



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 7 January 2009

January 20th Program

2 Hr CPE Program

QUICKFINDER & TAXBOOK TUTORIALS

*Presented by Vicki Mulak, EA
and Bill Geideman, EA*

Back by popular demand. Vicki Mulak and Bill Geideman will be presenting tutorials on the Quickfinder Handbook and the TaxBook for the 2008 tax year. Each tutorial will be presented simultaneously and will last for 2 hours.

Vicki will present the Quickfinder tutorial. It's a walk-through of the 1040 Quickfinder Handbook and the Small Business Handbook, in an effort to discover the wealth of information available in this handy desk reference material. Bill will lead us through the TaxBook and explore the Individual, Small Business, and Estates & Trust sections.

You will also receive your pre-ordered books at this event. Or, bring your own if you did not order one through the Chapter.



Menu

Pork Schnitzel
Reb Cabbage
Spaetzle
Veggie Lasagne
Fresh Vegetable Medley
Two 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 405 Members strong and proud to be the largest Chapter of CSEA.



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

Agenda January 20th

4:30 Board Meeting

5:30 Social Time

6:00 Dinner Hour

7:00 2 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 (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 Patricia Kappen EA



Happy New Year! Hope you all had a wonderful holiday and are ready to get into a new tax season. Lots going on this year, and I think it is going to be challenging for us and our clients. Fortunately, we have good support within our membership and always have someone to call on if we need help.

We had our first annual holiday party in December and thanks to Lisa Newton it was a great success. She made some beautiful gift baskets to raffle off and Sharon Kay Gordon contributed some jewelry also. Everyone was delighted when their numbers were called and they had so many great gifts to choose from. Vicki Mulak and her daughter Elizabeth entertained us playing holiday music on piano and violin. Elizabeth also sang some holiday carols. The room was decorated beautifully, the entertainment very special and the food, thanks to Dale Quelle's special holiday menu, was superb! I think everyone would agree, it was a great evening.

Our speaker this month was Lori Cacioppo, the IRS Senior Stakeholder Liaison. She explained the IRS's program for partnering with tax professional organizations, small business groups and industry associations to provide tax education and information for their members. Many of our members are already involved and highly recommend this program. There will be a training class in May and we will keep you advised on how you can get involved also.

Another event we are having every month is a drawing for a free education seminar. This month's winner was Joseph Dimino. This is a great member benefit but you have to be at the meeting to win. Our hope is that it will entice a few more members to show up every month and increase attendance at our seminars.

Speaking of seminars/classes, we are looking at a possible venue for our 2009 SEE class and our new Basic Tax class. If it works out we will have a centrally located place to run both classes consecutively. We will be needing teachers for the Basic Class, if any of you are interested please let me, or anyone else on the Board know. We are very excited about the Basic Class, we think it will be of great benefit to our members and our chapter.

Unfortunately, we do have to cancel our January California Update Seminar and are so sorry for the short notice. If you have already registered, Donna Miller will be refunding your money or making the adjustment to your credit card. If you have to pay a late registration fee for another California Update class, please let me know and the Chapter will refund the late fee. The Quickfinder and TaxBook classes will be held as usual at the January meeting. Remember, this meeting is two hours. Also on our education agenda is the 2009 Practitioner Seminar on January 9, 2009. If you need additional information, contact Lisa Newton. Lynn Freer from Spidell will be at our February dinner meeting giving us a California Update. We are planning some more great dinner meeting speakers and seminars in the New Year. Watch our newsletter and website for more information.

I would like to thank all of you who contributed your time and talents this year to make our Chapter a success. Your names are too numerous to list, but you all know who you are, and how valuable you are to me and to our Chapter. Most people don't ever think about how much work it takes to run a Chapter our size and as I look around and see how smoothly everything runs I am amazed and inspired. I admire all of you, and sincerely appreciate your generosity.

Again, Happy and prosperous New Year and good luck in the upcoming tax season!

Patti



The Tax Professionals

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South Bay, Inland Empire, Palomar, San Diego, Orange County, San Fernando Valley & , Channel Islands
Chapters of CSEA and the Internal Revenue Service
present

2009 Practitioners Seminars

Dates & Locations

Monday, January 5

Holiday Inn
19800 S. Vermont
Torrance, CA 90502

Tuesday, January 6

Hilton Hotel
285 E. Hospitality Ln.
San Bernardino, CA 92408

Wednesday, January 7

Handlery Hotel
950 Hotel Circle North
San Diego, CA 92108

Thursday, January 8

Hilton Hotel
18800 MacArthur Blvd.
Irvine, CA 92612

Friday, January 9

Pickwick Gardens
1001 Riverside Dr.
Burbank, CA 91506

Saturday, January 10

Holiday Inn
5650 Calle Real, Goleta
Santa Barbara, CA 93117

- Hear directly from IRS representatives about policies and procedures that impact you and your clients.
- Lunch Included
- Registration Begins at 7am
- Seminar from 8am-4pm
- Earn up to 7 hours of Continuing Education Credits at a low cost.

