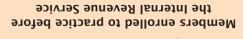
ADDRESS SERVICE REQUESTED





Phone: 714-899-2221 Westminster CA 92683 14340 Bolsa Chica Road, #A Dale Quelle, EA **OCEA Newsletter Editor**

The Tax Experts



California Society of Enrolled Agents Orange County Chapter

UPCOMING PROGRAMS and EVENTS

E-File Seminar

| <u>DATE</u> | PROGRAM / EVENT | <u>CPE</u> | SUBJECT | LOCATION |
|-----------------|----------------------|------------|------------------------------|-------------------------|
| October 17 | Dinner Meeting | 1 hr | 2 Certainties: Death & Taxes | Phoenix Club of Anaheim |
| October 30 – 31 | Seminar | 8 hrs | Employment Tax/Fall Update | Irvine Hilton |
| November 21 | Dinner Meeting | 1 hr | Disaster Preparedness | Phoenix Club of Anaheim |
| December 19 | Dinner Meeting | 1 hr | How to Market Your Practice | Phoenix Club of Anaheim |
| January 9 2007 | Practitioner Seminar | | | |



May,2007

The Tax Experts



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

www.eaoc.org

Volume 2006-2007

Issue 4

HOUR CPE PROGRAM (CTEC Approved)



OCTOBER, 2006

TAXBOOK & QUICKFINDER HANDBOOK Order your TaxBook and OuickFinder Handbook through OCEA to receive your special member discount. Details and order forms on pages 4-5.

EMPLOYMENT TAX SEMINAR/ FALL UPDATE Featuring Bonnie DeSimone, EA on Federal Tax, and Vicki Mulak, EA, CFP on CA Tax Law/Agency. See page 6 for details and sign-up.



2 Certainties: Death & Taxes.

How to Make Yourself A More Valuable Resource to Your Clients for Both

Presented by Shari Mattingly-Bevan

his continuing education seminar will be presented by Shari Mattingly-Bevan, **L** an Orange County estate and tax planning attorney. Mrs. Bevan will discuss recent law changes affecting trusts and estates and the ultimate impact on tax matters for the same. This course is designed to edify the tax practitioner to make you a more valuable resource to your clients.

This seminar will not be laden with case law and statutory citations; rather it will focus on the practical aspects of trust administration with actual case examples for your reference.

AGENDA October 17th

4:30 Board Meeting

5:30 Social Time 6:00 Dinner Hour

7:00 CPE Program

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

Phone registration to Debbie Harris, EA at 562-438-6636 or email <u>reservation@eaoc.org</u> (please include your EA number). Debbie 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 Debbie.

Wear your name badge- be recognized!

DINNER MENU

- · Braised Bratwurst with Onion
- · Roasted Chicken
- · Red Cabbage
- · Spaetzle · Fresh Vegetables
- · German Potato Salad
- · Garden Green Salad
- · Fresh Sliced Seasonal Fruit
- · Apple Strudel
- · German Chocolate Cake
- · Coffee and Iced Tea



MEETING LOCATION

THE PHOENIX CLUB 1340 Sanderson Avenue, Anaheim



DIRECTIONS: Ball Rd Exit from 57 Fwy; Go East to Phoenix Club Dr; Turn South on Phoenix Club Dr: Turn Right on Sanderson Ave.

ALL YOU CAN EAT BUFFET!

& MONEY

PUT AN

EXPERIENCED LEGAL TEAM ON

Real Estate Litigation

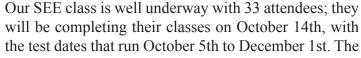
Judgment Collections LLC Corporate Formatio

APR



PRESIDENT'S MESSAGE

by Peggy Ligori, EA



first test window for 2007 starts as early as January 2nd to February 28th.

Just to let you all know why we are no longer having raffles at our dinner meetings, we found out that for us to hold the raffle correctly, we would need to split the "donation" received for the raffle ticket 90/10 instead of our old way of 50/50. 90% would go into a fund such as our PIA fund or our scholarship fund, and 10% goes to the winning donor/ ticket holder. We decided to discontinue the raffle instead.

Our Education committee is continuing their plans of additional educational events. Our annual Fall Update is the end of this month on Monday October 30th, followed by the Employment Tax Seminar on Tuesday October 31st. If you haven't registered to attend, there still is time. We will also have the Practitioner Seminar in January 2007 and the E-File roundtable in May 2007. July 2007 and August 2007 are being worked out, with an S-Corp seminar and an Advanced AMT seminar in the works. We will have more information in upcoming newsletters.

