

CALIFORNIA SOCIETY OF ENROLLED AGENTS



San Diego Chapter Forum Newsletter July 2008 www.cseasandiego.org



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July 8, 2008 – Chapter Dinner Meeting

**Topic: Medi-Cal Planning; Estate Planning w/Medi-Cal;
Reverse Mortgages**

Speaker: Carl Gehring, CSA; David Barnier, Esq.; Jerry Sleder

Do you have clients that are getting up there in their ages? Perhaps your own parents and loved ones fit this bill? Well tonight's joint meeting with CSTC will be helpful when it comes to planning for your older clients. We will discuss tax planning and financial planning when Medi-Cal is involved along with the complexities of Estate Planning if the person is on Medi-Cal. To close, we will discuss Reverse Mortgages and which of our clients may be best candidates for these types of loan programs.

Event Times and Topics:

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 plan on attending this meeting, please **call 800-642-1040** or send an e-mail to paulatax@san.rr.com before 5 p.m. the previous Thursday, which will be July 3, 2008, to make your reservation. This meeting IS NOT ONE OF THE PREPAID DINNER MEETINGS unless you have prepaid through CSTC. If you have prepaid through CSTC, DO NOT reserve on our phone line.

Menu Selection:

Caesar Salad
Tenderloins of Beef – Twin Medallions of Beef on Garlic Toast, Drizzled with Porcini Cream Sauce and served with Duchess Potatoes.
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 – July 2008

Dear Chapter Members,

Well, here is my first President's message after having been elected your 2008/2009 Chapter President. Thank you for putting your confidence in me to lead our chapter. I look forward to working with the Board in 2008/2009 and seeing where we are able to lead us for the next year.

I also want to congratulate Tom Carter, EA for an excellent job he has done for the past 2 years. We were able to accomplish many things with Tom leading the group including running a TV spot during the 2006 tax season and getting several press opportunities during the 2007 tax season. While he will not be the Chapter president, he has volunteered and will continue to be an active Board of Director.

Our Board Retreat saw the addition of 3 new volunteers, 2 of which were nominated and given Board Positions. Congratulations to Betty Cabral and Christy Kohl. They will be serving on our Board of Directors and that gives us a full Board per our Chapter bylaws. I would also like to thank Greta Ward for joining us at the retreat. Due to other commitments she needed to leave early, but she graciously offered her assistance in the future. The Officers and Board thank her for her generous offer. In this issue and in future issues, we will have a way for all of you to offer your assistance. We don't need a lot of your time, but every hour or two per month is greatly appreciated. Please review the various committees and activities we have and if any of them are of interested, complete the form and return it to me. I will forward it along to the appropriate committee chair.

The final item to mention are the goals we have set as a Chapter. If we can get each one of you behind us in reaching these goals, they are certainly measurable and attainable by the end of our year. Our first goal is to continue our Public Information Awareness efforts. This committee would love to have some additional assistance. Let us know if you are interested. Our second goal is to increase our membership involvement. Many of your Board and committee members have been working in the organization for several years. We need fresh faces and ideas. Don't sit idle, GET INVOLVED!! Our third goal is to continue bringing fresh education ideas for CE's. Want something in particular, contact Roger Garay (rogertax@ix.netcom.com). He would love to hear your ideas and try and get something arranged. Our final goal is to try and synchronize our efforts locally with the CSEA offices. Communication is key to our Chapter's success. If you would commit to finding a way to help your local chapter, we can reach these goals and continue to move forward with our successes.

This month's meeting is a joint meeting with CSTC. We look forward to doing some networking with another one of our local tax associations. If you should ever have any questions, feel free to let me know.

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.](#)

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). 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

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 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
2-Jul	Foreclosures: Proving Insolvency	Ed Sutton, EA
6-Aug	Fraud	José Martinez, IRS, Asst Special Agent in Charge
3-Sep	Preparer Penalties (Ethics)	Bob McKenzie, EA
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. We can always use a few good speakers.

