

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 3 September 2009

Welcome to New Member

James Miller, EA



Dinner Menu

German Style
Beef Sauerbraten
Chef's Choice Fish
Whipped Potatoes
Green Beans Almandine
3 Assorted Salads
2 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 424 Members strong and proud to be the largest Chapter of CSEA.

September 15th Program
1 Hr CPE Program

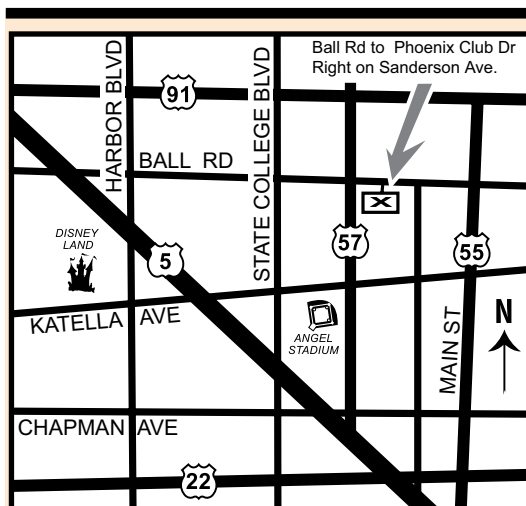
Trust in Estate Planning

The basics of living trusts and how they work

Nathan T. McIntyre, Estate planning attorney



Mr. McIntyre, a member of the prestigious American Academy of Estate Planning Attorneys, will discuss the ins and out of revocable living trusts. He will provide an overview of the trust mechanisms and estate planning options most commonly used today to help clients preserve and protect their assets, reduce their tax liability, and further insure their financial goals. He will conclude with a brief presentation on "The Technical Uses of GRITs, GRATs, CRITs and CRATs," further explaining annuity trusts, income trusts, and unitrusts.



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

Agenda September 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 Patti Kappen EA



Well, summer is winding down and extension season is cooking up. I don't know about all of you, but I don't feel like I ever head a break. Not complaining, I am always happy to be busy, especially in these tough economic times. It seems there are more and different issues and problems this year. I spend almost as much time keeping up with what's new as I do working with my clients. After all is said and done though, I really do love what I do and love the feeling of relief I see on my clients' faces when I help them through some problem they thought would be catastrophic.

I also love the support I get from our Chapter. Between the members of the Board that I interact with regularly, the education we offer and the dinner meetings, there is a constant source of tax professionals always available to help me with that one problem I can't figure out for myself. I can't imagine how others in our Profession do this alone, and won't ever have to as long as all of you keep on coming!

Speaking of education, our new Education Chair, Joni Terens, is getting ready to start planning our next year's education events. She is also looking for volunteers for her committee. I love being on the Education Committee so I can get some input on what we will be offering and also I get to work with the instructors, which is always interesting and fun. The Education Committee has many small tasks in addition to the overall planning; many are as simple as getting the course material printed, confirming the lunch reservation or sitting at the table to check in the attendees. It is usually not too hard to take on a small piece of the pie and each committee has its own special dynamic that each member helps to create. Joni would love to hear from you. (joni@abt-tax.com)

Our SEE class is in progress and doing well. There is still time to sign up for Part 3 if anyone needs it. On August 28th Vicki Mulak will be doing two 4 hour seminars. In the morning she will be doing LLCs -K1s and in the afternoon Abandonments/Foreclosures and Short Sales. These are both very timely, interesting topics for all of us. Also, you can register for the morning or afternoon separately if you choose. Please check our Website or contact me for more information. On September 14th our first CTEC/Basic Tax course will start. Many of you may have employees whom you would like to get licensed; please contact John Rumbold (jrumbold@rfa.biz) for more information on this class. OCEA, CSEA and NAEA provide various Education Scholarships. Our Scholarship Chair (and Board Director) Devang Mehta (dmehta@pmaadvisors.com) will be glad to help you if you are interested in applying for a scholarship.

