



# 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 2008-2009 Issue 9 March 2009

## Welcome New Members

Changhoon Lee, EA  
Nadine Lord, EA CFP  
Kristine Quitoriano  
Robert Zabroski, EA



Corned Beef and Cabbage  
Chef's Choice Fish  
Boiled Potatoes  
Fresh Steamed Vegetables  
Three Assorted Salads  
Two Assorted Desserts

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



March 17th Program  
1 Hr CPE Program

## Getting Your Pension Plan In Order

Presented by  
Peter Zebot, EA

Which pension plan design is optimal for a particular client?

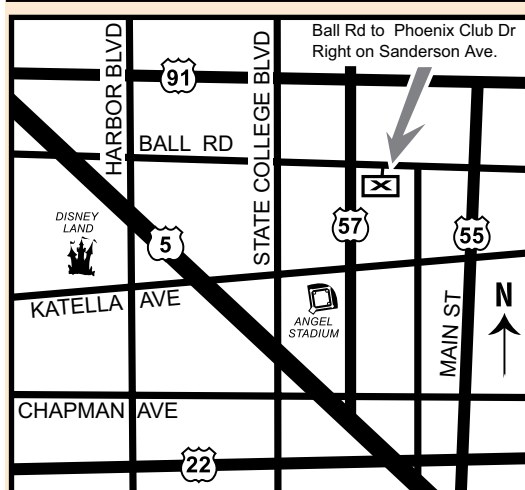
How does proper application of non-discrimination testing Justify preferential benefits for certain participants?

What are the new requirements for participant disclosures and the relevant new written notification forms?

What are the updating requirements for amending plan?

Documents to keep plans in compliance with new legislation?

How can plan sponsors prepare for the anticipated higher frequency of audits of retirement plans?



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

**Agenda March 17th**  
5:00 Board Meeting  
5:30 Social Time  
6:00 Dinner Hour  
7:00 1 Hr CPE Program

\$35 for Member pre-registration before 4:00 P.M. on the Friday 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 \$40 and \$45 respectively. Telephone reservations to Dan Carlberg at 714.774.8129 or email [reservation@eaoc.org](mailto:reservation@eaoc.org) (please include your EA number). If you wish to be added to or deleted from the Permanent List, please contact Dan.

## PRESIDENT'S MESSAGE

by Patti Kappen EA

Here we are almost to the middle of March so we are almost half way to the finish line. I hope you are all surviving and managing to get through the myriad of new laws and forms we have this year. Sometimes I am not sure which is more difficult – remembering all the new laws or figuring out how to get it on my software!



We had a great dinner meeting in February and I was so glad to see so many of you there. Lynn Freer is always a crowd pleaser and we also honored our past presidents. It was nice to see so many of them still active in our Chapter.

You will be seeing nominations for our new Board this month, take some time to get to know the nominees and think of how you may also like to get involved in our Chapter. There are so many big and small things that you can help with and make a contribution to the continuation and growth of our Chapter. All the Board members would be greatly appreciative of your help. In July, we are having our Annual Planning Retreat in Rancho Santa Fe, please join us if you are interested in getting involved. Russell Fox is our Retreat Chairperson and can give you additional information, or contact me, I would be glad to talk to you.

We have a lot of great things coming up this year, check out the Website or upcoming events.

I won't take up more valuable time, however I will remind you all to take care of yourselves and please try to join us at the March dinner meeting. Hope to see you there!

*Patti*

## Internal Revenue Service Advisory Council (IRSAC)

The Internal Revenue Service announced the four new members for the Internal Revenue Service Advisory Council (IRSAC) in January. Just in case you missed it, Joni Terens, EA (from our chapter) was selected.

Ms. Terens will be serving on the Wage and Investment (W&I) subcommittee. The IRSAC committee consists of not more than thirty (30) members. IRSAC members generally serve a three-year term with a possible one-year extension. IRSAC primary purpose is to provide an organized public forum for senior IRS executives and representatives of the public to discuss key tax administration issues.