Internal Revenue Service Tax Forum in San Diego – Sept 9th thru Sept 11th 2008

The Internal Revenue Service presents the 2008 IRS Nationwide Tax Forums, coming soon to a city near you. Registration is now open for all cities. Go to www.taxforuminfo.com for the schedule of events and locations and click on "Registration" to be a part of the forums today. The pre-registration fee is just \$179, so register now to take advantage of the savings. Also be sure to reserve your hotel room soon as they are filling up quickly. When making your hotel reservation via telephone, please remember to tell the reservations specialist that you are part of the "2008 IRS Tax Forum". This will ensure that you receive the correct room rate.

The Tax Forums offer three full days of seminars with the latest word from the IRS leadership and experts. Hear from IRS SB/SE speakers on the following compliance topics:

- **Auction and Consignment Seller Tax Considerations**
This session provides general information for filing & tax requirements of on-line transactions and addresses the on-line auction type businesses.
- **Compliance Priorities/Initiatives**
This session will provide an overview of Compliance priority initiatives for FY08 and FY09. Learn about the IRS's focus on abusive schemes and promoter investigations, unreported income, non-filing, and our enforcement efforts.
- **Employment Tax**
This session will concentrate on issues that make up the largest percentage of the employment tax portion of the tax gap, and what the IRS is doing to improve compliance and education in these areas. The issues will include worker classification, tip reporting, officer compensation, and matching issues.
- **Mastering the Collection Process**
Understanding the goals and objectives of the Collection function and knowing our process including recent changes will make you a Master of the Collection Process. We will discuss our internal goals and objectives, how they impact the collection process, our expectations, and recent changes that will impact you and your client.
- **Return Preparer Penalties**
Section 8246 of the Small Business and Work Opportunity Tax Act of 2007 amends several provisions of the Code to extend the application of the income tax return preparer penalties to all tax return preparers. This session focuses Section 6694 addressing tax return preparer penalty provisions.

Three focus groups will be conducted at each forum location and participants are randomly selected to participate and provide candid feedback on key topics. Let your voice be heard by participating in the SB/SE focus group topics:

- **Correspondence Examinations – How can we improve the process?**
Campus Compliance Services is seeking feedback and suggestions from tax practitioners to help identify barriers and ways to improve the current correspondence examination audit process. This includes determining the appropriate procedures, language on the letters, work steams and inventory selection techniques.
- **Improving Communications – The Exam Audit Process**
Examination is looking for feedback from tax practitioners to improve the overall Exam audit process. This includes gauging taxpayers' expectations regarding the length of the audit, communications and quality of the experience. A further goal is to either correlate or validate internal findings secured from Customer Satisfaction Surveys and related quality assurance reviews.
- **IRS First Contact Experiences**
SB/SE Research is seeking feedback for opportunities to improve IRS first contact resolution by understanding the problems encountered by information seeking preparers and partners. The results of the focus group interviews will be included in the next TAB report, and will meet SB/SE's commitment to gather information on this issue for the 2008 TAB Research Plan.

We look forward to seeing you there.

IRS Adds Functions to Online Payment Agreement Application

IR-2008-77, June 6, 2008

WASHINGTON — The Internal Revenue Service today introduced several new features to the interactive Online Payment Agreement application on IRS.gov, which will make it easier for taxpayers and their authorized representatives to make changes to existing installment agreements.

The system will now permit:

- Individuals to revise their payment due dates and/or amounts on existing agreements
- Individuals to revise existing extensions to regular installment agreements and direct debit installment agreements
- Individuals to revise existing regular installment agreements to a payroll deduction installment agreement or a direct debit installment agreement
- Practitioners with valid authorizations to use the signature date found on their approved Form 2848, Power of Attorney and Declaration of Representative, or the caller ID as an alternate way to authenticate when requesting agreements for clients

More than 75 percent of those eligible for an installment agreement can establish one using the online application, according to the IRS. Since launching in October 2006, more than 30,000 taxpayers have successfully used it to set up a payment agreement..

Eligible taxpayers who owe \$25,000 or less in combined tax, penalties and interest can self-qualify, apply and receive immediate notification of approval for installment agreements – including pre-assessed agreements on tax year 2007 Form 1040 liabilities and paperless direct debit agreements.

