



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 5 November 2010

November 16th Program 1 Hr CPE

Welcome New Members

Arlen Foote
Harold Ramey



Dinner Menu

Roasted Turkey
with Cranberry Sauce
Dressing and Gravy
Chef's Choice Fish
Whipped Potatoes
Green Beans Almandine
Garden Green Salad
Caesar Salad
Three Color Pasta
Pumpkin Pie
Pecan Pie

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.

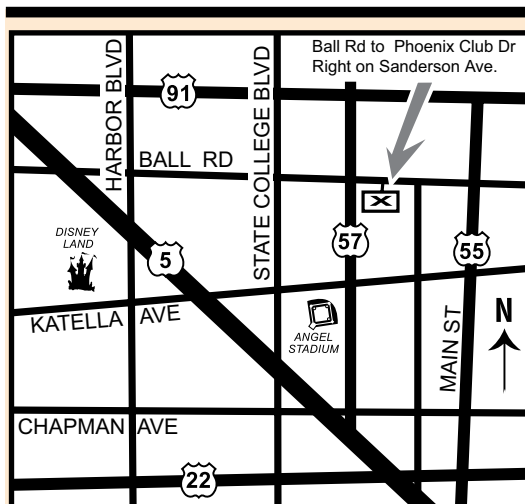
OCEA is 435 Members strong and proud to be the largest Chapter of CSEA.

Representation, the Three Sided Desk

Presented by **Kim Kastl, EA**



Ever seen a “three sided desk”? Probably not, they are not too common. But that has been Kim Kastl’s professional life. First as a taxpayer, a waitress, who was audited on tip income. Then as an IRS associate heading the Examination Groups Audit of restaurant tip income in the San Francisco area and finally as an EA, representing tax payers before the IRS. Having sat in each seat, Kim Kastl, CSEA President, brings a unique perspective to Audit representation. Come join Ms. Kastl to get a look at a very unique perspective on audit representation and the “three sided desk”.



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

Agenda November 16th

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



The new PTIN registration is now available. All tax professionals (including EAs) must register (or re-register) for a PTIN. The IRS has an FAQ page at <http://www.irs.gov/taxpros/article/0,,id=218611,00.html>; you can register for your PTIN at <http://www.irs.gov/taxpros/article/0,,id=210909,00.html>.

The system, though, is not perfect. The first time I attempted to re-register my PTIN I never received an email of my password. I waited one day and tried again and I was successful. There have been numerous other problems reported, including CAF numbers not being accepted by the system and other registration problems. The IRS (and their contractor) does have a toll-free number set up should you have difficulty in registering. Remember, you must register or re-register your PTIN by December 31st.

Meanwhile, earlier this month there was a hearing held in Washington regarding the changes proposed by the IRS for Circular 230. The NAEA and CSEA submitted written comments on the changes; the NAEA and several other organizations testified at the public hearing. The changes could dramatically impact how CSEA and OCEA offer continuing education courses. At this point, it's unclear what impact (if any) the new regulations will have.

Speaking of continuing education, it's time to register for the Practitioner's Seminar. This annual seminar, featuring information from the IRS and giving you seven hours of continuing education credit, will be held at the Irvine Hilton on Tuesday, January 11th. You can register online at <http://www.media-enterprises.com/csea> or you can register by mail through the flyer appearing elsewhere in this newsletter.

I couldn't attend Karen Brosi's seminar on Weird Real Estate, and it appears that was a mistake (for me). The reviews of her talk were excellent, and it was clear from her presentation on the mortgage interest deduction at our dinner meeting that her knowledge on this topic is extraordinarily extensive. We will definitely try to follow the advice of one commenter and try to get Ms. Brosi back in 2011. This month the President of CSEA will be joining us. Kim Kastl is an entertaining speaker, and she'll be talking to us about Representation, the Three-Sided Desk. This promises to be an excellent presentation, and I hope you'll be there to welcome Ms. Kastl.

I put Tish Patterson on the spot during the October dinner meeting and asked her to give a brief update on the December dinner meeting and holiday party. Apparently neither Tish nor I looked at a calendar: The December dinner meeting will be on Tuesday, December 21st (not December 15th). Tish is planning a wonderful party, including music; Lori Cacioppo of the IRS will be speaking.