To Register:

- Complete the registration form below indicating which location you wish to attend.
 - **Make a check payable to CSEA:**
 - \$165 after December 17
- Note: Credit cards available at some locations.
Call contact for information.
- Mail to the contact person for the location you choose. See deadlines above.
 - Please note: No refunds or change of location will be made (unless a location is sold out).

-----detach here-----

Practitioner's Seminar Registration Form

Name: _____ Please check if you want a vegetarian lunch _____
Address: _____ City: _____ Zip: _____
Daytime Phone: () _____
Email: _____ EA, CPA or CTEC Number: _____

Make check payable to CSEA and mail to the name & address shown for your preferred location

_____ **Torrance** - Andy Stamatelatos, EA 1215 Crenshaw Blvd., Torrance, CA 90501 (310) 328-8121
_____ **San Bernardino** - Stephen Davis, EA 6864 Indiana Ave. #103, Riverside, CA 92506 (951) 276-2999x7002
_____ **San Diego** - Roger Garay, EA 2065 Arnold Way #103, Alpine, CA 91901 (619) 445-5523
_____ **Irvine** - Lisa Newton, EA 1901 E. Lambert Rd. #103, La Habra, CA 90631 (562) 267-0351
_____ **Burbank** - Clive Edwards, EA 6227 1/2 Randi Ave., Woodland Hills, CA 91367 (818) 489-3387
_____ **Santa Barbara** - Susie DiMaggio, EA 3800 Market St. #AA, Ventura, CA 93003 (805) 654-9949

Advertise in the OCEA Newsletter

Call Jack Lifshin for info
562-596-4150

OCEA is looking for tomorrow's leaders.

By Joe Guccione

We are looking for qualified candidates with vision and the desire to keep OCEA a leader in its field for the 2009-10 fiscal year starting July 1, 2009.

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 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 email gucci-one@msn.com.

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Appeals, Release of Levies, Offers in Compromise, Representation in US Tax Court

WASHINGTON — Individuals and businesses making contributions to charity should keep in mind several important tax law provisions that have taken effect in recent years.

One provision offers older owners of individual retirement arrangements (IRAs) a different way to give to charity. There are also rules designed to provide both taxpayers and the government greater certainty in determining what may be deducted as a charitable contribution. Some of these changes include the following.

Special Charitable Contributions for Certain IRA Owners

An IRA owner, age 70 ½ or over, can directly transfer tax-free up to \$100,000 per year to an eligible charitable organization. This option, created in 2006 and recently extended through 2009, is available to eligible IRA owners, regardless of whether they itemize their deductions. Distributions from employer-sponsored retirement plans, including SIMPLE IRAs and simplified employee pension (SEP) plans, are not eligible.

To qualify, the funds must be contributed directly by the IRA trustee to the eligible charity. Amounts so transferred are not taxable and no deduction is available for the amount given to the charity.

Not all charities are eligible. For example, donor-advised funds and supporting organizations are not eligible recipients.

Transferred amounts are counted in determining whether the owner has met the IRA's required minimum distribution rules. Where individuals have made nondeductible contributions to their traditional IRAs, a special rule treats transferred amounts as coming first from taxable funds, instead of proportionately from taxable and non-



taxable funds, as would be the case with regular distributions. See Publication 590, Individual Retirement Arrangements (IRAs), for more information on qualified charitable distributions. Rules for Clothing and Household Items

To be deductible, clothing and household items donated to charity must be in good used condition or better. A clothing or household item for which a taxpayer claims a deduction of over \$500 does not have to be in good used condition or better if the taxpayer

includes a qualified appraisal of the item with the return. Household items include furniture, furnishings, electronics, appliances, and linens.

Guidelines for Monetary Donations

To deduct any charitable donation of money, regardless of amount, a taxpayer must have a bank record or a written communication from the charity showing the name of the charity and the date and amount of the contribution. Bank records include canceled checks, bank or credit union statements, and credit card statements. Bank or credit union statements should show the name of the charity, the date, and the amount paid. Credit card statements should show the name of the charity, the date, and the transaction posting date.

