

The Orange County ENROLLED AGENT

The Tax Professionals

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Volume 2009-2010 Issue 8 February 2010

Welcome to New Members

Joshua Boxer, EA
Alice Keen, EA
Tams Lai, EA



Dinner Menu

Beef Rouladen
Chef's Choice Fish
Sauerkraut
Rice Pilaf
Garden Green Salad
Caesar Salad
Ambrosia Salad
Strawberry Shortcake
Bee Sting 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 403 Members strong and proud to be the largest Chapter of CSEA.

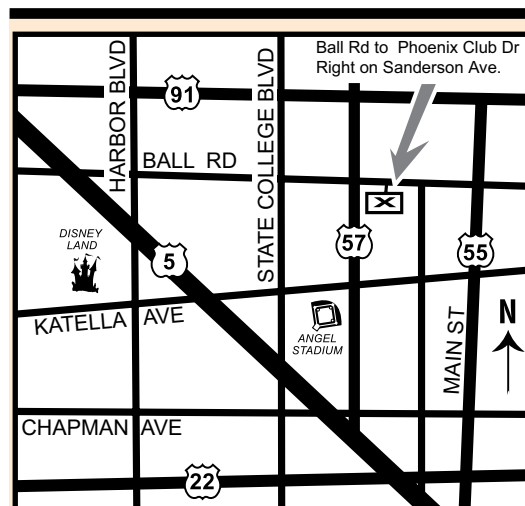


February 16th Program
1 Hr CPE Program

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.



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

Agenda February 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 Patti Kappen EA



I said I would endeavor to keep my messages short during tax season but this month I am so excited about what is going on in education for our Chapter that it will be difficult! January 19th, one of the rainiest days I think I have ever experienced driving in and that almost kept me from attending; almost a dozen Members attended our Education Committee Meeting. That many Members are interested in participating in expanding and improving Orange County Chapter's educational offerings and taking them to the next level.

When I first came on the Board, Bill Geideman appointed me Education Chair, I have been involved in education ever since. I am passionate about education! Not just my own personal education, but also training, mentoring and helping to provide opportunities for others to learn. By trial and error over the last few years our Chapter has learned what works and what does not. We have tried many different things and think we have some new ideas that will have us stand out in the tax preparer community as the place to look for good tax education.

With the IRS finally moving forward on registering all tax preparers, our Chapter is in a unique position not only to offer more educational opportunities to a wider group of people, but also to get new Members for our Chapter. As you know we currently offer the SEE Review which will begin in August and the 60 Hour Basic Class which will start in September. New this year, will be the addition of basic tax preparation classes on specific subjects. The Committee feels this addition will enable the chapter to offer tax education on every level. We will be able to attract people looking for new careers, and bring them through the education they need to become Enrolled Agents if they choose. For the experienced EAs we will continue to offer seminars presented by well known instructors who are experts in the topics they teach.

We have been working on ideas for a long time and I have to thank Dale Quelle for coming up with this idea and being persistent enough to keep at it until we understood the benefit it would be to our Chapter. We can't compete with others who do the giant Fall Updates, but we can create a niche for our Chapter where there is a need that is not being met locally.

I love what I do and I know you do too. We have an opportunity now to share our knowledge and get involved by teaching and or volunteering in some capacity with the Education Committee. 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.

See you February 16th when Lynn Free will do her annual California Update.

Patti



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CSEA Directors Report

by Lisa Newton, EA



The first week of January started out with a bang with IRS announcing the registration of all paid preparers by the end of 2010. Their proposal is right in line with the recommendations of CSEA and NAEA. It is really nice when our lobbying efforts generate the results we want. That announcement was in my mind as I flew off to Sacramento for the Legislative Day on January 8th.

Legislative Day has become an annual event for CSEA. We ask for volunteers from all of the Chapters of CSEA to come up for one Friday in January to meet with their representatives. It is an opportunity to get to know your representative and/or their staff. We sit down with them and discuss any issues coming up and offer ourselves up as the tax professionals. This year we were back discussing --What is an EA?, California conformity and the current economic situation.

I met with my representatives staff; in fact, I met with the same individuals I met with last year. I was shocked, they remembered me. But, it meant I did not have to explain what an EA is and I could focus on California conformity and small business issues. Small business issues are really on their minds. I heard from the staff and other speaker that they feel the next six months the legislature should stay focused on small businesses since there are approximately 3.5 million small businesses in California and they make up 98% of our economy. My representatives asked for specific things that could be done to ease the burden on these businesses. They are looking for specific regulations and/or conformity issues that we or our clients believe will be beneficial, not cutting taxes. If you have an idea you can contact your representative, Sharon Stone-Smith Esq at CSEA or Steve Baker the CSEA lobbyist.