You may have noticed that our badges have changed. CSEA has a new logo; the NAEA logo changed some time ago. If you would like a badge that reflects the current logos or if you've lost your badge and need a new one, you can obtain a new badge for \$13 at <https://www.123signup.com/register?id=mrshz>. We're placing one order each month (about one week after each dinner meeting); you can pick up your new badge at the following dinner meeting. The price includes sales tax.

Let's enjoy the break before the next tax season is upon us.



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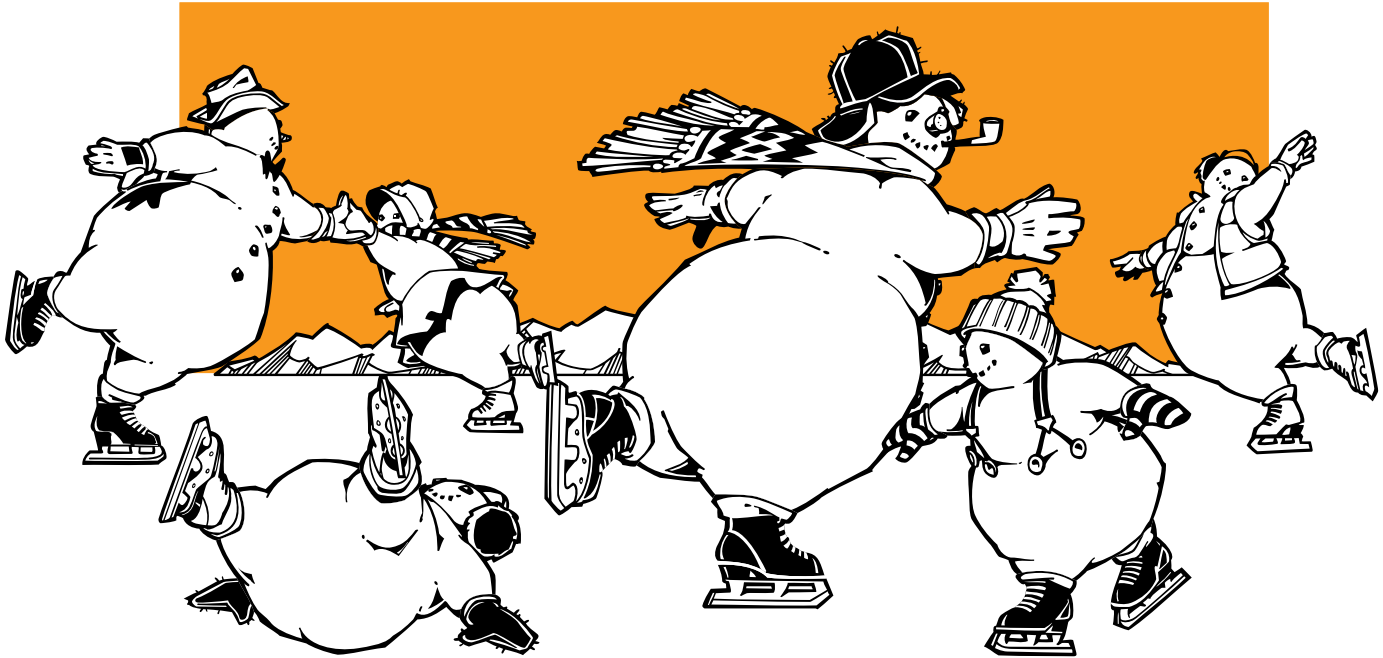
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‘Tis the Season to start thinking about the wonderful holiday season ahead of us. A time for reuniting with friends and family, sharing memories and planning for the New Year ahead. To kick off the holidays, our December meeting will also be a Holiday party.....with merriment and good cheer for all. Holiday helpers are gathering up goodies to fill baskets to the brim with good cheer...a few special surprises and music to enrich our souls will also be on the bill of fare for the evening. I’m secretly wishing for snow.....but doubt I will get my wish. We are looking forward to seeing you all and having a wonderful, fun filled evening.

Won’t you join us???



From The Quill

Notes from your Secretary for November, 2010 Newsletter...