Donations of money include those made in cash or by check, electronic funds transfer, credit card, and payroll deduction. For payroll deductions, the taxpayer should retain a pay stub, a Form W-2 wage statement or other document furnished by the employer showing the total amount withheld for charity, along with the pledge card showing the name of the charity.

These requirements for monetary donations do not change or alter the long-standing requirement that a tax-

IRS Offers Tips for Year-End Donations

An excerpt from IRS' e-News for Tax Professionals

payer obtain an acknowledgment from a charity for each deductible donation (either money or property) of \$250 or more. However, one statement containing all of the required information may meet the requirements of both provisions.

To help taxpayers plan their holiday-season and year-end giving, the IRS offers the following additional reminders:

* Contributions are deductible in the year made. Thus, donations charged to a credit card before the end of the year count for 2008. This is true even if the credit card bill isn't paid until next year. Also, checks count for 2008 as long as they are mailed this year.

* Check that the organization is qualified. Only donations to qualified organizations are tax-deductible. IRS Publication 78, available online and at many public libraries, lists most organizations that are qualified to receive deductible contributions. The searchable online version can be found at www.irs.gov under "Search for Charities." In addition, churches, synagogues, temples, mosques and government agencies are eligible to receive deductible donations, even though they often are not listed in Publication 78.

* For individuals, only taxpayers who itemize their deductions on Form 1040 Schedule A can claim deductions for charitable contributions. This deduction is not available to people who choose the standard deduction, including anyone who files a short form (Form 1040A or 1040EZ). A taxpayer will have a tax savings only if the total itemized deductions (mortgage interest, charitable contributions, state and local taxes, etc.) exceeds the

standard deduction. Use the 2008 Form 1040 Schedule A, available now on www.irs.gov, to determine whether itemizing is better than claiming the standard deduction.

* For all donations of property, including clothing and household items, get from the charity, if possible, a receipt that includes the name of the charity, date of the contribution, and a reasonably-detailed description of the donated property. If a donation is left at a charity's unattended drop site, keep a written record of the donation that includes this information, as well as the fair market value of the property at the time of the donation and the method used to determine that value. Additional rules apply for a contribution of \$250 or more.

* The deduction for a motor vehicle, boat or airplane donated to charity is usually limited to the gross proceeds from its sale. This rule applies if the claimed value of the vehicle is more than \$500. Form 1098-C, or a similar statement, must be provided to the donor by the organization and attached to the donor's tax return.

* If the amount of a taxpayer's deduction for all non-cash contributions is over \$500, a properly-completed Form 8283 must be submitted with the tax return.

TAX TEASER by Dale Larsen, EA

Under a partnership agreement, Fred is to receive 30% of the partnership income, but not less than \$8,000. In 2007 the partnership has net income of \$20,000. What is the amount of guaranteed payment that can be deducted by the partnership in 2007?

- A. \$8,000
- B. \$6,000
- C. \$2,000
- D. \$0

Answer: C

2 Way Mirror

by Ralph Mantecon, EA

A policewoman who travels all over the U.S. and gives seminars and techniques for businesswomen passed this on.

When we visit toilets, bathrooms, hotel rooms, changing rooms, etc., how many of you know for sure that the seemingly ordinary mirror hanging on the wall is a real mirror, or actually a 2-way mirror (i.e., they can see you, but you can't see them)? There have been many cases of people installing 2-way mirrors in female changing rooms. It is very difficult to positively identify the surface by just looking at it. So, how do we determine with any amount of certainty what type of mirror we are looking at? Just conduct this simple test. Place the tip of your fingernail against the reflective surface and if there is a GAP between your fingernail and the image of the nail, then it is a GENUINE mirror.

However, if your fingernail DIRECTLY TOUCHES the image of your nail, then BEWARE, FOR IT IS A 2-WAY MIRROR! 'No Space, Leave the Place.' So remember, every time you see a Mirror, do the fingernail test. It doesn't cost you anything.

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UPCOMING PROGRAMS & EVENTS

<u>DATE</u>	<u>PROGRAM / EVENT</u>	<u>CPE</u>	<u>SUBJECT</u>	<u>LOCATION</u>
January 20, 2009	Dinner Meeting	2	Quickfinder & Tax Book Tutorials	Phoenix Club
February 17, 2009	Dinner Meeting	1	Spidell Tax Update	Phoenix Club
March 17, 2009	Dinner Meeting	1	TBD	Phoenix Club
April 2009	No Meetings			
May 19, 2009	Dinner Meeting		TBD	Phoenix Club
June 16, 2009	Dinner Meeting		TBD	Phoenix Club