The board meeting that followed over the next couple of days focused on strategic planning. As the IRS plan for the new registered preparer rolls out we have the opportunity to grow our number by encouraging these preparers to take the SEE exam and become EAs. There is strength in numbers. If we can grow our membership CSEA will be able to offer more benefits and our political voice will be stronger. We stand at the crossroads of making the EA designation a household name if we take advantage of the current situation, especially with the IRS's planned marketing strategy to educate the taxpayer on how to select a tax preparer. The new IRS proposal is full of references to EAs (not other circular 230 preparers). Finally, IRS may be helping us with the awareness of the EA designation. Use the next year to encourage your employees, friends and contacts in the industry to get on the EA track and join CSEA.

Several board decisions were made to further our efforts in growing CSEA with the new tax preparers. First, any CTEC preparers joining in the 2010 calendar year are going to receive a discounted membership. What that discount will be, will come out soon, it needs to not create a deficit for CSEA or any Chapter. We were already working on an EA track in education. We will soon have some kind of affiliation designation for vendors that want to join us. Lastly, we approved the purchase of upgraded software at CSEA to make them more efficient and to give them the tools necessary to update our website into a user friendly site.

The CSEA nominating committee also announced the slate of State Society Officers for year 2010-2011. They are as follows

President: Kim Kastl, EA
 1st Vice President: Jean Nelson, EA
 2nd Vice President: Dr. Raven Deerwater, EA
 Secretary: Alma Guenther, EA
 Treasurer: Donald Stacy, EA

The last thing I want to touch on is our education requirement. Karen Hawkins, IRS OPR, reported that IRS audited many EA renewals and found them to be unacceptable. Let this serve as a warning, IRS does audit your renewal. You are required to keep your certificates for three years as well as the syllabi for your continuing education. CSEA may be able to help you with that, but it is your responsibility not theirs.



Enrolled Agent Frequently Asked Questions

An excerpt from IRS' e-news
for tax professionals

Q: How do I check on the Status of an Enrolled Agent?

A: If you would like to find out the status of an Enrolled Agent, please send an email to our Detroit office at epp@irs.gov, or call our Detroit office at (313)234-1280. Another alternative is to send an email to the OPR mailbox at opr@irs.gov. In either case, please be sure to include the full name of the individual along with their address.

Q: How do I obtain a misplaced enrollment card?

A: A replacement card may be obtained by calling the Detroit Office at (313) 234-1280 (not a toll-free number). You may also request a replacement card by e-mail at epp@irs.gov or by fax at (313)234-1622. If requesting the card via e-mail, please do not include any tax identifying data, such as your SSN. The request should include your name, contact information, such as your best daytime phone, and your enrolled agent number.

Q: What is an enrolled agent?

A: An enrolled agent is a tax professional, who has demonstrated special competence in tax matters, applied for enrollment, and has been issued an enrollment card.

Q: How do I become an enrolled agent?

A: An individual becomes an enrolled agent by filing an application with the OPR. He/she must pass the Special Enrollment Examination or present evidence of qualifying experience as a former IRS employee. A background check including a review of the applicant's tax compliance is conducted. Generally, it takes approximately 120 days to be issued an enrollment card.

Q: How do I become an enrolled agent if I am a former IRS employee?

A: An applicant who is requesting enrollment based on his/her former employment with IRS, generally, must have a minimum of 5 years continuous employment with the IRS, during which time he/she must have been regularly engaged in applying and interpreting the Internal Revenue Code. Former employees are required to submit a standard position description with their Form 23 and payment.

Q: What is the Special Enrollment Examination (SEE)?

A: The SEE is now a three (3) part examination that will be administered by an Outside Vendor. The SEE contains three (3) parts as follows:

a.. Part 1 - Individual

b.. Part 2 - Business

c.. Part 3 - Representation, Practice and Procedures

Q: What must I do in order to take the SEE?

A: You will need to complete an application for Special Enrollment Examination, Form 2587, which will be available through Prometric's website.

Q: How do I obtain my SEE results?

A: Examination results are available immediately upon completion of the examination.

Q: What is the next step if I passed all three parts of the SEE?

A: You are ready to apply for enrollment to practice before IRS. Submit a completed Form 23, Application for Enrollment to Practice before the IRS, along with a check for \$125.

Q: Is it possible to become an Enrolled Agent if I have or have had problems with my personal tax obligations?

A: Failure to timely file tax returns or to pay your taxes may be grounds for denying an application for enrollment. The Office of Professional Responsibility will review all of the facts and circumstances to determine whether a denial of enrollment is warranted.

Q: What does "practice before the Internal Revenue Service" mean?

A: "Practice before the IRS" includes all matters connected with a presentation to the IRS on behalf of the taxpayer. Examples include preparing and filing documents, communicating with the IRS, and representing a client at meetings.

Q: Who may practice before the IRS?

A: Any attorney, CPA, enrolled agent, and enrolled actuary who is not currently under suspension or disbarment from practice before the IRS.

Q: Can anyone else practice before the IRS?

A: Yes.