- Your Board of Directors voted at the October Board meeting to invest in a complete professional turnkey sound system including 2 wireless handheld microphones with stands, 1 wireless lapel microphone, storage cases, and all the electronics that will allow us to hear each other and our speakers better at all our events.
- The Board is still getting too many late reservations after the Thursday night deadline, which makes it very hard for the Phoenix Club to set up the right amount of tables and prepare the right amount of food. We’re trying to come up with other solutions, as we don’t want to discourage attendance.
- Jim Stern Legislative Day will be Friday, January 7 in Sacramento and any interested members are welcome to attend; see Patti Kappen if you are interested.
- Our CSEA President, Kim Kastl, will be our guest at the November dinner meeting and we look forward to having a large turnout.
- We sent out our first version of an electronic Newsletter at the beginning of October and the feedback has been very positive. We will continue for several months to send out both the electronic version and the mailed version, at which time members can determine which they would rather continue to receive.
- The Chapter will again have a “Shredding Day” on a Saturday in January, 2011. Watch for more information to come about that. All our members can take advantage of that, as well as our clients.

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Make Checks Payable to: OCEA.

All orders must be received by Dec 23, 2010 to qualify for discount. Payment must be included with order.

Mail your completed form and check to:

OCEA c/o Floyd Allen, EA
629 Arbolado Drive, Fullerton CA 92835-1805
714-871-6429

As a benefit to Members and others who purchase these handbooks, there will be no additional shipping and handling charges for those attending the January 18th dinner meeting where these handbooks will be distributed prior to the 2 hour CPE tutorial program on the effective use of these handbooks in our tax practices.

OCEA is Looking For Tomorrows Leaders

by Joe Guccione, EA

We are looking for qualified candidates with vision and the desire to keep OCEA a leader in its field.

Any regular Member in good standing is eligible to serve. Board Members are expected to attend all

monthly board meetings held on the third Tuesday of each month just before our dinner meetings. Board Members must also attend the annual planning retreat held in June to plan the coming years operating budget.

Please fax your recommendations for Officers and Directors to Joe Guccione at (714) 842-8787 or e-mail gucci-one@msn.com.



IRS Issues Final Regulations on New Basis Reporting Requirement; For Investors, Reporting Gains and Losses Gets Easier Starting in 2011

IR-2010-104, Oct. 12, 2010

WASHINGTON — The Internal Revenue Service today issued final regulations under a law change that will require reporting of basis and other information by stock brokers and mutual fund companies for most stock purchased in 2011 and all stock purchased in 2012 and later years. The reporting will be to investors and the IRS.

This additional reporting will be optional for stock purchased prior to these dates.

“This important reporting change means investors will now receive the information they need to more easily and accurately report their gains and losses,” said IRS Commissioner Doug Shulman. “We will continue to work closely with stakeholder groups to ensure a smooth implementation of the new requirement, which reduces the recordkeeping and paperwork burden for millions of taxpayers.”

These regulations, posted today in the Federal Register, implement a provision in the Energy Improvement and Extension Act of 2008. Among other things, the regulations describe who is subject to this reporting requirement, which transactions are reportable and what information needs to be reported. Besides providing numerous examples, they also adopt a number of com-

ments and suggestions received since the proposed regulations were issued last December.

Form 1099-B, Proceeds from Broker and Barter Exchange Transactions, long used to report sales prices, will be expanded in 2011 to include the cost or other basis of stock and mutual fund shares sold or exchanged during the year. Stock brokers and mutual fund companies will use this form to make these expanded year-end reports.

The expanded form will also be used to report whether gain or loss realized on these transactions is long-term (held more than one year) or short-term (held one year or less), a key factor affecting the tax treatment of gain or loss. The expanded form, to be first used for calendar-year 2011 sales, must be filed with the IRS and furnished to investors in early 2012.

The IRS today also announced penalty relief for brokers and custodians for reporting certain transfers of stock in 2011.

The relief is described in Notice 2010-67.

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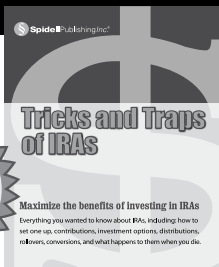
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TAX TEASER

Which of the following statements with respect to resolving tax problems involving the collection process is false?