Also it's time to order the Quickfinder or the Tax Book, or as I did, I ordered both of them. Your orders must be delivered to Floyd Allen no later that November 30th.

If you know of someone that is interested in becoming an Enrolled Agent have them apply for an NAEA, CSEA or OCEA scholarship. Contact Bill Stewart, our Scholarship Chair, for details on obtaining scholarships for the SEE course or other courses that would further their career as a tax professional.

~ Peggy

TAX TEASER by Dale Larsen, EA -

The trust instrument for RJC Trust is silent as to the allocation of capital gains. In 2004 RJC Trust, a simple trust, had taxable interest income of \$4,000, capital gains of \$3,000, paid a fiduciary fee of \$625, and had tax exempt interest of \$1,000.

If the general rule to determine the allocation of the capital transaction is applied, what amount of taxable income is distributed to the beneficiaries in 2004?

A. \$6,500 B. \$6,375 C. \$3,500 D. \$3,375



The Tax Experts

President

Peggy Ligori, EA 1532 S Santa Fe Ave Ste 303 San Jacinto, CA 92583 (951) 654-9955, pmlea@ligoritax.com

1st Vice President Cathy Patel, EA 2052 Newport Blvd #6 Costa Mesa, CA 92627-7158 (949) 515-2862, taxmatters@sbcglobal.net

2nd Vice President Debbie Harris, EA 5848 Naples Plaza #204 Long Beach, CA 90803 (562) 438-6636, debbieha@aol.com

Secretary

Neal Gallaway, EA 1301 E Lincoln Ave #D Orange, CA 92865 (714) 637-4339, nggallaw@sbcglobal.net

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

Directors

Jack Allen, EA 6321 Dashwood St Lakewood, CA 90713-2015 (562) 292-3806, jcallenfp@earthlink.net

Ken Noland, EA 17461 Irvine Blvd #M Tustin, CA 92780-3039 (714) 505-1925, ken@companycfo.com

Donna Miller, EA 3211 E Second St #3 Long Beach, CA 90803 (562) 424-3088, dmillerea@aol.com

Bill Stewart, EA 31726 Rancho Viejo Rd #215 San Juan Capistrano, CA 92675 (949) 584-9374, billstewart1@sbcglobal.net

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

CaSEA Directors Dona Evans, EA

ANSWER: C

130-D Centennial Way Tustin, CA 92780 (714) 838-5002, devans4u@pacbell.net

Joni Terens, EA 17632 Irvine Blvd #150 Tustin, CA 92780 (714) 832-4633, joni@abt-tax.com

mmediate Past President Lisa Newton, EA 1901 E Lambert Rd #103 La Habra, CA 90631 (562) 267-0351, lisa@eanewton.com

PAYCHEX

Payroll, Taxpay, Worker's Comp, HR services

714-438-4000

www.paychex.com

Mauricio Castro • Ali Villavicencio • Ben Armou Your Local Tax and Accounting Solutions Provide

18000 Studebaker Road Cerritos, CA

Ask about how you may benefit from the TaxWise Local Challenge.

1.800.840.2195 ex.2821

www.taxwise.com



We find solutions to IRS and State Tax Problems.

FREE Initial Consultation

LaDonna T. Kienitz Esq. 949-300-6951

www.taxsolutionsite.com ladonnakienitz@sbcglobal.net

Appeals, Negotiations, Offers in Compromise, Representation in US Tax Court.

QuickBooks

Nightmares?

SlackTax.

Set up & Problems Resolution

▶(714) **755-1040**

Ready to slow down?

Call Art Husami (562) 406 - 3888

www.HusamiAndAssociates.com

We are interested in buying write-up and

Stay as involved as YOU want

Will buy WHOLE practice or BLOCKS

Will work with you on exit strategy

GIVING YOU & YOUR CLIENTS



951-300-1101 800-218-9577

Business tax clients

Improved Service Reduced Cost

Improve the quality of life by replacing your traditional mortgage with a Reverse Mortgage - Or simply receive tax free income for life. Only borrowers 62 and over will qualify for this program. Call 800-569-6594 to see how much you qualify for. Remember, no mortgage payments until sale or death and you may enjoy additional income TAX FREE. Consult your Enrolled Agent.

