The Bulletin

East Bay Association of Enrolled Agents

A Chapter of the California Society of Enrolled Agents
Affiliated with the National Association of Enrolled Agents

December 2015

NEXT MEETING **Wed, December 16, 2015**

Place: **Dublin Holiday Inn**
6680 Regional St., Dublin, CA 94568
(go to http://www.holidayinn.com/hotels/us/en/dublin/dubrm/hoteldetail#Directions) ***or take BART!***

5:00 Board Meeting

6:15 Networking

6:30 Dinner Buffet

7:30 Program: **"Same Sex Marriages"**

Cost: $40.00 with reservation by Friday, December 11
$50.00 with reservation after deadline

Course numbers and credit:
IRS: WZA09-T-01596-15-I
CTEC: 1001-CE-8023
CSEA/NAEA: 1 Hour of Federal Tax Topics

Sign up online at:
https://www.123signup.com/calendar?Org=ebaea
(Please print out your confirmation to ensure that you clicked all the right buttons to register) Questions: email ebaea@ebaea.org (preferred) or call 800-617-1040.

December Session: "Same Sex Marriages, RDP, Community Property"

Speaker: Cynthia Leachmoore, EA

by Peggy Hall, EA

The program will cover basic and advanced topics regarding same sex marriages, RPDs, and community and separate property. It will go into estate issues now that same sex marriages are allowed. The speaker will cover how to fill out Form 8958. There are significant tax difference in the treatment of SSMC and RDPs.

With the Supreme Court decision in June 2015, allowing SSMC in all fifty states, there are nuances that tax preparers need to know. They need to know what property is community property, and what is separate property. The effectiveness of pre- and post-nuptial agreements will be addressed. The topic will be expanded to include community and separate property laws, as they impact all marriages in the U.S. Tax preparers need to know which property to split.

In addition, tax preparers need to know how to put the correct information in their tax software, and especially how to avoid problems with the IRS related to withholding and estimated taxes.

After attending this session, participants will know:
1. How to fill out Form 8958;
2. What property to split and what not to split; and
3. How to enter information in their tax software.

With 1 hour of CE on a Federal Tax Topic, the target audience is: Enrolled Agents, CPAs, attorneys, CTEC Registered tax preparers, & unenrolled preparers.

Our speaker, Cynthia Leachmoore, EA, is an NTPI Fellow, and the Second Vice President of the California Society of Enrolled Agents. In addition to tax preparation and representation, Cynthia lectures and has published articles on a variety of tax topics, particularly those relating to same-sex couple taxation. She shares a practice with her husband in Soquel, CA

PRESIDENT'S MESSAGE

by Patty Pringle, EA, President, EBAEA

I hope that everyone had a wonderful Thanksgiving Holiday.

The December 16th Dinner Meeting is right around the corner, and I want to mention our guest speaker, Cynthia Leachmoore, EA. Cynthia is the Second Vice President of the California Society of Enrolled Agents. Not only will she be speaking on a topic that is current and relevant, "Same Sex Marriages, RDP's and Community Property," she will also speak about CSEA. What do you, as members, want from CSEA and from our chapter EBAEA? Please attend the meeting and let us know what we can do for you.

Those that attended the November Dinner Meeting know that we had a surprise give away. There were five bottles of wine left over (how on earth did that happen?) from our August Meet n' Greet. We had a fun moment and gave those bottles away to some lucky people that attended the meeting. There is another surprise planned for the December Dinner Meeting but you will have to attend to find out what it is and how to get it. Ah, nothing like a little mystery and fun at the same time…

For many years now, long time EBAEA Member, Joanne Anderson, EA has collected unwrapped toys at our December Meeting and taken them to one of the local Toys for Tots collection sites. Please help a less fortunate child by bringing an unwrapped toy to the meeting. A big thank you goes out to Joanne for volunteering to do this.

