

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 8 February 2011

February 15th Program 1 Hr CPE

CALIFORNIA UPDATE

Presented by Lynn Freer, EA



Lynn Freer, EA is the owner of Spidell Publishing, Inc. and a highly regarded Member of OCEA. Freer's company is the leading authority of California taxation. This one hour seminar highlights California's non-conformity issues in the federal tax bills as well as other topics involving our tax practices.



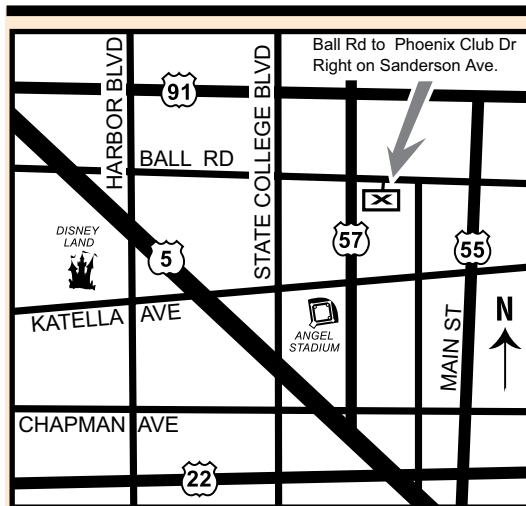
Dinner Menu

Yankee Pot Roast
Chef's Choice Fish
Whipped Potatoes
Carrots with
Orange Dill Butter
Garden Green Salad
Assorted Garden Relish
with Dip
Waldorf Salad
Apple Strudel
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 406 Members strong and proud to be the largest Chapter of CSEA.



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

Agenda February 15th

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 Russell Fox, EA



So how much time did you have off between tax seasons? "Not enough" is the likely answer. With our clients receiving their paperwork later and later each year (causing more clients to need to file extensions), not to mention the IRS not accepting many electronic returns until February 14th (an interesting way to celebrate Valentine's Day), our time off between seasons decreases annually. I'd love to have a good answer to this issue but all I can do is look at the additional billings due to the increasingly complex nature of the Tax Code.

Speaking of that, our chapter is extremely lucky to have Lynn Freer as a member. Lynn is President of Spidell Publishing (<http://www.caltax.org>). Spidell is the leading authority on California state tax issues, and over fifteen years she's volunteered her time to give us the California update at our February meeting. She'll be doing it again on February 15th; make sure you plan on attending. Unfortunately, I suspect this list of conformity issues (between federal and California tax laws) will be even longer this year than last.

February is also the month where we welcome the past presidents of OCEA. If you are a former president of OCEA, make sure you plan on attending the February meeting.

For our past presidents, do not register online. Instead, you must notify Donna Miller at (562) 424-3088 or by email at dmillerea@aol.com. If you are not a former president, you should register online (as always) at <https://www.123signup.com/calendar?Org=eaoc>

Speaking of past presidents, congratulations are due to my predecessor, Patti Kappen. She has been nominated to be Second Vice President of CSEA! That's quite an honor for her. She's currently serving as our CSEA Director, so we will likely need a new CSEA Director for 2011 – 2012.

If you would like to serve as an officer or director of OCEA, it's your last chance to talk to our Nomination Committee for the 2011 – 2012 slate. If you are interested in any office or are interested in serving as a Director, email Joe Guccione at gucci-one@msn.com. We are always looking for new ideas and new people to serve. Every officer and director is a volunteer trying to make OCEA the best possible organization we can. If you can't make the commitment to serve on the Board, consider volunteering for one of our committees. Together, we can strengthen The Orange County Chapter of Enrolled Agents and promote the designation that we all have worked so hard to achieve and maintain – Enrolled Agent, The Tax Professional! Please join us as we move forward; many can achieve what a few would not dare.

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. Additional information should be on our website (<http://www.eaoc.org>).

By the time you read this, our second annual Shredding Day will be history. I want to thank Dan Carlberg for coordinating this and making it a successful event.

I look forward to seeing everyone on the 15th.