IRS TAX PROBLEMS? Law experience has a SOLUTION to tax problems business or personal.

OFFERS-IN-COMPROMISE Many of our EAs, CPAs and Attorneys, who have lost clients over the length of time required to obtain acceptance, now enjoy our faster SOLUTION.

Levy Releases, Leins, Garnishments, Installment Agreements, Bankruptcy Opinions of Dischargability.

ATTORNEY SOLUTION, ALC

Ph: 562-988-8086 • E-Mail: Iblanch355@msn.com

✓ Solve financial problems ✓ Avoid excessive costs

✓ Compare loan alternatives

1745 W. KATELLA, STE. F. DRANGE

Associates

MARC R. TOW

INITIAL

CONSULTATION AT NO CHARGE

SEC Maintena

THE MORTGAGE COMPANY OF CALIFORNIA

Henry Broussard EA

► ► Reverse Mortgage Consultant ◀ ◀ ◀

Over 18 Years Experience

PAM DUNN Office: 714.289.0047

Fax: 714.289.9715

Cell: 714.501.0639

pdmortg@msn.com

SEPT OCT

AUG

JULY

Barnett & Rubin

A Professional Corporation Jeffery Corporate Center 5450 Trabuco Canyon Rd Irvine, CA 92620

Phone: (949) 261-9700 Facsimile: (949) 261-9799 email: rick@barnettrubin.com

State Bar Certified Personal & Small Business Bankruptcy Specialist Business Formations • Business Litigations • AV Rated



3100 Birch Street, Salte IO

State Civil Litigation

Federal Civil Litigation

Venture Capital

Phone: 949-075-0544 Fax: 949-075-0547

24 YEARS EXPERIENCE PRACTICING LAW IN ORANGE COUNTY

The ultimate book on California taxes from the California tax experts at Spidell Publishing

> The BEST information on: Conformity Credits Partnerships Payroll taxes Estates and trusts

Sales taxes LLCs Property taxes Personal income tax Periods and methods And more!

Purchase your 2006 edition NOW!

Call (714) 776-7850 for your copy today! Or visit www.caltax.com to order



Employment Tax Seminar & Fall Update

Presented by

INTERNAL REVENUE SERVICE Southern California Area CALIFORNIA SOCIETY OF ENROLLED AGENTS
Orange County Chapter

You are invited to a unique opportunity for practitioners to hear directly from IRS and EDD personnel about employment tax issues and how to deal effectively with processing, procedures and services. This is a great opportunity to get first-hand information from the experts.

DON'T MISS THIS ONE!!!

Monday, October 30th

Bonnie DeSimone, EA

Federal Tax Update

This year, the emphasis is on the application of laws and rules, including: Energy Act Credits, Roth 401(k)s, Kiddie Taxes, HSAs and the TIP Act.

Vicki Mulak, EA, CFP

California Tax Law and Agency Update

This comprehensive update on 2006 legislation will include areas of conformity and non-conformity to Federal legislation, as well as recent procedural changes, rulings, and other items of interest.

Tuesday, October 31st

IRS

- Retirement Plan Correction Programs
- Small Business/SE Tax Exam Issues
- Trust Fund Recovery Penalty
- Employee Plans/Exempt Organizations
- Illegal Employment Tax Schemes
- Large/Mid-size Employment Tax Exam Audits

EDD

• Independent Contractor vs. Employee

| Day One - 10/30 | | Day Two - 10/31 | | | |
|-----------------------------|-------|-----------------------|-------|--|--|
| Early Bird | \$140 | Early Bird | \$ 85 | | |
| After October 6, 2006 \$155 | | After October 6, 2006 | \$110 | | |
| Attend Both Days and SAVE! | | | | | |
| Early Bird | \$200 | After October 6, 2006 | \$240 | | |

Registration: 7:00 a.m. to 8:00 a.m. Seminar: 8:00 a.m. to 5:00 p.m.