By now, most of you will have heard about registering for our events at our Website. I tried it myself this month and it is great! I know it might be inconvenient not to have a permanent list for the dinner meetings any longer, however, the long *President's Message Cont on Page 3*



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CLASSIFIEDS

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OFFICE SPACE AVAILABLE. Two large offices in luxurious professional suite available for sub-lease (furniture available for one office). One window office is 14x18 (250 Sq. Ft.); the other interior office is 14x14 (200 Sq. Ft.). Rent one or both. Ideal location in bank building on Katella Ave. in Orange. Ample free parking. Daily janitorial service and utilities included. Call Mike or Coleman at (714) 939-1113 09/09

Classifieds available for OCEA members & associates to advertise items for sale or rent, want ads & 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. Include your name & phone number or email.

TAX TEASER

Alf owns all of the shares of Waxman Corporation, a manufacturer of finished leather products. Alf also owns a 60% partnership interest and his friend Richard owns a 40% partnership interest in York Real Estate Rentals, LLC. York Real Estate Rentals, LLC own and leases warehouse space to numerous businesses. In 2008, York Real Estate Rentals, LLC sold a building with an adjusted basis of \$100,000 to Waxman Corporation for \$80,000. What is the amount of York Real Estate Rentals, LLC's deductible loss in 2008 from this transaction?

- A. \$(20,000)
- B. \$(12,000)
- C. \$(8,000)
- D. \$(0)

Answer: D

President's Message Cont from Page 2 term overall benefit this will be for us will far outweigh this small inconvenience. Please try it, I think you will be pleasantly surprised at how simple it works and it really helps our volunteers.

The last thing I would like to mention is regarding Membership. We are the largest Chapter in California and it is thanks to all of you that we are. As an additional incentive for all the California Chapters to continue to grow, the California Society of Enrolled Agents is having a "Chapter Challenge" between September 14th and October 9th. They are currently offering a \$25.00 certificate toward any CSEA continuing education to each new member, but now will offer prizes to the Chapters for the most new members. First prize will be having the winning chapter featured on the cover of an issue of California Enrolled Agent magazine. Wouldn't it be great if it was our Chapter?! We all do our part to help grow our Chapter and I know we all will continue to do so. Maybe this month you will invite someone who is in the tax community who is not benefiting from membership to our next dinner meeting and then encourage them to join. I know our Membership Chair, John Kristianson will be doing his part when he visits our SEE and CTEC classes and invites these future EAs to join our chapter. I value my membership in this organization and I know you do too. Winning the prize is just the outward sign showing others how committed we are, the real prize is being able to be part of an organization like this having the privilege to participate and support and grow it so we all benefit a little more.

I hope you are all busy doing extensions but will spare time to join us at our next Dinner Meeting September 15th. I will look forward to seeing you there!

Patti

IRS Fresno Service Center Lays Out the Welcome Mat

Last month over 50 tax preparers from California and Nevada were treated to a very interesting tour of the IRS Service Center in Fresno California. We were the first group of preparers allowed back in the main building since the 9/11 attacks. And yours truly was in the “first group” of the “first group.” It was a great “show and tell” opportunity for the section chiefs in the cavernous service center building. We, the tax preparer community, are very fortunate to have such a dedicated group of professionals making sure our client’s tax returns are processed through the IRS “pipeline” smoothly. Did you know that the Fresno “campus” comprises 13 buildings on 47 acres of land? And that during the busy season “bubble” they have two shifts and over 500 “Tingle tables” in action to sort all the mail. The Tingle tables are a sort of mail sorting “station”. IRS employees stand or sit at their table for the entire shift sorting mail: individual returns with money, returns without money, correspondence regarding IRS letters, amended returns and so on. And when a taxpayer has sent in some cold cash (coins or bills) there’s a process set in motion to ensure that absolutely no money goes astray. An attendant comes quickly to take possession of the cash, to give credit to the taxpayer’s account, and to make sure that the cash is handed over to the next IRS employee who makes sure the cash gets put in the IRS’ bank.



