:30 P.M. Directions to The Phoenix Club are on the front page. You need NOT be an Enrolled Agent to join. Associate's status in CSEA is available to CTEC tax preparers. Regular membership is available to all EA's, CPA's and attorneys. Associates and regular members enjoy the same privileges. Fill out the application form on page 5 and follow the instructions to return it to CSEA with your payment.



CALIFORNIA SOCIETY OF ENROLLED AGENTS
3200 Ramos Circle • Sacramento, CA 95827-2513
916/366-6646 • 800/777-2732
FAX 916/366-6674
www.csea.org (Public)
www.enrolledagent.org (Member)
Email: lcole@csea.org



PROFESSIONAL ASSOCIATE APPLICATION
(Please Print All Information)

Mr.
Mrs.
Ms.

Last Name		First Name or Initial		Middle Name or Initial		Nickname	
Name as you wish it to appear on your Membership Certificate (if different from above). Note: Professional designations are not included on certificates.						Birth Date	
Business Address				Home Address (If different from business address)			
Firm Name (if any)				Street Apt / Suite #			
Street		Apt / Suite #		City		State Zip	
City		State		Zip		Telephone Number	
Telephone Number		Fax Number		I prefer CSEA mail be sent to my: Home Address Business Address			
Email Address				Are you registered by the California Tax Education Council? Have you ever been an Enrolled Agent?			
				Yes No Yes No			

I am lawfully engaged in the practice of tax and not currently or previously defined in §10.3(a) through (d) of Circular 230. I hereby petition for Professional Associate recognition by the California Society of Enrolled Agents. I understand that this recognition may be terminated by me at any time, or by the Society for non-payment of dues, failure to meet continuing education requirements*, notification of my suspension from eligibility to practice, or as stipulated in the Bylaws and rules of the Society.

I understand and will abide by all applicable provisions of the California Society's Bylaws and the National Association's Code of Ethics and Rules of Professional Conduct.

Dues are not deductible as a charitable contribution for tax purposes, but may be deductible as a business expense. Society dues include the publication *California Enrolled Agent*, currently published nine times per year.

I would also like to join NAEA (National Association of Enrolled Agents) for an additional \$160.00.
My payment of **\$150.00** for the first year's dues is enclosed.

Charge \$ _____ to my:
Visa Mastercard AMEX Check Enclosed

Credit Card# _____ Expiration date _____
MO YR

Please Do Not Write In This Space			
Rec'd _____		Amt. _____	
Ck.# _____		Batch# _____	
ID # _____		Exp Dt. _____ Cert Dt. _____	

Please take a moment to answer the following questions, so that we can serve you better!

- How long have you been preparing tax returns? _____
- What type of practice do you have?
Self-employed Work in a firm Other
- If self-employed, do you have other tax preparers on staff? YES NO
- How many returns do you prepare a year? _____
- How did you find out about the California Society of Enrolled Agents?
An EA Online Newspaper Other
- In what areas of tax do you practice?
1040 1041 1065 1120 706
- Would you like information on becoming an Enrolled Agent? YES NO

* Continuing education requirements are determined by the National Association and are currently 30 hours per CPE year (2/1 - 1/31).

ID / LICENSE NUMBER	
Signature (required for all applicants)	Date
Chapter (If left blank, you will automatically be affiliated with a Chapter)	
Sponsor (optional)	

IMPORTANT: You MUST check the following box to ensure you receive CSEA information. We do NOT transfer your fax number or email address to third parties.

I consent to receive communications sent by or on behalf of CSEA and its Chapters via email, telephone, or fax.