In November, I had the opportunity to attend two of the EBAEA Breakfast Meetings. The one in Castro Valley organized by Dagmar Bedard, EA and the one in Danville organized by Mike Powers, EA. Although we don't receive any CE for attending these meetings the time spent is *so* worth it. The settings are casual, the conversation is interesting, I always leave with more knowledge and understanding of taxes than when I got there. If you have not attended one of these meetings I strongly urge you to do so. You should also get on one of the message boards. You can really learn a lot from fellow professionals. To find a meeting located near, check out the schedule listed in this Bulletin.

Finally, as we wind down for 2015 it's time to get prepared for the 2015 return filing season -- updating software, preparing organizers, getting organized and understanding the latest tax updates. Please take time to enjoy the Holiday Season and have a Happy New Year.

DATA BREACHES & ID THEFT

by Peggy Hall, EA

In October, the IRS presented a webinar covering data breaches and identity theft. It is archived at http://www.irsvideos.gov/DataTheftsProtectingClientTaxInformation/player-fl.html . I strongly suggest that everyone view this webinar. Here are a few ideas from the webinar;

There are resources available to help you if you have a data security breach. See Publication 4557, which is "Safeguarding Taxpayer Data," and Pub 4524, "The Security Awareness for Taxpayers," which contain information for both you and your clients. IRS.gov has more information, which you can get by using search words "Identity theft."

Steps for victims of identity theft from their page http://www.IRS.gov/uac/Taxpayer-Guide-to-Identitytheft

1. File a report with the local police.
2. File a complaint with the Federal Trade Commission at www.identitytheft.gov or the FTC Identity Theft Hotline at 1-877-438-4338 or TTY 1-866-653-4261.
3. Contact one of the three major credit bureaus to place a 'fraud alert' on your credit records:
www.Equifax.com 1-800-525-6285
www.Experian.com 1-888-397-3742
www.TransUnion.com 1-800-680-7289

If your SSN is compromised and you know or suspect you are a victim of tax-related identity theft, take these additional steps:

4. Respond immediately to any IRS notice; call the number provided.
5. Complete IRS Form 14039, Identity Theft Affidavit. Use a fillable form at IRS.gov, print, then mail or fax according to instructions.
6. Continue to pay your taxes and file your tax return, even if you must do so by paper.

If you previously contacted the IRS and did not have a resolution, contact the Identity Protection Specialized Unit at 1-800-908-4490. The Service has teams available to assist.

More information: www.irs.gov/identitytheft or FTC's www.identitytheft.gov.

Re: TIGTA's audit of the IPSU, see page 4

EBAEA MEMBERSHIP: GET INVOLVED IN CHAPTER FUNCTIONS

by Sharon H Hinchman, EA, Membership Chair

Most of us pay our dues and then sit back and let others do the work on chapter activities. We come to an occasional dinner meeting or read the Bulletin without giving much thought to what else is available.

We may rationalize that "I'm too busy," or "I have another meeting at that time," or "it's too far". If you think this way, what you don't realize is that you are missing out on an opportunity to make new friends and lasting relationships that will benefit both you and your fellow members for many years to come.

Aside from dinner meetings and Tax Talk, there are regional breakfast meetings offered throughout both counties, and a series of mini seminars are in the talking stages. If you have an idea for a one, two, or four-hour topic, let us know! The education and program chairs are always looking for new ideas.

Interpersonal communication is getting to be a thing of the past. We rely too heavily on text and email, and not enough on face time. What's even scarier is that many of the "20 somethings" don't know how to make eye contact. Before we all become an island onto ourselves, it's time to show up and say "hi!"

Our December meeting is on the 16th. Come and talk, in person, with your friends! Please bring an unwrapped toy for our annual "Toys for Tots" drive . I'm not sure how many years we've done this, but it got to be close to 30, and we brighten so many lives!

CSEA DIRECTOR REPORT

by Aida Q. Torres, EA, First Vice President

During the CSEA Chapter Connection Meeting on November 3rd, an online meeting of CSEA Directors from many Chapters lasting more than two hours, I joined the CSEA Education Committee. In order for Enrolled Agents to represents the NAEA/CSEA/EBAEA and the profession at the highest levels, it is necessary to provide appropriate education, whether traditional or innovative, making use of cutting-edge technology while still offering competitive pricing.

