

# CALIFORNIA SOCIETY OF ENROLLED AGENTS



## San Diego Chapter Forum Newsletter October 2008 [www.cseasandiego.org](http://www.cseasandiego.org)

**President:**

Steven Leibold, EA  
[619] 294-4286; Fax 294-9908  
e-mail: [Sleibold@sdbizadv.com](mailto:Sleibold@sdbizadv.com)

**1<sup>st</sup> Vice-President:**

Roger Garay, EA  
[619] 445-5523; Fax 445-1421  
e-mail: [rogertax@ix.netcom.com](mailto:rogertax@ix.netcom.com)

**2<sup>nd</sup> Vice-President:**

Paula Armstrong, EA  
[858] 467-0547  
e-mail: [paulatax@san.rr.com](mailto:paulatax@san.rr.com)

**Secretary:**

Nancy Rubenstein, EA  
[858] 395-0766; Fax 225-0153  
e-mail: [nancy@nrm1.com](mailto:nancy@nrm1.com)

**Treasurer:**

Art Savage, EA  
[619] 466-6181; Fax: 447-4067  
e-mail: [Asavagetaxsvc@cox.net](mailto:Asavagetaxsvc@cox.net)

**Directors:**

Elaine Smith, EA  
e-mail: [eztaxes@sbcglobal.net](mailto:eztaxes@sbcglobal.net)

Lynne Fletcher, EA  
e-mail: [flechertax@cox.net](mailto:flechertax@cox.net)

Darryl Hale, EA  
e-mail: [haled@hdvest.net](mailto:haled@hdvest.net)

Christy Kohl, EA  
e-mail: [ckohltax@hughes.net](mailto:ckohltax@hughes.net)

Betty Cabral, EA  
e-mail: [betty@taxandbusiness.org](mailto:betty@taxandbusiness.org)

**Past President:**

Thomas Carter, EA  
e-mail: [Tomcarter@sbcglobal.net](mailto:Tomcarter@sbcglobal.net)

**CSEA Director**

Cheryl Standard, EA  
e-mail: [taxmoma@aol.com](mailto:taxmoma@aol.com)

### **October 16, 2008 – Chapter Dinner Meeting – Joint with CSTC**

**Topic:** California Update

**Speaker:** Lynn Freer, EA

Because our regular meeting occurs one day prior to the October 15<sup>th</sup> deadline, we have asked CSTC if they would share their day with us. So instead of meeting on the 14<sup>th</sup> of October, we will meet on the 16<sup>th</sup> of October. The speaker, Lynn Freer, whom everyone knows if they have ever attended a Spidells workshop will be presenting a 2 hour CA Tax Update. Don't miss this informative education opportunity being brought to us by our associates in the San Diego Chapter of CSTC.

**Event Times and Topics:**

4:00 – 5:00	Board of Directors Meeting
5:00 - 5:30	Registration
5:30 – 6:20	Seminar Begins
6:20 – 6:40	Networking
6:40 – 7:40	Dinner
7:40 – 8:30	Seminar wraps & and adjourn meeting

**Reservations:**

If you *are not* on our "Prepaid Reservation List", call 800-642-1040 or send an e-mail to [paulatax@san.rr.com](mailto:paulatax@san.rr.com) before 5 p.m. the previous Thursday, which will be October 9, 2008, to make your reservation. If you are on our "Prepaid Reservation List", you only need to call the phone line if you are CANCELLING. Your cooperation is greatly appreciated.

**Menu Selection:**

Spinach Salad  
Chicken Piccata – Grilled Boneless Breast of Chicken Served on Angel Hair Pasta with Creamy Lemon Caper Sauce  
Chef's Choice of Dessert

**Cost:**

\$27 for members and spouse with a timely reservation  
\$33 for nonmembers with a timely reservation  
\$37 for all late reservations and nonmembers.

**Location:**

The Handlery Hotel, 950 Hotel Circle North, Mission Valley. Phone (619) 298-0511.