(from back of card)

REGISTRATION INSTRUCTIONS:

- Send your credit card information, or your check made payable to "OCEA", along with this registration form to:
 Joni Terens, EA at 17632 Irvine Blvd #160, Tustin, CA 92780-3160. Complete one registration form for EACH registrant (you may copy this form).
- 2. Requests postmarked after Friday, October 6th, 2006, and walk-in registrations, IF AVAILABLE, are not eligible for the Early Bird discount. Your canceled check is your registration confirmation. (No other confirmation will be sent).
- 3. 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.
- 4. If you have any questions, please contact Joni Terens, EA at 714-832-4633.

| NAME | | | per |
|----------------------|-----------------------------|----------------------|----------------|
| COMPANY | | (please circle) | |
| ADDRESS | | | |
| CITY | | STATEZIP_ | |
| PHONE () | E- | MAIL | |
| I will be attending: | Day One 10/30/06 | Day Two 10/31/06 | Both Days |
| | I wish to have a vegetariar | n lunch. | |
| CHECK ENCLOSED, PAYA | ABLE TO: OCEA CHARGE | E TO MY CREDIT CARD: | sterCard. VISA |
| NAME ON CARD | | | |
| CREDIT CARD # | | 3-DIGIT CODE | EXP DATE |

NAEA POLITICAL ACTION COMMITTEE - A PRIMER

Did you know NAEA has a PAC? Do you know what a PAC is? If the answer to either of these questions is no, then you're not alone and you've come to the right place to find out.

Earlier this year, NAEA started a Political Action Committee (PAC) in order to contribute to federal election campaigns. Because federal law prohibits member organizations (like NAEA) from making direct contributions, PACs were created for association members to pool financial resources and collectively support candidates who share their positions on critical issues.

NAEA started a PAC to help elect to the U.S. House and U.S. Senate candidates who support policies that are favorable toward enrolled agents. With a completely non-partisan approach, NAEA PAC will work with both Democrats and Republicans, giving enrolled agents another voice in Washington, DC.

The PAC is administered by NAEA staff and its operations are overseen by a PAC Steering Committee, made up of five NAEA members. Disbursements to candidates are made based on a stringent set of criteria and must be approved by the Steering Committee. In a nutshell, NAEA PAC intends to support incumbent members of Congress who sit on the tax-writing committees.

Since March, NAEA PAC has raised over \$13,000 from over 120 NAEA members. The Steering Committee has approved the first two disbursements, which will be made prior to this November's elections. For more information about NAEA PAC, please visit www.naea.org



MANDATORY USES OF FORM 944

Have your clients been receiving Form 944 notices even though they do not meet the 944 profile? If so, please send an email to Bronwyn Hughes at bhughes@csea.org so CSEA can follow up with the IRS.

The new IRS Employers Annual Federal Tax Return (Form 944) program will not affect your EDD California payroll tax deposit requirements for the year 2006. Employers should continue to deposit according to the deposit schedule in the 2006 California Employer's Guide (DE44).

In addition, this action by the IRS does not change EDD's requirements for wage reports to be filed quarterly. Employers should continue to file their Quarterly Wage and Withholding Report (DE6) or Report of Wages and Withholdings for Employers of Household Workers (DE 3BHW) each quarter.

Call for Candidates to Hold Office for OCEA Officers and Directors

Your nominating committee is looking for the best qualified candidates to lead our chapter as its officers and directors for the 2007-08 fiscal year that begins next July 1st.

Any chapter member in good standing is eligible to serve. Board members are expected to attend all board meetings; participate in the annual chapter retreat; and, faithfully perform the specific duties of the positions to which they have been elected.

Please fax your recommendations to Marilyn Ratliff at (714) 505-7630 or email Marilyn@btiprofessional.com

VERIFY SOCIAL SECURITY NUMBERS ONLINE

The Social Security Number Verification Service (SSNVS) allows you to match the name and Social Security Number of employees you hire with Social Security Administration records. Go to www.socialsecurity.gov/bso/bsowelcome.htm to use SSNVS.

You have two options for using SSNVS:

- 1. You can directly key up to 10 names or SSN's at a time while in the aforementioned website and obtain immediate response to your inquiry. Or,
- 2. You can upload a file with up to 250,000 names or SSN's with results the next business day.

It's important to remember that SSNVS cannot be used to prescreen employees before they are hired. For more information go to www.socialsecurity.gov/employer/ssnv.htm

The CLASSIFIEDS

PRIVATE OFFICE available for lease. 2nd floor, 260 Sq Ft, \$400/month. Holds 2-3 people. All professional building; 1 block from I-5 Fwy & 55 Fwy. Call Ken Noland, EA at 714-505-0015

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

The OCEA Classifieds are now accepting new entries. If you have an item you wish to buy or sell, space to rent or a position to fill, list it here. Email to *4quelle@msn.com* or FAX to 714-899-2224. Include your name and phone number or email.