- A. You may be entitled to a reimbursement for fees charged by your bank if the IRS has erroneously levied your account.
- B. You should first request assistance from IRS collection employees or their managers before seeking assistance from the problem resolution officer.
- C. If you suffer a significant hardship because of the collection of the tax liability, you may request assistance from the IRS on Form 911, Application for Taxpayer Assistance Order.
- D. IRS collection division managers have the authority to issue a Taxpayer Assistance Order if a taxpayer is about to suffer a significant hardship because of the collection of the tax liability.

Answer D

Would you like a new name badge?

CSEA has a new logo and NAEA changed their logo, so we are updating name badges with the new logos for new members. For those of you that want to get a new one, they can be purchased online at eaoc.org. The price is \$13 which covers our cost and sales tax. Donna Miller will put in one order per month in the week following our dinner meeting. That should make them available to pick up at the next dinner meeting.



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Take a small magnet on your holiday. It will come in handy at the end of it.

by Ralph Mantecon, EA

Ever wonder what is on your magnetic key card?

Answer:

- a. Customer's name
- b. Customer's partial home address
- c. Hotel room number
- d. Check-in date and out dates
- e. Customer's credit card number and expiration date!

When you turn them in to the front desk your personal information is there for any employee to access by simply scanning the card in the hotel scanner. An employee can take a hand full of cards home and using a scanning device, access the information onto a laptop computer and go shopping at your expense.

Simply put, hotels do not erase the information on these cards until an employee reissues the card to the next hotel guest. At that time, the new guest's information is electronically 'overwritten' on the card and the previous guest's information is erased in the overwriting process. But until the card is rewritten for the next guest, it usually is kept in a drawer at the front desk with YOUR INFORMATION ON IT!

The bottom line is: Keep the cards, take them home with you, or destroy them. NEVER leave them behind in the room or room wastebasket, and NEVER turn them into the front desk when you check out of a room. They will not charge you for the card (it's illegal) and you'll be sure you are not leaving a lot of valuable personal information on it that could be easily lifted off with any simple scanning device card reader.

For the same reason, if you arrive at the airport and discover you still have the card key in your pocket, do not toss it in an airport trash basket. Take it home and destroy it by cutting it up, especially through the electronic information strip!

If you have a small magnet, pass it across the magnetic strip several times. Then try it in the door, it will not work. It erases everything on the card.

CLASSIFIEDS

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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

POSITION AVAILABLE: Growing tax firm in Orange is hiring a tax professional for the 2010 tax season. Position is a seasonal to potential year round opportunity. EA preferred, but CTEC acceptable. Drake tax software experience a plus, Ultra Tax software knowledge helpful. Great pay options available as well as bonuses and profit sharing. The position is in a dynamic corporate office environment that will include legal and financial interactions. Must be ambitious and want to grow with the company. Email cover letter and resume to taxteam@gtbsonline.com. Scott Grandfield. 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

I'M LOOKING FOR FULL TIME EMPLOYMENT for bookkeeping / office management position. Experienced in QuickBooks and Microsoft Office applications. Previous tax office experience. Please contact Kathryn Cramer at (714) 204-8665 or kate4683@hotmail.com. Submitted by Norm Schmidt, EA. 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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What is an Enrolled Agent?

An Enrolled Agent (EA) is a federally-authorized tax practitioner who has technical expertise in the field of taxation and who is empowered by the U.S. Department of the Treasury to represent taxpayers before all administrative levels of the Internal Revenue Service for audits, collections, and appeals.

UPCOMING PROGRAMS & EVENTS

<u>DATE</u>	<u>PROGRAM / EVENT</u>	<u>CPE</u>	<u>SUBJECT</u>	<u>LOCATION</u>
Nov 16, 2010	Dinner Meeting	1	Representation, the Three Sided Desk	Phoenix Club
Dec 21, 2010	Dinner Meeting	1	IRS Topics	Phoenix Club
Jan 18, 2011	Dinner Meeting	2	Quickfinder Tutorial	Phoenix Club
Feb 15, 2011	Dinner Meeting	1	California Update	Phoenix Club