By Donna Miller
OCEA 2nd Vice President

plex tax issues have to be shipped out to other campuses and there is a delay in getting them done. Some times as much as 9 months!

A repeating message that the section chiefs had for us was to please be sure to write the social security number, form number and tax year on any checks mailed to ANY of the IRS addresses. And to make sure the tax returns are signed by the taxpayers. They also recommend mailing ANYTHING (especially mail-in tax returns) a couple days before the April 15 deadline. The volume of mail they have to process from April 15 and on is hard for all of us to imagine. So, if your client wants to speed up getting a mail-in return processed the

client should send it just a couple days before April 15. When you send in an amended return you don’t need to send in a copy of the original return. The IRS said they don’t NEED it so don’t bother to send it. When you are sending a response to a letter (i.e. a CP2000 letter) go ahead and staple a copy of the IRS letter to the FRONT of your letter. If you are sending in an original return with your correspondence it is especially important to put a copy of the IRS letter on the FRONT. It helps those guys working the Tingle tables route the letter to the correct person or processing unit. The IRS also suggested that we use the envelopes that they mail with the correspondence or tape the “window portion” to a larger envelope if you need to.

This time of year there is a unit in the service center furiously working to process all of those amended returns that our clients have sent in to claim a refund for the first time home buyer credit. Our section chief host was very proud to rattle off statistics about how quickly they can get the “regular” amended returns worked. She had to admit, though, that the amended returns with more com-

The IRS was pleased with the level of interest in the Fresno service center tours and will probably offer more opportunities for tax preparers in the future. So keep your eyes open for the next OPEN HOUSE. I highly encourage any of you to make the trip to Fresno and have a look around.

CTEC* Qualifying Education 60 Hour Tax Preparation Course

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Monday and Thursday evenings 6:30 PM – 9:30 PM (two Saturdays)

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* California Tax Education Council (www.ctec.org)

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- Child Tax Credit, Child & Dependent Care Credit
- Unearned Income, Interest, Dividends, Etc.
- Itemized Deductions; medical, Interest, Taxes
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- Retirement Planning
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- Ethics
- Plus California adjustments and treatment of the above

REGISTRATION FORM

\$399. (\$450 After Aug 31 2009)

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Fax: 714-242-1888
Email: jrumbold@rfta.biz
Questions: 714-425-7202

PLEASE NOTE: 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.

Notice of By-Law Change

To Fellow Members of Orange County Chapter:

As you may know, the CSEA Board has reduced its Board by having one Director from each Chapter. In the past, the number of Directors a Chapter can elect to the CSEA Board was based on number of Members each Chapter had (just like in the US House where each state is allowed a certain number of Representatives based on its population), and since we are the largest Chapter of CSEA, we were entitled to elect two Directors, but now we are entitled to elect one Director. This change was due to cost cutting at CSEA.

This By-Law amendment affirms this reduction. It also limits the CSEA Director's term to not more than two (2) consecutive terms, so other members can have an opportunity to represent our Chapter on the CSEA Board.

Finally, this Amendment clarifies what happens if the Immediate Past President is not able to fulfill his/her duties.

This By-Law Amendment had already been enacted by the Chapter Board, however the CSEA By-Laws Committee has ruled that the Chapter Board did not give sufficient published notice on this By-Law Amendment to our Members, so we had to restart the process.

This notice will appear in the Newsletter for two consecutive months and then at the October Dinner Meeting we will vote on it.