-- Russ



The Tax Professionals

President

Russell Fox, EA
13 Leda
Irvine, CA 92604
(714) 225-7877 rcfox@claytonservices.com

First Vice President

John Kristianson, EA
236 Mira Mar Ave
Long Beach, CA 90803-6126
(562) 438-6059, taxxmann@earthlink.net

Second Vice President

Donna Miller, EA
2698 Junipero Avenue, Suite 101B
Signal Hill, CA 90755
(562) 424-3088, dmillerea@aol.com

Secretary

Patricia Yeckel, EA
22342 Avenida Empresa #280
Rancho Santa Margarita, CA 92688
(949) 888-2829, pyeckel@canyontax.com

Treasurer

Robin Miller, EA
PO Box 4424
Mission Viejo, CA 92690
(949) 347-8522, taxesbyrobin@cox.net

Directors

Dan Carlberg, EA
550 E Chapman Ave, Suite C
Orange, CA 92866-1641
(714) 774-8129, djcarlberg@sbcglobal.net

Devang Mehta, EA
22632 Golden Springs Dr., #110
Diamond Bar, CA 91765
(909) 861-8100, dmehta@pmaadvisors.com

John Rumbold, EA
3 Winterhaven
Irvine, CA 92614
(714) 425-7202, jrumbold@rfta.biz

Marilyn Ratliff, EA
17821 17th St #270
Tustin, CA 92780-2161
(714) 505-6700, marilyn@btiprofessional.com

David Shashoua, EA
3773 McCray St
Riverside, CA 92507
(951) 328-0800, david@legalrc.net

CaSEA Director

Patti Kappen, EA
31726 Rancho Viejo Rd #215
San Juan Capistrano, CA 92675
(949) 496-1174, patrecea@aol.com

Immediate Past President

Patti Kappen, EA
31726 Rancho Viejo Rd #215
San Juan Capistrano, CA 92675
(949) 496-1174, patrecea@aol.com

OCEA Recognizes Past Presidents

February is Past presidents Month. All past presidents of CSEA are invited to attend the February 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 (Desd.)	1980/81
Harold Shafer, EA (Desd.)	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 Geideman, EA	1998/99
Al Shifberg-Mencher, EA	1999/00
Rich Quarterman, EA	2000/02
Bill Williams, EA	2002/03
Curt Harrington, EA	2003/04
Bill Geideman, EA	2004/05
Lisa Newton, EA	2005/06
Peggy Ligori, EA	2006/07
Cathy Patel, EA	2007/08
Patti Kappen, EA	2008/10

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1913

TO BE FILLED IN BY COLLECTOR.

Form 1040.

TO BE FILLED IN BY INTERNAL REVENUE BUREAU.

List. No.

INCOME TAX.

File No.

..... District of

THE PENALTY
FOR FAILURE TO HAVE THIS RETURN IN
THE HANDS OF THE COLLECTOR OF
INTERNAL REVENUE ON OR BEFORE
MARCH 1 IS \$20 TO \$1,000.

Assessment List

Date received

Page Line

(SEE INSTRUCTIONS ON PAGE 4.)

UNITED STATES INTERNAL REVENUE.**RETURN OF ANNUAL NET INCOME OF INDIVIDUALS.**

(As provided by Act of Congress, approved October 3, 1913.)

RETURN OF NET INCOME RECEIVED OR ACCRUED DURING THE YEAR ENDED DECEMBER 31, 191

(FOR THE YEAR 1913, FROM MARCH 1, TO DECEMBER 31.)

Filed by (or for) of
 (Full name of individual.) (Street and No.)

in the City, Town, or Post Office of State of
 (Fill in pages 2 and 3 before making entries below.)

1. GROSS INCOME (see page 2, line 12)	\$			
2. GENERAL DEDUCTIONS (see page 3, line 7)	\$			
3. NET INCOME	\$			
Deductions and exemptions allowed in computing income subject to the normal tax of 1 per cent.				
4. Dividends and net earnings received or accrued, of corporations, etc., subject to like tax. (See page 2, line 11)	\$			
5. Amount of income on which the normal tax has been deducted and withheld at the source. (See page 2, line 9, column A)				
6. Specific exemption of \$3,000 or \$4,000, as the case may be. (See Instructions 3 and 19)				
Total deductions and exemptions. (Items 4, 5, and 6)	\$			
7. TAXABLE INCOME on which the normal tax of 1 per cent is to be calculated. (See Instruction 3)	\$			
8. When the net income shown above on line 3 exceeds \$20,000, the additional tax thereon must be calculated as per schedule below:				