## **President's Message – October 2008**

Dear Chapter Members,

I recently attended my first Board of Directors meeting at the State level for CSEA. What a great experience. Not as relaxed and easy going as our exciting Board of Directors meeting, but when you have 40+ people in the same room, all Type A personalities, sometimes it takes some "finesse" to get things done. I certainly have a new respect for Cheryl Standard and the many other CSEA members that volunteer to be a CSEA Board of Director. Their leadership skills and guidance is what drives our organization forward. If you get a chance, thank Cheryl and any other member that has been a CSEA Director for doing what they do.

If you would like more information on how to become our CSEA Board of Director, either ask me or Cheryl Standard for more info. They are looking for some new people just like we are to help lead the organization.

Our last meeting had some great speakers with some very interesting information. If you have clients that are small business owners and have some employees, I hope you picked up some good information on what is available to them and their employees as fringe benefits. There is so much out there, and inviting people like Cynthia Paxton and BASE105 just goes to show that there are so many options out there and it is impossible for all of us to stay on top of it.

I would like to thank everyone that volunteered at the NAEA booth at the IRS Seminars on September 9<sup>th</sup> – 11<sup>th</sup>. NAEA signed up 24 people at our seminars and from what I hear, that was their goal. Congrats to the NAEA and our volunteers for doing such a great job.

Our seminars are underway with Vicki Mulak doing 3 seminars on various business topics. Great timely information from a wonderful presenter. For those that attended, I am sure you left well informed and ready to go sit with your clients and demonstrate how much you know and can help them.

We are always looking for more great volunteers to help the SD/CSEA group with our own functions. If you would like to help, please let me know. A form is included in the newsletter that you can complete and return to me. We will be in touch with you shortly after receiving it to get you setup on something that helps our membership and our programs.

Thank you for your continued involvement and support. We are a great organization with great members with a lot of knowledge. What better research tool can you ever have than the built in peers of our organization.

DON'T FORGET, this months meeting is moved from the regular Tuesday, to THURSDAY, OCTOBER 16<sup>th</sup>. Come out on the 16<sup>th</sup> and enjoy some invigorating conversation with your peers..

Steven C Leibold, EA  
Chapter President

### **CSEA MISSION STATEMENT**

The mission of the California Society of Enrolled Agents is to foster the professionalism, business development and personal growth of its Members, to protect the interests of the individual Members of the Society, and to enhance the awareness and role of the Enrolled Agent among members of the public, other professions and with governmental agencies.

### **CLASSIFIEDS**

**[Want to advertise office space, practices to buy, practices to sell, etc just send me an e-mail along with the copy that you want. We will place your ad in the newsletter AT NO COST!! What a great way to get your word out.](#)**

OFFICE SPACE AVAILABLE - We have 2 rooms available 1 - 10 X 10 and 1 - 12 X 16 conference room. Each room includes a computer, internet access (our computer or yours), client seating and is professional looking. We are offering them by the hour (20 hours per month minimum; additional available for modified rent). Rent is \$250 per month for up to 20 hours of use. NO LONG TERM COMMITMENTS REQUIRED. You'll also receive 1 voice mail box, mail service, and T-1 internet. Copier (color & b/w)/fax/printer/secretarial services available at additional cost. Ideal for small practitioner that doesn't need full time office space, but wants some place professional to meet with their client. Call 619-294-4286 X351 or e-mail [sleibold@sdbizadv.com](mailto:sleibold@sdbizadv.com) to schedule a time to visit our office. Ask for Steven Leibold.

## Committee Interests Questionnaire

In order for our San Diego Chapter of CSEA to function well and achieve the goals put forward by your Board of Directors, VOLUNTEERS ARE NEEDED!! Do you have a spare 1 or 2 hours per month to give to SD/CSEA? Each committee has various responsibilities and as with most committees, not all require the same amount of effort or time as others. However, any help you can offer is highly appreciated by your Board. Below are the committees we have. Please complete this questionnaire and either drop off at our dinner meeting, fax it to Steven Leibold (619-294-9908) or e-mail it to Steven Leibold ([sleibold@sdbizadv.com](mailto:sleibold@sdbizadv.com)). Your officers and Board Thank you for all of the help you can offer.