You probably recall the **NAEA's Educating America Program**, intending to bring awareness of the EA profession to U.S. colleges. The most recent NAEA E@lert pointed out that members all over the country are visiting local colleges and promoting the profession.

Our role, at the local chapter level, can involve finding contacts and developing a connection with schools in the area, arranging and attending meetings with school representatives, connecting the school with Gleim (an NAEA sponsor) for course materials, and assisting with locating instructors or teaching courses. This can be a good challenging career development for our members. We know that our members have taught tax courses in the past, including (for examples) our immediate Past President, Andrew Rogers, EA, who was my SEE Instructor in Part III (Business), and a good Estate and Trust Speaker, Sal Romo, EA. This is an invitation to all our members, to get involved in identifying, informing and educating future EAs!

At the National Level, the NAEA role is to provide materials to support the Chapter outreach to educational institutions, and provide training for Chapter outreach. NAEA may be able to provide personal contacts, if assistance is needed. NAEA can connect to Gleim for course materials and booth set-ups for use at job fairs.

VALUE OF SMALL GROUP MEETINGS

by Michael D. Power, EA

Have you not been to a small tax group meeting? Really? Gosh, are you ever missing out!

Many of us (EA's) are sole proprietors. We might work alone, or only have office staff to help. Small group meetings can offset some of that alone time, and along with the monthly dinner meetings, build a support group.

Small groups are more personal, more one on one. I find that I have built stronger ties to my fellow preparers by attending these meetings. I attended one in the Hayward area initially, but found the need for a closer one, so I started the Danville group. For me, it has been a raving success.

There are some questions I am embarrassed to ask in a large group setting. (Can you believe Power didn't know that? That is tax 101......) I am less likely to shirk from asking questions in a tighter, smaller group.

Each group has its own flavor, approach, and feeling associated with it. [Editor: Look below, in this column, to see some groups that you could join.] If you don't like one you are attending, try one of the other four or five, or even start your own! Build it, and they will come.

Much like being a board member, I have strengthened friendships, expanded my tax knowledge, received business referrals, and saved a ton of time! As a result, I enjoy tax practice more. I am such a fan that I personally try to provide a free coffee or meal to first time attendees in Danville. If I missed your first time, suck it up, tell me, and I'll let the caffeine and eggs flow. . .

Small Group Tax Meetings

Antioch /Brentwood Fridays 8:00am
Brentwood Café, 8500 Brentwood Blvd, Brentwood
Ken Seamann EA (925) 634-8297

Danville Area 4th Tue 9:30am
Pascals French Oven, 155 Railroad Ave, Danville
Michael Power EA (510) 366-8836

Oakland Area (Near BART) 4th Tue 9:00am
Buttercup Café, 229 Broadway, Oakland
Andy Rogers EA (510) 332-0401

Livermore Area Fridays 8:45am
Shari's Restaurant, 1116 East Stanley Blvd, Livermore
Jerrilynn Krebs EA (925) 606-8181

Castro Valley 2nd Tue 8:30am
Dino's Restaurant, 20390 Lake Chabot Rd, Castro Vly
Dagmar Bedard EA (510) 537-3883

Email-only Group as needed
Send an email to halloftaxes@gmail.com
Peggy Hall EA (925) 388-1040

MEMBERS SPEAK

Upcoming presentations by EBAEA Members include:

December 8: Basic Payroll, 455 Market Street, San Francisco 9 am - 3 pm. Contact Andy Rogers at Andy@TaxBuddha.com for more information.

For EBAEA members to list speaking engagements next month, please email Andy@TaxBuddha.com with details.

EAs AVAILABLE TO SPEAK

There are a number of chapter members who welcome the opportunity to speak on a variety of tax topics. If you know of a group that would like a guest speaker, please contact Andy Rogers, EA, or Mark Bole, EA for suggestions.

