CALIFORNIA SOCIETY OF ENROLLED AGENTS

San Diego Chapter

Forum Newsletter

May 2009

www.cseasandiego.org

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May 12, 2009 – Chapter Dinner Meeting

Topic: **CFS Tax Tools, Schedule D & Other Utility Programs**

Speaker: **Marcia Davis**

We all have probably heard of TAX TOOLS. I believe it is one of the most inexpensive tools I use, and I USE IT OFTEN! They have over 300 modules in Tax Tools alone! Come listen to Marcia as she walks us through the various programs that CFS offers and shows us how some of them work and how we can use them most effectively.

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** before 5 p.m. the previous Thursday, which will be May 7, 2009 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:

COME BE SURPRISED

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 – May 2009

Dear Chapter Members,

Hello and welcome back to everyone!! How was your tax season? Did you do more/less work? Did the economy have an affect on the number of tax returns you prepared? How did you clients do over the past year? Hopefully you were able to take some much deserved time off after tax season. Now it is time to jump back into continuing education, and those pesky extensions.

We are coming around to our REQUEST FOR VOLUNTEERS and would like YOU to JOIN us either as a Board Member or a capable volunteer to help the committee members accomplish the business of CSEA San Diego. It DOES NOT require a significant time commitment and is personally rewarding for each and every volunteer. You can join us at any of our Board Meetings which occur at 4 pm the day of our regular dinner meetings. You can also join us at our RETREAT that will occur in June or July 2009 when we plan out the upcoming fiscal year 2009/2010. You can also simply e-mail me sleibold@sdbizadv.com or Tom Carter tomcarter@sbcglobal.net and we will put you in touch with the appropriate committee member.

There are plenty of small items that take 1-2 hours per month to take care of that we would love your assistance with, so please keep volunteering for CSEA in mind for the upcoming year.

Finally we have some great educational events coming up. Of course we have the Annual Super Seminar Events in Las Vegas and Reno. I will be attending the first part of Super Seminar in Las Vegas and I always look forward to the tradeshow and vendors along with the great deals they usually offer attendees. Oh yeah, there is also some REALLY GOOD EDUCATIONAL opportunities. Where else can you get 24 hours of CE for less than $20 per hour. Don't miss out!!

Roger and Elaine are also putting together an excellent education program for our local chapter. Some of the topics are our own Tax Update Seminar in December for 1 day (Federal & CA), a tax planning seminar that I will be presenting for half day and the other half filled by an excellent speaker presenting on the increase in IRS audits of real estate professionals/investors. We will also be doing another day of education on Foreclosures, short sales, and debt forgiveness. This is something that all of us are probably starting to see more and more in our practice. The dates are listed in the calendar so please MARK YOUR CALENDAR for the events you are interested in.

I look forward to seeing everyone at the May 12th, 2009 meeting.

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

______ Audit ______ Budget & Finance ______ Legislative

______ Bylaws ______ Education (Seminars) ______ Education (Dinner Meeting Speakers)

______ Membership ______ Newsletter Editor ______ Public Information Awareness

______ Scholarships ______ Disaster Services ______ Nominating Committee

Activities that we need assistance with:

______ CTEC Info Contact ______ Website ______ IRS/FTB/SBE Small Biz Workshop

______ IRS Seminar ______ Meeting Arrangements ______ QuickFinders/The Tax Book

______ Sunshine ______ Yellow Pages ______ Social Events

______ Physical Property (storage shed)

YOUR NAME: ____________________________ Phone: _____________________________

YOUR E-MAIL: ____

CSEA DigiTax Seminars

Want an easy hour of education from your own office? Sign up for the CSEA DIGITAX SEMINARS. Contact CSEA (800-777-2732) or visit their website at www.csea.org and click on EDUCATION AND 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
5/6/09	Surviving a Foreclosure	TBD
5/13/09	Everything you wanted to know about the EA Exam	Eva Rosenberg, EA
6/3/09	How to advise your client when they say "My loved one has died! What should I do"	TBD
7/1/09	How to close a CA Corporation	TBD
8/5/09	Hobby Loss	TBD
9/2/09	Tax Efficient Solutions to Appreciated Real Estate	TBD
10/7/09	Divorce & Taxes	TBD
11/4/09	Improved Communication Increase Your Value (Ethics)	TBD
12/2/09	Research with the IRS	TBD
1/6/10	California Tax Update	TBD

IRS Tax Talk Opportunities

Tax Talk Today has the following program scheduled for 2009.

Tuesday, May 12, 2009
"Specialty Taxes: Estate and Gift and Employment Taxes"
2:00 p.m. - 3:00 p.m. ET

Click here for more information: http://www.taxtalktoday.tv/index.cfm?page=8.71

BE INVOLVED

Did you know that our monthly Board of Director Meetings are OPEN MEETINGS? That's right. You are welcome to sit in on our Board meetings and offer your opinion and views. We WANT TO HEAR FROM YOU! Please come join us at our next Board Meeting and GET INVOLVED! We'd love to see and hear from YOU!