Paying taxes on time and in full avoids unnecessary penalties and interest. However, taxpayers who cannot pay in full may request a payment agreement. To be eligible, a taxpayer must first file all required tax returns and be current with estimated tax payments, if applicable.

To access the application, proceed to the IRS.gov homepage. Use the pull-down menu under “I need to...” and select “Set Up a Payment Plan.” The application is available Monday through Friday from 6 a.m. to 12:30 a.m., Saturday from 6 a.m. to 10 p.m. and Sunday from 4 p.m. to midnight (all are Eastern Time).

Business Provisions of the Economic Stimulus Act of 2008

FS-2008-21, June 2008

The Economic Stimulus Act of 2008 contains two provisions that provide tax benefits for businesses. The first provision increases the limit up to which a business can expense property purchased and placed in service during its 2008 tax year. The second provision provides an additional 50 percent special depreciation allowance for property acquired and placed in service during calendar year 2008.

Unlike the economic stimulus payments that millions of individuals have already received, the tax benefits for businesses are not automatic; businesses must act to take advantage of the new provisions by purchasing qualifying property.

The Joint Committee on Taxation estimates that businesses stand to lower their 2008 tax bills by roughly \$45 billion as a result of the two business provisions in the Economic Stimulus Act of 2008; these provisions accelerate into 2008 the tax benefits that otherwise would not have been available until future years.

The following are some details about these two key tax benefits:

Section 179 Expensing

- In general, section 179 provides that, instead of depreciating property, a business with a sufficiently small amount of annual property purchases may choose to expense the cost of the property. For taxable years beginning in 2008, the Economic Stimulus Act increased the section 179 expensing limit allowing more property to be currently expensed.
- The Economic Stimulus Act increased the maximum section 179 expense deduction to \$250,000 for qualified section 179 property that is placed in service in tax years that begin in 2008. This is a 95 percent increase from the previous limitation of \$128,000.
- The Economic Stimulus Act also increased the total amount of qualifying property a taxpayer may purchase before the section 179 expensing limit begins to be reduced. Under the new law, the \$250,000 deduction amount is reduced only when a business acquires more than \$800,000 of qualifying property. Prior to changes made by the Economic Stimulus Act, the reduction began when a business acquired more than \$510,000 of qualifying property.
- The new law does not alter the section 179 expense limit for sport utility vehicles, which remains at \$25,000.
- More than 4.5 million small businesses claimed the section 179 expense deduction for tax year 2005, the most recent year for which this information is available. These businesses placed almost \$44 billion of section 179 property in service in 2005 and claimed related deductions of approximately \$41 billion. (Data from Depreciation and Amortization forms filed with Forms 1040.)

Special Depreciation Allowance

- The Economic Stimulus Act also provided a 50 percent special depreciation allowance for property acquired and placed in service during 2008. Depreciation is an income tax deduction that allows a taxpayer to recover the cost or other basis of certain property over several years. It is an annual allowance for the wear and tear, deterioration or obsolescence of the property.
- Under the new law, a taxpayer is entitled to depreciate 50 percent of the adjusted basis (after subtracting any section 179 deduction taken on that property) of qualified property during the year the property is placed in service. **For example**, if the taxpayer purchased and placed in service in 2008 a single piece of property at a cost of \$450,000 that qualified for section 179 expensing and the 50 percent special depreciation allowance, \$250,000 of the cost could be immediately expensed (under section 179) and the remaining \$200,000 of adjusted basis would be available for the 50 percent special depreciation allowance. The taxpayer would also be permitted to take regular depreciation on the remaining \$100,000 of adjusted basis during that year. This is similar to the special depreciation allowance that was previously available for certain property placed in service generally before Jan. 1, 2005, often referred to as "bonus depreciation."
- The types of property that qualify for the 50 percent special depreciation allowance are section 168 property with a recovery period of 20 years or less, off-the-shelf computer software, water utility property and qualified leasehold improvement property.
- To qualify for the 50 percent special depreciation allowance, a taxpayer must meet all of the following tests:

- The taxpayer must have acquired the property after December 31, 2007, and before January 1, 2009. If a binding contract to acquire the property existed before January 1, 2008, the property does not qualify for the special depreciation allowance.
 - The property must be placed in service before January 1, 2009 (before January 1, 2010, for certain transportation property and certain property with a long production period).
 - The original use of the property must begin with the taxpayer after December 31, 2007. In other words, the property must be “new” property.
- Prior to the enactment of the Economic Stimulus Act the total depreciation amount (including the section 179 deduction) a business could deduct for a passenger automobile was \$2,960. The Economic Stimulus Act increased this limitation by \$8,000. Therefore, the maximum limit is increased to \$10,960 for automobiles for which the special bonus depreciation allowance is claimed.
 - Prior to the enactment of the Economic Stimulus Act the total depreciation amount (including the section 179 deduction) a business could deduct for a truck or van used in a business and first placed in service in 2008 was \$3,160. The Economic Stimulus Act increased this limitation by \$8,000. The new maximum limit is increased to \$11,160 for trucks and vans for which the special bonus depreciation is claimed.
 - The Economic Stimulus Act is the most recent legislation that provides depreciation tax benefits. Previously, the Job Creation and Worker Assistance Act of 2002 allowed an additional first-year depreciation deduction equal to 30 percent of the adjusted basis of qualified property for property acquired on or after September 11, 2001, and generally placed in service before January 1, 2005. The Jobs and Growth Tax Relief Reconciliation Act of 2003 provided an additional first-year depreciation deduction equal to 50 percent of the adjusted basis of qualified property for property acquired after May 5, 2003 and generally placed in service before January 1, 2005.

Here is a shortcut to an article on MORTGAGE FORGIVENESS DEBT RELIEF. Cut and paste the following link to your browser: <http://www.irs.gov/individuals/article/0,,id=179414,00.html>

MORE INFORMATION ON THE RECENT CHANGES TO PREPARER PENALTIES. Cut and paste the following link to your browser <http://www.irs.gov/taxpros/article/0,,id=179707,00.html>



CSEA

San Diego Chapter



8 Prepaid Meetings for \$176.00

August 12, 2008
September 9, 2008
October 14, 2008
November 11, 2008
December 9, 2008
January 13, 2009
May 12, 2009
June 9, 2009

San Diego Chapter CSEA members...this is your opportunity to simplify your life and save money at the same time! Prepay for your dinners for the 2008-2009 season on or before the August meeting and save \$40.00 off the advance registration price and \$120.00 off the walk-in price. No monthly registration call required. *We only ask that you call if you will not be attending.*

Name

Enrollment Number

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 1st 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 2nd & 4th 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 2nd and last Friday of each month, except April. Contact Val Daigle for more info (619-435-3131 or val@westax.com)

Upcoming Events In 2008

Date/Time	Event/Topic	Speaker(s)
May 13, 2008 — 5:30 pm	Chapter Dinner Meeting Head-of Household & RAR Reports	Bonnie Hoyle, FTB Lorrie Lefevre, FTB
June 10, 2008 — 5:30 pm	Chapter Dinner Meeting Indian Taxation on and off the reservation, etc	Emily Williamson, IRS Scott Karafin, IRS Steve Sims, FTB
July 8, 2008 – 5:30 pm	Chapter Dinner Meeting MediCal Planning Estate Planning w/Medi-Cal Reverse Mortgages	Carl Gehring, CSA David Barnier, Esq. Jerry Sleder
August 12, 2008 - 5:30 pm	Chapter Dinner Meeting Elective Disability Coverage P/r Taxes ID Theft & I-9's	Josie Munoz (EDD) Robert Burgess (INS Customs)
September 9, 2008 – 5:30 pm	Chapter Dinner Meeting Small Business Retirement Plans Employee Benefit Plans	Jackie Weitzberg Cindy Paxton
October 14, 2008 – 5:30 pm	Chapter Dinner Meeting TBD	TBD
November 11, 2008 – 5:30 pm	Chapter Dinner Meeting TBD	TBD
December 9, 2008 – 5:30 pm	Chapter Dinner Meeting Selling Your Practice; Exit Planning Strategies	Leo Klijn (Henberger)
January 13, 2009 – 5:30 pm	Chapter Dinner Meeting Ethics	Connie Ferrell, EA CSEA President