EBAEA EMAIL LISTS

EBAEA sends news to Members via two one-way (send-only) email distribution lists. Subscription is free and completely voluntary, and you can subscribe or unsubscribe to either list any time you wish. For more information and to subscribe, visit: https://secure.clientwhys.com/?cid=4942east&subscribe=1

TIGTA ON ID THEFT

by Robert Seymour, EA

Peggy Hall, EA, shared some of the recommendations from an IRS webinar and related web resources (see page 2 of this Bulletin), particularly to help victims of tax-related ID theft.

The Treasury Inspector General for Tax Administration (TIGTA), who audits the IRS, issued a report in October on the performance of the Identity Protection Specialized Unit (IPSU) of the IRS, the dedicated unit to help victims of identity theft to have their questions answered and their cases resolved. A TIGTA report back in 2012 found that IPSU appeared to be failing to meet taxpayers' needs, and had recommended changes.

The current report, based on a follow-up audit, found that taxpayer victims still do not have a single employee point of contact for assistance, though the IRS insists that budget constraints make that impossible.

The audit found that required acknowledgement and case status letters were not always issued to taxpayers; they found that in 37% of their sample of cases which were closed, the customer service representative did not send (or timely send) the taxpayer one or more of the required letters. The sample was small, but statistically significant, of the 24,509 cases closed in FY2014.

The audit also found that in cases without a taxpayer-provided Social Security Number, the IRS may not use available information to identify the SSN, leading them to close the case as "not having sufficient information", when the Service could have identified the taxpayer. The audit found that 35% of the sample cases could have been handled rather than being closed for insufficient information.

The Service agreed with TIGTA's recommendations to correct these problems in the future.

As practitioners, the high failure rates in the audit results suggest (to me) that we may need to assist our clients in following up with the Service to ensure that a case is being handled, and we should certainly make sure that tax ID theft victims include their SSN when reporting the problem to the IRS.

EDITOR'S NOTE

by Robert Seymour, EA

Most likely, the January Bulletin will be available a few days into the month. I will be on vacation at the end of December, making the delay unavoidable.

IN CASE YOU MISSED IT – TAS REPORT

by Robert Seymour, EA

Mid-July, the National Taxpayer Advocate, Nina E. Olson, released the required mid-year report to Congress, identifying priority areas and challenges. For those requiring IRS assistance, " . . . the filing season was by far the worst in memory."

These observations may confirm what tax practitioners or their clients feared:

The IRS answered only 37% of calls to customer service reps, with an average 23-minute hold time, substantially worse than the previous filing season.

Taxpayers notified that their returns had been blocked by the Taxpayer Protection Program (TPP) on suspicion of ID theft, had only 17% of calls answered, with 28-minute average hold times.

Practitioners who called the Practitioner Priority Service line had their calls answered 45% of the time, with an average 45-minute hold time.

"Courtesy disconnects" – when the IRS essentially hangs up on the caller because the switchboard is overloaded – skyrocketed from 544,000 in 2014 to 8.8 million in 2015.

Ms. Olson noted that the IRS continues to view itself as an enforcement agency, focused on the relatively small portion of the population that is unwilling to comply with the tax laws. She emphasized the need for taxpayers and their representatives to be able to talk with the IRS.

The Taxpayer Advocate Service is an independent organization within the IRS, and in addition to assisting taxpayers directly, offers seminars that qualify for CPE to tax professionals.

HUMOR

Anonymous

[For the holidays, the Editor is recycling some of his favorite tax and accountant jokes of the last 18 months.]

65% of people say that cheating on your income tax is worse than cheating on your spouse. The other 35% were women. -- Jay Leno

A tax attorney defended a case of tax evasion for an affluent client. He devoted over a year to the case, familiarizing himself with every loophole and angle of the law, and made a brilliant argument before the court. His client was called out of town just before the jury reached its verdict, a sweeping victory for his client on every count. Flushed with victory, the lawyer exuberantly sent an email to his client, reading "Justice has prevailed!" The client responded immediately, "Appeal at once!"