Steven C. Leibold, EA, Chapter President

<input type="checkbox"/> Audit	<input type="checkbox"/> Budget & Finance	<input type="checkbox"/> Legislative
<input type="checkbox"/> Bylaws	<input type="checkbox"/> Education (Seminars)	<input type="checkbox"/> Education (Dinner Meeting Speakers)
<input type="checkbox"/> Membership	<input type="checkbox"/> Newsletter Editor	<input type="checkbox"/> Public Information Awareness
<input type="checkbox"/> Scholarships	<input type="checkbox"/> Disaster Services	<input type="checkbox"/> Nominating Committee

Activities that we need assistance with:

<input type="checkbox"/> CTEC Info Contact	<input type="checkbox"/> Website	<input type="checkbox"/> IRS/FTB/SBE Small Biz Workshop
<input type="checkbox"/> IRS Seminar	<input type="checkbox"/> Meeting Arrangements	<input type="checkbox"/> QuickFinders/The Tax Book
<input type="checkbox"/> Sunshine	<input type="checkbox"/> Yellow Pages	<input type="checkbox"/> Social Events
<input type="checkbox"/> Physical Property (storage shed)		

YOUR NAME: \_\_\_\_\_ Phone: \_\_\_\_\_

YOUR E-MAIL: \_\_\_\_\_

### CSEA Audio Tax Seminars

Steve Sims, EA, FTB Taxpayer Advocate. is looking for any question or concerns about RDP and/or SSMC. He is presenting the CSEA October Audio Tax on this subject, and he wants to make it as valuable a presentation as possible. He would appreciate your thoughts and questions. You can email any responses directly to Sharon Stone Smith ([sstonesmith@csea.org](mailto:ssstonesmith@csea.org)). Thank you.

Want an easy hour of education from your own office? Sign up for the CSEA AUDIO TAX SEMINARS. Contact CSEA (800-777-2732) or visit their website at [www.csea.org](http://www.csea.org) and click on EVENTS for more information.

All sessions are held the first Wednesday of each month at 11:00 am for one hour. The cost is \$50 for Members and \$75 for non-Members. The current schedule includes:

Date	Topic	Speaker
1-Oct	Registered Domestic Partners	Franchise Tax Board
5-Nov	Non Profit Organizations	TBD
3-Dec	California Update (2 hours)	Vicki Mulak, EA
7-Jan	Federal Update (2 hours)	Bonnie DeSimone, EA

## **We need dinner topic ideas and speakers?**

**Do you have a fabulous idea for a speaker topic or know a great speaker? We are looking for some ideas on possible speaker topics as well as speakers to present the material. Perhaps you are a closet public speaker and would like to impress your CSEA friends? Don't be shy. SPEAK UP!! Send an e-mail with either your ideas on possible topics or speakers you have heard in the past to Elaine Smith @ [eztaxes@sbcglobal.net](mailto:eztaxes@sbcglobal.net). We can always use a few good speakers.**

## **Tax Credit to Aid First-Time Homebuyers; Must Be Repaid Over 15 Years**

IR-2008-106, Sept. 16, 2008

WASHINGTON — First-time homebuyers should begin planning now to take advantage of a new tax credit included in the recently enacted Housing and Economic Recovery Act of 2008.

Available for a limited time only, the credit:

- Applies to home purchases after April 8, 2008, and before July 1, 2009.
- Reduces a taxpayer's tax bill or increases his or her refund, dollar for dollar.
- Is fully refundable, meaning that the credit will be paid out to eligible taxpayers, even if they owe no tax or the credit is more than the tax that they owe.