- 1.. An individual may appear on their own behalf,
- 2.. An individual may represent an immediate family member,
- 3.. A regular full-time employee of an employer may represent the employer,
- 4.. A general partner or a regular full-time employee of a partnership may represent the partnership.

5.. A bona fide officer or a regular full-time employee of a corporation, association, or organized group may represent the corporation, association, or organized group.

6.. A regular full-time employee of a trust, receivership, guardianship, or estate may represent the trust, receivership, guardianship, or estate.

7.. An officer or a regular employee of a governmental unit, agency, or authority may represent the government unit, agency, or authority in the course of his or her official duties.

8.. An individual may represent any individual or entity, which is outside the United States, before personnel of the IRS when such representation takes place outside the United States.

9.. An individual who prepares and signs a taxpayer's return as the preparer (or who prepares a tax return but is not required to sign the tax return) may represent the taxpayer only with respect to the return he or she prepared and signed. Such an individual may represent the taxpayer before revenue agents and customer service representatives, but not appeals officers, revenue officers, or Counsel.

Q: Can a government employee practice before the IRS?

A: An individual, who is an employee of the Federal government, generally, cannot practice before the Service. State and local government employees, generally, may not practice if their employment discloses information relating to Federal taxes.

Q: What is an unenrolled preparer?

A: An individual who prepares and signs a tax return as the preparer, or who prepares a tax return but is not required to sign the tax return.

Q: What are the limitations on representation by an unenrolled preparer?

A: An unenrolled preparer's ability to practice before the Service is very limited. Generally, it is limited to the examination function of the Service, and only with respect to a return he or she prepared. Consequently, an unenrolled preparer cannot practice before appeals officers, revenue officers, and Counsel. Also, an unenrolled preparer cannot execute claims for refund, receive refund checks, execute consents to extend the statutory period for assessment or collection, execute closing agreements, or execute waivers of restriction on assessment or collection of a deficiency in tax.

CLASSIFIEDS

POSITION AVAILABLE TaxResources, Inc. is hiring tax professionals for the 2010 tax season! Positions are available at our Orange County and Sacramento locations. Enjoy Flexible hours and enjoy great pay. To find out more about our company and our job opportunities, and to apply online, please visit our website at <http://jobs.taxaudit.com>. Carolyn Richardson (888) 701-9695 Ext 12253. 02/10

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BI-LINGUAL (SPANISH-ENGLISH) EA WANTED P/T to F/T for tax season.

UltraTax experience helpful. San Juan Capistrano office. Contact Patti Kappen at patti@sanjuanfinancial.com. 12/09

NEED EXTRA HELP? Enrolled Agent/CFP looking for per diem tax preparation or bookkeeping work. Knows Quickbooks and Lacerte. Proficient with individual, corporation, partnership, LLC, and estate/trust tax returns. Call Sallie Allen at (562) 987-2151. sallieea@aol.com. 7/09

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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	2008/09



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Quickies From The Quill

· Suggestion from the Board: MAKE YOUR ONLINE RESERVATION AS SOON AS YOU GET THE NEWSLETTER IN THE MAIL; Members really need to do a better job helping us know earlier how many to expect for our meetings. We've been over-estimating our numbers and having to pay for extra dinners, which is a waste of food and a waste of our Chapter funds.

· Enrolled Agent renewals were audited recently and it was discovered that we need to do a much better job on our recordkeeping; we have to keep our CPE Certificates and our handout materials for three years and keep this information well organized.

· Our OCEA Shredding Day on January 9, organized by Dan Carlberg, was a huge success and the Board talked about doing it at least annually, or perhaps semi-annually. Next time we sponsor this, the flat fee charge will not be for an unlimited number of boxes.

· The new Board of Equalization requirement is for service businesses such as ours with gross receipts over \$100,000 to file use tax returns and report and pay use tax on our internet purchases and out of state purchases; the new requirement also gives amnesty for late filing of 2007 and 2008 use tax returns as long as they are filed by January 31, 2010.

· If you are interested in being on the Board or on a committee, contact Joe Guccione, Chair of the Nominating Committee, as he is now working on next year's Board nominees.

· Are you interested in helping be a "greeter" at our meetings and helping with the Membership Committee? If so, John Kristianson would love to hear from you!

Chapter Secretary, Patricia Yeckel, EA.

UPCOMING PROGRAMS & EVENTS

<u>DATE</u>	<u>PROGRAM / EVENT</u>	<u>CPE</u>	<u>SUBJECT</u>	<u>LOCATION</u>
February 16, 2010	Dinner Meeting	1	California Update	Phoenix Club
March 16, 2010	Dinner Meeting	1	IRS Update	Phoenix Club
April, 2010	No Meetings			
May 18, 2010	Dinner Meeting	1	Taxes & Online Gamblin	Phoenix Club
July 20, 2010	Dinner Meeting	2	Ethics	Phoenix Club