Members are selected to represent the taxpaying public, tax professionals, small and large businesses, state tax administrations and the payroll community. The council provides the IRS commissioner and division leadership with important feedback, observations and suggestions.

IRSAC meets five times a year in Washington DC and will submit a written report to the Commissioner in November.

Please congratulate Ms. Terens on her appointment when you see her.



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## Nominees for OCEA Board of Directors

The following names and their positions have been selected by the nominating committee to be placed on the next ballot for the 2009/2010 fiscal year. The general election will be held at the May 19th dinner meeting. Any Member whose name is not on this list may be nominated from the floor by any other Member at the election.

President  
1st Vice President  
2nd Vice President  
Secretary  
Treasurer

Patti Kappen, EA  
Russell Fox, EA  
Donna Miller, EA  
Patricia Yeckel, EA  
Robin Miller, EA

#### Chapter Directors;

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John Kristensen, EA  
Devang Mehta, EA  
Lori Page, EA  
John Rumbold, EA  
David Shashoua, EA

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# American Academy of Tax Practice Introduction to Taxpayer Representation

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**JUST for FUN!** Submitted by Ralph Mantecon, EA

The IRS decides to audit Grandpa, and summons him to the IRS office. The IRS auditor was not surprised when Grandpa showed up with his attorney. The auditor said, 'Well, sir, you have an extravagant lifestyle and no full-time employment, Which you explain by saying that you win money gambling. I'm not sure the IRS finds that believable.' I'm a great gambler, and I can prove it,' says Grandpa. 'How about a demonstration?' The auditor thinks for a moment and said, 'Okay. Go ahead.' Grandpa says, 'I'll bet you a thousand dollars that I can bite my own eye.' The auditor thinks a moment and says, 'It's a bet.'

Grandpa removes his glass eye and bites it. The auditor's jaw drops.

Grandpa says, 'Now, I'll bet you two thousand dollars that I can bite my other eye.' Now the auditor can tell Grandpa isn't blind, so he takes the bet. Grandpa removes his dentures and bites his good eye. The stunned auditor now realizes he has wagered and lost three grand, with Grandpa's attorney as a witness. He starts to get nervous.

'Want to go double or nothing?' Grandpa asks 'I'll bet you six thousand dollars that I can stand on one side of your desk, and pee into that wastebasket on the other side, and never get a drop anywhere in between.' The auditor, twice burned, is cautious now, but he looks carefully and decides there's no way this old guy could possibly manage that stunt, so he agrees again.

Grandpa stands beside the desk and unzips his pants, but although he strains mightily, he can't make the stream reach the wastebasket on the other side, so he pretty much urinates all over the auditor's desk. The auditor leaps with joy, realizing that he has just turned a major loss into a huge win.

But Grandpa's attorney moans and puts his head in his hands. 'Are you okay?' the auditor asks. 'Not really,' says the attorney. 'This morning, when Grandpa told me he'd been summoned for an audit, he bet me twenty-five thousand dollars that he could come in here and pee all over your desk and that you'd be happy about it.'

## REGISTRATON FORM

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## An excerpt from IRS' e-News for Tax Professionals

For anyone not familiar for the inner workings of tax administration, the array of IRS guidance may seem, well, a little puzzling at first glance. To take a little of the mystery away, here's a brief look at seven of the most common forms of guidance.

In its role in administering the tax laws enacted by the Congress, the IRS must take the specifics of these laws and translate them into detailed regulations, rules and procedures. The Office of Chief Counsel fills this crucial role by producing several different kinds of documents and publications that provide guidance to taxpayers, firms and charitable groups.