However, the credit operates much like an interest-free loan, because it must be repaid over a 15-year period. So, for example, an eligible taxpayer who buys a home today and properly claims the maximum available credit of \$7,500 on his or her 2008 federal income tax return must begin repaying the credit by including one-fifteenth of this amount, or \$500, as an additional tax on his or her 2010 return.

Eligible taxpayers will claim the credit on new IRS Form 5405. This form, along with further instructions on claiming the first-time homebuyer credit, will be included in 2008 tax forms and instructions and be available later this year on IRS.gov, the IRS Web site.

If you bought a home recently, or are considering buying one, the following questions and answers may help you determine whether you qualify for the credit.

### **Q. Which home purchases qualify for the first-time homebuyer credit?**

A. Only the purchase of a main home located in the United States qualifies and only for a limited time. Vacation homes and rental property are not eligible. You must buy the home after April 8, 2008, and before July 1, 2009. For a home that you construct, the purchase date is the first date you occupy the home.

Taxpayers who owned a main home at any time during the three years prior to the date of purchase are not eligible for the credit. This means that first-time homebuyers and those who have not owned a home in the three years prior to a purchase can qualify for the credit.

IR-2008-106, Sept. 16, 2008

If you make an eligible purchase in 2008, you claim the first-time homebuyer credit on your 2008 tax return. For an eligible purchase in 2009, you can choose to claim the credit on either your 2008 (or amended 2008 return) or 2009 return.

**Q. How much is the credit?**

A. The credit is 10 percent of the purchase price of the home, with a maximum available credit of \$7,500 for either a single taxpayer or a married couple filing jointly. The limit is \$3,750 for a married person filing a separate return. In most cases, the full credit will be available for homes costing \$75,000 or more. Whatever the size of the credit a taxpayer receives, the credit must be repaid over a 15-year period.

**Q. Are there income limits?**

A. Yes. The credit is reduced or eliminated for higher-income taxpayers.

The credit is phased out based on your modified adjusted gross income (MAGI). MAGI is your adjusted gross income plus various amounts excluded from income—for example, certain foreign income. For a married couple filing a joint return, the phase-out range is \$150,000 to \$170,000. For other taxpayers, the phase-out range is \$75,000 to \$95,000.

This means the full credit is available for married couples filing a joint return whose MAGI is \$150,000 or less and for other taxpayers whose MAGI is \$75,000 or less.

**Q. Who cannot take the credit?**

A. If any of the following describe you, you cannot take the credit, even if you buy a main home:

- Your income exceeds the phase-out range. This means joint filers with MAGI of \$170,000 and above and other taxpayers with MAGI of \$95,000 and above.
- You buy your home from a close relative. This includes your spouse, parent, grandparent, child or grandchild.
- You stop using your home as your main home.
- You sell your home before the end of the year.
- You are a nonresident alien.
- You are, or were, eligible to claim the District of Columbia first-time homebuyer credit for any taxable year.
- Your home financing comes from tax-exempt mortgage revenue bonds.

IR-2008-106, Sept. 16, 2008

- You owned another main home at any time during the three years prior to the date of purchase. For example, if you bought a home on July 1, 2008, you cannot take the credit for that home if you owned, or had an ownership interest in, another main home at any time from July 2, 2005, through July 1, 2008.

**Q. How and when is the credit repaid?**

A. The first-time homebuyer credit is similar to a 15-year interest-free loan. Normally, it is repaid in 15 equal annual installments beginning with the second tax year after the year the credit is claimed. The repayment amount is included as an additional tax on the taxpayer's income tax return for that year. For example, if you properly claim a \$7,500 first-time homebuyer credit on your 2008 return, you will begin paying it back on your 2010 tax return. Normally, \$500 will be due each year from 2010 to 2024.

You may need to adjust your withholding or make quarterly estimated tax payments to ensure you are not under-withheld.