ARE YOUR CLIENTS AFRAID TO FUND THEIR RETIREMENT PLANS?

Our current economic environment certainly has wreaked havoc on the retirement dreams of many business owners.

A typical business owner is paying $.42 out of every $1.00 that they earn back in the form of taxes. This is more than the average American spends on food, clothing, and housing combined. Due to taxes, overhead, and a large lack of liquidity in the market place, most businesses are seeing a large decline in earnings, let alone fathoming the idea of putting money away in their retirement plans (just to watch the volatile current market wash away their retirement dreams).

Most businesses used to go to the banks for financial help, but for many that well has dried up. In turn the factoring companies have increased their credit requirements and requirements of personal guarantees making it harder to infuse the necessary liquidity to sustain a healthy bottom line.

In this climate, imagine a business owner being offered a program that would allow them to **increase their liquidity**, **decrease taxes, fund their pension plan**, and **provide creditor protection to their greatest asset**, (their account receivables)
I describe such a plan below.

When a business owner makes a sale on credit (accounts receivable) they have to pay taxes on 100% of the profit. However, before they ever receive payment, typically they have to pay for the item from the supplier and have to pay taxs, which results in a negative cash flow or outflow of cash before payment. The solution for most businesses is to factor their account receivables.

Although factoring is not a new concept to many tax planners and businesses, what I am about to share with you is.

Tax Planning That Puts Cash In Your Pockets

In a little known ruling put out by the government over 15 years ago, it states that under certain circumstances, a company's pension plan is allowed to purchase its own accounts receivables!

Under this ruling, the business owner can now take control of their financial future and have his or her pension plan purchase the accounts receivables of the business. When factoring companies buy the accounts receivables, they generally only pay 90 cents on the dollar: a 10% discount.

In this scenario, the business sells the accounts receivables for the same amount, a 10% discount, to the retirement plan. When the note is paid off, the retirement plan receives 100 cents on the dollar.

See what's happening?

The business owner benefits from this setup as follows:
If the profit margin was 15%, and the retirement plan discounts 10% when it purchased the accounts receivables, the profit margin drops to 5%. Now the business has only $50,000 of taxable income on sales of $1,000,000.

Example:

Annual Sales	**$1,000,000**
Net Profit (15%)	**$150,000**
Income Tax@ 34%	**$51,000**
Discount on Accounts Rec.	**$50,000**
Taxes Saved ($50,000 @34%)	**$17,000**

That's a 33% reduction in taxes with all the money going into a TAX EXEMPT RETIREMENT PLAN!

Tax Effect

Business

The company only pays taxes on its profits of ($150,000 Profit - $50,000 Discount) or $100,000

Benefit / 401K Plan

The retirement plan pays NO taxes on its profits of $50,000 Accounts Receivable Discount

Benefits

- They have converted their business profits to pension plan investment income/profits.
- Reduced their taxes considerably
- Super charged their retirement accounts (this does not affect your ability to make contributions).
-

Creditor Protection

Their accounts receivable are now encumbered by UCC filings and your creditor exempt retirement plan (in most cases) has priority over predatory creditors.

For further information on how to apply this to your clients situation, give us a call at **Advanced Retirement Planning Inc**. We will be happy to send you an interactive informational CD to help you educate yourself and your clients on this innovative and intricate program.

Call **Jeff Ferretta** @ **866-913-7474**
E-mail: **jeff@arpisinc.com**

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.

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 2009

Date/Time	Event/Topic	Speaker(s)
May 12, 2009 – 5:30 pm	Chapter Dinner Meeting Tax Tools, Schedule D Tools, and other Utility Programs	Marcia Davis, Tax Tools
June 9, 2009 – 5:30 pm	Chapter Dinner Meeting TBD	TBD
July 14, 2009 – 5:30 pm	Chapter Dinner Meeting TBD	TBD
July 27, 2009 National University 4 hrs	SEMINAR Foreclosures, Short Sales, & Forgiveness of Debt: A Guide Through Forms 1099-A, 1099-C, and 982	Lisa Ihm, EA
August 11, 2009 – 5:30 pm	Chapter Dinner Meeting California Tax Update	Lynn Freer, EA (Spidells)
August 26, 2009 National University 8 hours	SEMINAR Business Entity Selection, Tax Differences & Tax Planning Opportunities in this Emerging Political/Economic Environment IRS Audit Sweep on Real Estate Investors	 Steven Leibold, EA Philip Garrett Panitz, LLM, JD
September 8, 2009 – 5:30 pm	Chapter Dinner Meeting – TBD	TBD
October 13, 2009 – 5:30 pm	Chapter Dinner Meeting - TBD	TBD
November 10, 2009 – 5:30 pm	Chapter Dinner Meeting TBD	TBD
December 8, 2009 – 5:30 pm	Chapter Dinner Meeting TBD	TBD
December 16, 2009 National University 8 hrs	SEMINAR 2009 Federal & California Tax Update	 Vicki Mulak, EA Lisa Ihm, EA
January 12, 2010 – 5:30 pm	Chapter Dinner Meeting Ethics	TBD