### Regulation

A regulation is issued by the Internal Revenue Service and Treasury Department to provide guidance for new legislation or to address issues that arise with respect to existing Internal Revenue Code sections. Regulations interpret and give directions on complying with the law. Regulations are published in the Federal Register. Generally, regulations are first published in proposed form in a Notice of Proposed Rulemaking (NPRM). After public input is fully considered through written comments and even a public hearing, a final regulation or a temporary regulation is published as a Treasury Decision (TD), again, in the Federal Register.

# Understanding IRS Guidance A Brief Primer



### Revenue Ruling

A revenue ruling is an official interpretation by the IRS of the Internal Revenue Code, related statutes, tax treaties and regulations. It is the conclusion of the IRS on how the law is applied to a specific set of facts. Revenue rulings are published in the Internal Revenue Bulletin

for the information of and guidance to taxpayers, IRS personnel and tax professionals. For example, a revenue ruling may hold that taxpayers can deduct certain automobile expenses.

### Revenue Procedure

A revenue procedure is an official statement of a procedure that affects the rights or duties of taxpayers or other members of the

public under the Internal Revenue Code, related statutes, tax treaties and regulations and that should be a matter of public knowledge. It is also published in the Internal Revenue Bulletin. While a revenue ruling generally states an IRS position, a revenue procedure provides return filing or other instructions concerning an IRS position. For example, a revenue procedure might specify how those entitled to deduct certain automobile expenses should compute them by applying a certain mileage rate in lieu of calculating actual operating expenses.

### Private Letter Ruling

A private letter ruling, or PLR, is a written statement issued to a taxpayer that interprets and applies tax laws

*continued on page 7*

## CLASSIFIEDS

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### IRS Guidance continued

to the taxpayer's specific set of facts. A PLR is issued to establish with certainty the federal tax consequences of a particular transaction before the transaction is consummated or before the taxpayer's return is filed. A PLR is issued in response to a written request submitted by a taxpayer and is binding on the IRS if the taxpayer fully and accurately described the proposed transaction in the request and carries out the transaction as described. A PLR may not be relied on as precedent by other taxpayers or IRS personnel. PLRs are generally made public after all information has been removed that could identify the taxpayer to whom it was issued.

### Technical Advice Memorandum

A technical advice memorandum, or TAM, is guidance furnished by the Office of Chief Counsel upon the request of an IRS director or an area director, appeals, in response to technical or procedural questions that develop during a proceeding. A request for a TAM generally stems from an examination of a taxpayer's return, a consideration of a taxpayer's claim for a refund or credit, or any other matter involving a specific taxpayer under the jurisdiction of the territory manager or the area director, appeals. Technical Advice Memoranda are issued only on closed transactions and provide the interpretation of proper application of tax laws, tax treaties, regulations, revenue rulings or other precedents. The advice rendered represents a final determination of the position of the IRS, but only with respect to the specific issue in the specific case in which the advice is issued. Technical Advice Memoranda are generally made public after all information has been removed that could identify the taxpayer whose circumstances triggered a specific memorandum.

### Notice

A notice is a public pronouncement that may contain guidance that involves substantive interpretations of the Internal Revenue Code or other provisions of the law. For example, notices can be used to relate what regulations will say in situations where the regulations may not be published in the immediate future.

### Announcement

An announcement is a public pronouncement that has only immediate or short-term value. For example, announcements can be used to summarize the law or regulations without making any substantive interpretation; to state what regulations will say when they are certain to be published in the immediate future; or to notify taxpayers of the existence of an approaching deadline.

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We Are OCEA

## UPCOMING PROGRAMS & EVENTS

<u>DATE</u>	<u>PROGRAM / EVENT</u>	<u>CPE</u>	<u>SUBJECT</u>	<u>LOCATION</u>
March 17, 2009	Dinner Meeting	1	Getting Your Pension Plan in Order	Phoenix Club
April 2009	No Meetings			
May 19, 2009	Dinner Meeting	1	Updated Bankruptcy Procedures	Phoenix Club
June 16, 2009	Dinner Meeting	1	Taxpayer Representation	Phoenix Club