However, some exceptions apply to the repayment rule. They include:

- If you die, any remaining annual installments are not due. If you filed a joint return and then you die, your surviving spouse would be required to repay his or her half of the remaining repayment amount.
- If you stop using the home as your main home, all remaining annual installments become due on the return for the year that happens. This includes situations where the main home becomes a vacation home or is converted to business or rental property. There are special rules for involuntary conversions. Taxpayers are urged to consult a professional to determine the tax consequences of an involuntary conversion.
- If you sell your home, all remaining annual installments become due on the return for the year of sale. The repayment is limited to the amount of gain on the sale, if the home is sold to an unrelated taxpayer. If there is no gain or if there is a loss on the sale, the remaining annual installments may be reduced or even eliminated. Taxpayers are urged to consult a professional to determine the tax consequences of a sale.
- If you transfer your home to your spouse, or, as part of a divorce settlement, to your former spouse, that person is responsible for making all subsequent installment payments.

## **IRS Stakeholder Liaison presents:**

# **National Phone Forum**

## ***“Recordkeeping for Small Business/Self Employed Individuals***

**Date:** October 22, 2008

**Cost:** FREE

**Location:** The convenience of your home or office

### **This IRS phone forum is for**

- Tax professionals
- Attorneys
- Payroll professionals
- Industry partners

### **Learn about recordkeeping for small business/self-employed individuals**

- What books and records are
- Why books and records are needed
- Who should have books and records
- How good books and records can shorten an audit
- How long books and records should be kept

### **Earn Continuing Professional Education credit**

- Enrolled agents receive one CPE credit for a minimum 50-minute participation from the start of the forum
- Other tax professionals may receive credit if the phone forum meets your organization’s or state’s CPE requirement
- To receive credit, register individually and use your PIN
- Call in using your individual phone line so your attendance can be verified
- Look for your Certificate of Completion by e-mail approximately one week after the forum. If you have met all requirements, you will receive your certificate automatically; there’s no need to follow up
- If you and others in your office do not require a CPE certificate, please **have only one person register** on the group behalf and use your speaker phone to dial in. This will maximize the number of lines available for other participants and help reduce costs.

## Sign up *now* (and no later than October 17, 2008)

- **Select the time that works best for you**  
*Note:* Time zones shown are Daylight Saving Time.

CONFERENCE ACCESS CODE	EASTERN	CENTRAL	MOUNTAIN	PACIFIC
393508	10 a.m.	9 a.m.	8 a.m.	7 a.m.
125274	1 p.m.	Noon	11 a.m.	10 a.m.
725297	4 p.m.	3 p.m.	2 p.m.	1 p.m.

- Register at [www.atevent.com](http://www.atevent.com) by October 17, 2008. Reservations are limited, so register at the earliest date possible
- You will receive a Personal Identification Number that you must use to join the conference.
- If you have never registered with AT&T for a prior phone forum, you will first need to click on *create a profile*.
- If you require special accommodations (for example, Braille, large print or interpreter services) please contact Shane Ferguson at [nationalphoneforum@irs.gov](mailto:nationalphoneforum@irs.gov).
- We will e-mail presentation materials on October 20, 2008. **If you do not receive this e-mail by noon on October 17, 2008, e-mail us at [nationalphoneforum@irs.gov](mailto:nationalphoneforum@irs.gov) to request the materials.**

## Dial in on October 22, 2008

Toll free: 1-866-216-6835  
Toll: 1-913-227-1220

- Dial in 3 to 5 minutes before the scheduled time
- Enter your access code, then the pound (#) sign
- Enter your PIN, then the pound (#) sign
- Your line will be placed on hold until the conference begins

A question and answer period will follow the presentation. However, due to the public nature of the call, we will not be able to address specific client issues.