Article 7 DIRECTORS

7.01 Qualifications and Terms of Office.

Only Members shall be eligible to serve as members of the Board of Directors. There shall be no more than thirteen (13) Directors, including all Officers and *the* Society Directors. The term of office of duly elected Officers, *the* Directors, and *the*

Society Director shall begin upon installation and shall last until the next Annual Meeting. All Officers and Directors shall serve a term of one year, *except the Society Director, who shall serve a two-year term.* ~~except Society Directors who shall serve a two-year term. So long as the Society authorizes two Society Directors from the Chapter, the terms of office of such Directors shall terminate in alternate years.~~

There shall be elected one (1) Society Director from the Chapter. The term of office of the Society Director shall commence on the same day as the other Officers and Directors.

No member shall serve as Society Director for more than two (2) consecutive terms.

7.02 Vacancies.

a) In the event a *the* Society Director is elected an Officer of the Society, the Chapter shall replace that Director in a manner prescribed by these Bylaws.

b) If a position of Chapter Director or Society Director becomes vacant by disability, resignation or other cause, the Board of Directors shall elect a Member(s) to fill the vacant position(s) for the remainder of the term.

c) *If the Immediate Past President is not able to fulfill the duties of Office of Immediate Past President, then the Office shall be declared vacant, and the responsibilities of the Immediate Past President shall be re-assigned among the remaining Officers, Directors, and the Society Director, at the discretion of the President.*

If you have any questions on this By-Law Amendment, please contact me at dshasho1@verizon.net

Sincerely & Respectfully Submitted By,

David S. Shashoua, JD, LL.M., EA

Chairman of the By-Laws Committee, Parliamentarian, of the California Society of Enrolled Agents, Orange County Chapter for 2009 – 2010 Term.

Quickies From The Quill

From your OCEA Board....

- The new online registration method, and the loss of the “permanent list,” has caused some confusion...the Board members are hopeful EVERYONE will register earlier so we can give the Phoenix Club an accurate count of dinner attendees by the Friday before the meeting; and have fewer “walk-in” attendees for future meetings
- There will now be two lines at the “check-in” table at the meetings; one for pre-registered attendees and one for “walk-in” attendees to attempt to process people more quickly
- Donna Miller was very excited about her trip to the IRS Service Center in Fresno...be sure to read her article elsewhere in the Newsletter
- Examination of our Books has taken place for the past fiscal year and the report has been published by the committee
- Watch for our ads in the Business Section of the Orange County Register about our 10-week CTEC course starting in September, and think about relatives, friends, or employees who may be interested in this course...it is a first for OCEA
- If you have any ideas for what you'd like to see on our OCEA website, let Lisa Newton or John Kristianson know; they are in the process of developing a marketing plan with our website and they want your ideas

Chapter Secretary, Patricia Yeckel, EA

Its time to update your web site.

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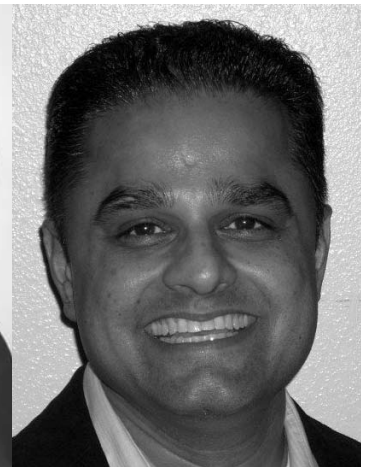
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We Are OCEA

UPCOMING PROGRAMS & EVENTS

<u>DATE</u>	<u>PROGRAM / EVENT</u>	<u>CPE</u>	<u>SUBJECT</u>	<u>LOCATION</u>
Sept. 14, 2009	Special Event		Basic Tax Prep 60 Hour CTEC Approved Course	Elks Lodge, Santa Ana
Sept. 15, 2009	Dinner Meeting	1	Basics of Trust Entities	Phoenix Club
Oct 20, 2009	Dinner Meeting	1	Tax Law Changes on Retirement Plans	Phoenix Club
Nov 17, 2009	Dinner Meeting	1	Visit from CSEA President David Shaw, EA	Phoenix Club
Dec 15, 2009	Dinner Meeting	1	Report on IRSAC	Phoenix Club