		INCOME.				TAX.			
1	per cent on amount over \$20,000 and not exceeding \$50,000	\$				\$			
2	" " 50,000 " " 75,000								
3	" " 75,000 " " 100,000								
4	" " 100,000 " " 250,000								
5	" " 250,000 " " 500,000								
6	" " 500,000								
Total additional or super tax		\$				\$			
Total normal tax (1 per cent of amount entered on line 7)		\$				\$			
Total tax liability		\$				\$			

The roots of IRS go back to the Civil War when President Lincoln and Congress, in 1862, created the position of commissioner of Internal Revenue and enacted an income tax to pay war expenses. The income tax was repealed 10 years later. Congress revived the income tax in 1894, but the Supreme Court ruled it unconstitutional the following year.

16th Amendment

In 1913, Wyoming ratified the 16th Amendment, providing the three-quarter majority of states necessary to amend the Constitution. The 16th Amendment gave Congress the authority to enact an income tax. That same year, the first Form 1040 appeared after Congress levied a 1 percent tax on net personal incomes above \$3,000 with a 6 percent surtax on incomes of more than \$500,000.

In 1918, during World War I, the top rate of the income tax rose to 77 percent to help finance the war effort. It dropped sharply in the post-war years, down to 24 percent in 1929, and rose again during

the Depression. During World War II, Congress introduced payroll withholding and quarterly tax payments.

A New Name

In the 50s, the agency was reorganized to replace a patronage system with career, professional employees. The Bureau of Internal Revenue name was changed to the Internal Revenue Service. Only the IRS commissioner and chief counsel are selected by the president and confirmed by the Senate.

Today's IRS Organization

The IRS Restructuring and Reform Act of 1998 prompted the most comprehensive reorganization and modernization of IRS in nearly half a century. The IRS reorganized itself to closely resemble the private sector model of organizing around customers with similar needs.

2

GROSS INCOME.

This statement must show in the proper spaces the entire amount of gains, profits, and income received by or accrued to the individual from all sources during the year specified on page 1.

DESCRIPTION OF INCOME.	A.				B.			
	Amount of income on which tax has been deducted and withheld at the source.				Amount of income on which tax has NOT been deducted and withheld at the source.			
1. Total amount derived from salaries, wages, or compensation for personal service of whatever kind and in whatever form paid	\$				\$			
2. Total amount derived from professions, vocations, businesses, trade, commerce, or sales or dealings in property, whether real or personal, growing out of the ownership or use of interest in real or personal property, including bonds, stocks, etc.								
3. Total amount derived from rents and from interest on notes, mortgages, and securities (other than reported on lines 5 and 6)								
4. Total amount of gains and profits derived from partnership business, whether the same be divided and distributed or not								
5. Total amount of fixed and determinable annual gains, profits, and income derived from interest upon bonds and mortgages or deeds of trust, or other similar obligations of corporations, joint-stock companies or associations, and insurance companies, whether payable annually or at shorter or longer periods								
6. Total amount of income derived from coupons, checks, or bills of exchange for or in payment of interest upon bonds issued in foreign countries and upon foreign mortgages or like obligations (not payable in the United States), and also from coupons, checks, or bills of exchange for or in payment of any dividends upon the stock or interest upon the obligations of foreign corporations, associations, and insurance companies engaged in business in foreign countries								
7. Total amount of income received from fiduciaries								
8. Total amount of income derived from any source whatever, not specified or entered elsewhere on this page								
9. TOTALS								
NOTES.—Enter total of Column A on line 5 of first page.								
10. AGGREGATE TOTALS OF COLUMNS A AND B	\$							
11. Total amount of income derived from dividends on the stock or from the net earnings of corporations, joint-stock companies, associations, or insurance companies subject to like tax (To be entered on line 4 of first page.)	\$							
12. TOTAL "Gross Income" (to be entered on line 1 of first page)	\$							

IRS SPECIAL ENROLLMENT EXAM COURSE

SESSIONS BEGINNING JUNE 18, 2011

The Orange County Chapter of the California Society of Enrolled Agents is offering a review class to prepare YOU for the IRS Special Enrollment Exam. The three parts follow the SEE Exam structure.