## Questions? E-mail [nationalphoneforum@irs.gov](mailto:nationalphoneforum@irs.gov)

### Breakfast Meetings:

- **South Bay**, 8:00 a.m. every Tuesday at Stella's On Third, 365 Third Ave, Chula Vista 91910, Chula Vista.
- **Business Entities Tax Group**, 7:30 a.m., at Coco's Restaurant, 5550 Lake Murray Blvd., La Mesa. This group meets the 1<sup>st</sup> Thursday of each month, except April. Look for Jerry Dixon.
- **Fiduciary Tax Group**, 7:30 a.m., at Coco's Restaurant, 5550 Lake Murray Blvd., La Mesa. This group meets the 2<sup>nd</sup> & 4<sup>th</sup> Thursday of each month, except April. Look for Jan Phillips, Sylvia Lang, or Val Daigle.
- **Individual Tax Group**, A 7:30 a.m., at Coco's Restaurant, 5955 Balboa Ave in Clairemont Mesa. This group meets the 2<sup>nd</sup> and last Friday of each month, except April. Contact Val Daigle for more info (619-435-3131 or [val@westax.com](mailto:val@westax.com))

## Upcoming Events In 2008

<b>Date/Time</b>	<b>Event/Topic</b>	<b>Speaker(s)</b>
<b>May 13, 2008—5:30 pm</b>	<b>Chapter Dinner Meeting Head-of-Household &amp; RAR Reports</b>	<b>Bonnie Hoyle, FTB Lorrie Lefevre, FTB</b>
<b>June 10, 2008—5:30 pm</b>	<b>Chapter Dinner Meeting Indian Taxation on and off the reservation, etc</b>	<b>Emily Williamson, IRS Scott Karafin, IRS Steve Sims, FTB</b>
<b>July 8, 2008—5:30 pm</b>	<b>Chapter Dinner Meeting MediCal Planning Estate Planning w/Medi-Cal Reverse Mortgages</b>	<b>Carl Gehring, CSA David Barnier, Esq. Jerry Sleder</b>
<b>August 12, 2008—5:30 pm</b>	<b>Chapter Dinner Meeting Elective Disability Coverage P/r Taxes ID Theft &amp; I-9's</b>	<b>Josie Munoz (EDD) Robert Burgess (INS Customs)</b>
<b>September 9, 2008—5:30 pm</b>	<b>Chapter Dinner Meeting 105 Plans for Small Businesses Small Business Benefits Plans</b>	<b>Matt Lorenz/Shawndi Filby Cynthia Paxton</b>
<b>September 29, 2008— National University</b>	<b>SEMINAR Balancing the Balance Sheet (2) S-Corp: S means Safe not Sorry (4) I just Bought/Sold a Business (2)</b>	<b>Vicki Mulak, EA</b>
<b>October 16, 2008 – 5:30 pm</b>	<b>Chapter Dinner Meeting – JOINT WITH CSTC California Tax Update</b>	<b>Lynn Freer (Spidells)</b>
<b>October 27, 2008 – National University</b>	<b>SEMINAR Deductible or Not? Schedule C &amp; E (4 hrs) Strategies to Avoid AMT (2) Foreclosures, Forms &amp; Forgiveness: A Guide through Form 1099-A, 1099-C, and 982</b>	<b>Alice Orzechowski, CPA, EA Marilyn Meridith, EA</b>
<b>November 11, 2008 – 5:30 pm</b>	<b>Chapter Dinner Meeting Mortgage Interest Audits Small Business Retirement Plans</b>	<b>Patricia Feldman, IRS Jackie Weitzberg</b>
<b>November 18, 2008 – National University</b>	<b>SEMINAR Interviewing your Tax Clients with Circular 230 in Mind</b>	<b>Maddy Gairan, EA</b>
<b>December 9, 2008 – 5:30 pm</b>	<b>Chapter Dinner Meeting Selling Your Practice; Exit Planning Strategies</b>	<b>Leo Klijn</b>
<b>January 7, 2009</b>	<b>SEMINAR IRS Tax Forum</b>	<b>See IRS Flyers for more info</b>
<b>January 13, 2009 – 5:30 pm</b>	<b>Chapter Dinner Meeting Ethics</b>	<b>Connie Ferrell, EA CSEA President</b>