PLEASE NOTE: Classifieds are available for OCEA members & associates to advertise items for sale or rent, want ads and employment opportunities. Ads run for 2 consecutive months free of charge (longer based on space available. Let us know when your ad is no longer needed). Email to 4quelle@msn.com or FAX to 714-899-2224. Be sure to include your name and phone number or email.

Page 4 Volume 2006-2007 Issue 4

ANOTHER OCEA MEMBER BENEFIT!

Use the form below to order your 2006 TaxBooks and receive your special OCEA member discount.

Great for Individual, Small Business, Estates and Trusts!

- Upgrade your 1040 book! Includes everything from the 1040 plus sections on C corporations, S corporations, partnerships and LLCs, estates and trusts, payroll and labor laws, estates and financial planning, and much, much more!
- Purchase the Deluxe Edition for similar information contained in **two** books of our competitors.
- Detailed coverage of preparing a final return for a decedent.
- Contains additional information useful to your tax practice even if you do not prepare partnership and corporation returns.

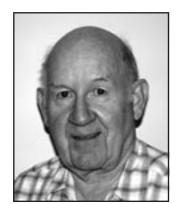
Your 2006 TaxBooks and Quickfinder Handbooks will be delivered at the January 16, 2007 OCEA dinner meeting.





Great for Individual Tax Returns in All 50 States plus the District of Colombia!

- Reference material for state e-filing.
- Summary of state tax rules, with special emphasis on preparing part-year and non-resident returns.
- Will pay for itself in time saved even if you only prepare one out-of-state return this year!



Floyd Allen, EA

Orders for the 2006 TaxBook and/or QuickFinder Handbooks must be received at the address below by November 30, 2006.



THE TAXBOOKS ORDER FORM

| COMPANY | _ |
|------------------|----------|
| | PRODU |
| NAME | - |
| ADDRESS | DELUX |
| CITY, STATE, ZIP | _ ALL ST |
| DAY PHONE | _ |
| E-MAIL | GRA |

| PLEASE NOTE: Orders must be delivered to Floyd Allen, E. | 4 <i>by</i> |
|---|-------------|
| November 30, 2006. Payment must be included with order. | You |
| nust use this order form to receive your special OCEA discoun | it. |

| PRODUCT | Qty. | x Unit Price | = Total |
|--------------------|------|-----------------|---------|
| DELUXE EDITION | | \$55 | |
| ALL STATES EDITION | | \$60 | |
| GRAND TOTAL | | | \$ |

Mail order form to: (checks payable to OCEA)

OCEA c/o Floyd Allen, EA
629 Arbolado Drive, Fullerton, CA 92835-1805

Phone/FAX: 714-871-6429

QUICKFINDER® HANDBOOKS ORDER FORM

| Purchaser | Line | Product | Qty | X Price | Total |
|---------------|------|-------------------------|-----|---------|-------|
| Company Name | 1 | Book 1 - 1040 Plus | | \$43.00 | |
| Name | 2 | Book 2 - Small Business | | \$43.00 | |
| Address | 3 | Book 3 - All States | | \$72.00 | |
| City, St, Zip | 4 | GRAND TOTAL | | | |
| Phone | | | | | |

Make checks to: OCEA and Mail to Floyd Allen EA, 629 Arbolado Dr., Fullerton, CA 92835-1805

Quickfinder® Handbooks



Income Tax & Financial Planning Quickfinder Handbook



COVERS ALL ASPECTS OF PREPARING A 1040 RETURN.

Tab sections include:

- Schedules A and B, C and F, D, E and SE •
- Forms 4797, 4562 and 2106 At Risk Autos and Listed Property •
- Tax Credits Estate and Financial Planning Social Security
 - Pensions Children Government and Economy •



Small Business Ouickfinder Handbook



PREPARE RETURNS AND PLAN FOR:

Partnerships • LLCs • LLPs •

• C Corporations • S Corporations • Fiduciaries • Payroll •

• Exempt Organizations • Gifts and Estates •



All States Quickfinder Handbook



OVER 500 PAGES OF INFO IN EASY-TO-FIND TABBED SECTIONS

- Complete, concise summary of each state's instructions for filling out individual income tax returns.
- Eliminates hours spent downloading intructions over the internet for your clients' out-of-state returns.
- Provides part-year and nonresident filing instructions for each state.
- A handy and thorough resource for every state's tax laws... including your own!