- Part 1: Individual Taxation
JUNE 18, 25 JULY 9
- Part 2: Partnerships, C Corporations, S Corporations, Fiduciaries and other topics
JULY 23, 30 AUGUST 6, 13, 20
- Part 3: Practice before the IRS, Power of Attorney, Ethics and other topics
AUGUST 27

Course Fee: Early Bird Registration: April 30, 2011 \$995 for the three parts.
First Registration Deadline: May 31, 2011 \$1,195 for the three parts.
Final Registration Deadline: June 1, 2011 and after \$1,295 for the three parts.
Textbook and online access for test taking is included in the registration fee.

Last date to register on line, June 10th, after, please call Patti Kappen at 949.496.1174 to register.

Registration for taking Parts 1 ,2 or 3 separately available – Call 949-496-1174 for price

Location: South Coast College, 2011 W. Chapman Ave., Orange, CA 92868

Time: 8:30 AM to 3:30 PM

Instructors: Lisa Ihm, EA, Vicki Mulak, EA and Norm Schmidt, EA

Register online at www.eaoc.org or use the form below

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

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Your name _____ Signature _____
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Fax to: 949-496-8084 Email: patti@sanjuanfinancial.com or patrecea@aol.com

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.

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

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

EA SEEKING EMPLOYMENT on a year-round position. Experienced in audit representation, return preparation, tax office management. Accounting and computer degrees. Client base builder. Knowledgeable and personable. For resume or any questions call Hugh Cunningham (714) 803-0300 or email HughTax@GMail.com 11/10

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

PART OR FULL-TIME Enrolled Agent needed for dynamic law firm specializing in tax and estate planning. Health and retirement plans available. Quickbooks and Lacerte experience preferred but

not necessary. Please call Steven Schroeder at 714-480-0529 and e-mail a copy of your resume to Steve@Schroederesq.com. 10/10

FOR LEASE: Executive office in suite shared with other tax professionals. Professionally decorated, private deck, reception area, kitchenette. San Juan Capistrano, 216 square feet, wired for cable, computer, phone, fax. \$725.00 per month. Call Patti Kappen 949/496-1174 or email patti@sanjuanfinancial.com 08/10

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The Tax Professionals

OCEA Newsletter Editor
Dale Quelle, EA
14340 Bolsa Chica Rd. # A
Westminster, CA 92683-4868



From The Quill

Notes from your Secretary ...

- Patti Kappen reported on the annual Jim Stern Legislative Day, which was held January 7 in Sacramento. Four of our members attended: Patti Kappen, Bill Stewart, Vicki Mulak and Joni Terens. This was a great opportunity to meet with our state Legislators and staff, to find out more about what they do, and to make them more aware of who we are. Patti said that each year more legislators and staff they meet already know about EAs.
- Patti Kappen also reported on the CSEA Board Meeting which was held January 8 and 9 in Sacramento. The big news is that she has been nominated for 2nd Vice President of CSEA! We will all have the opportunity to vote in June when the next meeting is held in Pasadena. For any of our members who cannot attend, they will be able to vote online, which will be new.
- From a preliminary estimate of our IRS Practitioner Seminar held in Irvine January 11, it looks like our Chapter made about a \$1400 profit.
- The Board is talking about purchasing a "Booth in a Box" display board that the CSEA Public Information Awareness (PIA) Committee has just released. If we were to purchase one, it could be available to put up at our meetings, at our events, or even for Chapter members to use temporarily. It is very well done and would help our efforts to publicize Enrolled Agents.
- Our SEE classes will start in June and there will be special pricing if paid by April 30. Watch for our advertising about this to start soon.
- Our new microphone system is being ordered and hopefully we'll enjoy it at our February meeting!

UPCOMING PROGRAMS & EVENTS

<u>DATE</u>	<u>PROGRAM / EVENT</u>	<u>CPE</u>	<u>SUBJECT</u>	<u>LOCATION</u>
Feb 15, 2011	Dinner Meeting	1	California Update	Phoenix Club
Jun 18, 2011	Review Class		IRS SEE Course	South Coast College