On my income tax Form 1040 it says, "Check this box if you are blind." I wanted to put a check mark about three inches away. -- Tom Lehrer

A tax preparer, unsure whether a client's wife was entitled to an additional exemption for being 65 years old, sent the husband an e-mail requesting the information. The next day he got a reply: "My wife says she is not 65 years old, nor will she ever be!"

"President Obama has announced a task force to review the tax codes. He's concerned there are too many loopholes and too many people manipulating the system to avoid paying taxes. And that's just in his administration." -- Jay Leno

A tax accountant, a tax lawyer and an actuary were dining together at an upscale restaurant.

"With income tax being so complicated, we tax accountants are all doing quite well these days," the tax accountant commented. To prove it, he pulled out a $5 bill, lit it with a match, and used it to light his cigar.

"With so many people engaging in tax avoidance, the IRS pursuing offshore accounts and auditing more wealthy taxpayers, we tax lawyers are also doing very well these days," the lawyer said. To emphasize his point, he got out a $100 bill, applied a match to it, and use it to light his cigar.

"With the new Affordable Care Act, we actuaries are doing even better," the actuary responded. To prove it, he wrote out a check for $1 million, lit it with a match, and used it to light his cigar.

"Unquestionably, there is progress. The average American now pays out twice as much in taxes as he formerly got in wages." -- H. L. Menken

"When it comes to taxes, there are two types of people. There are those who get it done early, also known as psychopaths, and then the rest of us." -- Jimmy Kimmel

A tax accountant and a lawyer were laying on a beach in Hawaii, sipping mai tai's. The lawyer started telling the accountant how he came to be in Hawaii. "I had this downtown property in Memphis that caught fire, and after the insurance paid off, I moved here."

The tax accountant said, "I had a downtown property in Miami that got flooded and I moved here with the insurance proceeds."

The lawyer took another sip of his drink and asked in a low voice, "How do you start a flood?"

April 15 is lurking around the corner, so if you have yet to file your federal tax return, it is time to set aside a few hours, gather your financial records, and flee the country. -- Dave Barry

"Tomorrow is the day to mail in your tax returns, which means tonight is the night to start making fake receipts." -- Jimmy Kimmel

The only difference between a tax man and a taxidermist is that the taxidermist leaves the skin.

-- Mark Twain

A government big enough to give you everything you want is strong enough to take everything you have.

-- Thomas Jefferson

A patient was at her doctor's office, after having a complete physical exam. The doctor said, "I have some very grave news for you. You only have six months to live."

The patient asked, "Oh, doctor, what should I do?"

The doctor replied, "Marry an accountant."

"Will that make me live longer?" she asked.

"No," he replied, "but it will seem much longer."

BULLETIN ADVERTISING POLICY

by Robert L Seymour, Bulletin Editor

To encourage more Members to use the Bulletin to fill their needs, we present the Bulletin advertising policy:

1) All Bulletin notices are run for a maximum of three months. If you wish to run a notice for a longer period, you must resubmit the notice.

2) Maximum notice size is 1.5 column inches. This equals a space one and one-half inches high by one column (3.5 inches) wide. The standard Bulletin font is Times New Roman 11 point.

3) The Bulletin Editor reserves the right to edit any notice for style, content and length.

4) All notices must be submitted (and payment received) by the 25th of the month prior to initial publication. Send desired text to: EBAEA.Editor@gmail.com.

5) Member notices seeking or offering employment, clients or EA-practice-related matters are run at no charge as a Member benefit. This includes an ad run by a firm which employs a Member. Member notices offering other services or products, and all non-Member notices are run at the standard fee of $150 for the three-month insertion.

The Bulletin Editor reserves the right to modify or reject any notice which, in the sole opinion of the Editor, violates any of the principles of EBAEA.

CALENDAR OF EVENTS

December 2015

16 EBAEA Dinner "Same Sex Marriages" In Dublin

January 2016

20 EBAEA Dinner "Trust Administration"

2015 - 2016 Board of Directors and Committee Chairs

President: Patty Pringle, EA	510-912-1682
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Continuing Ed: Katherine Judd, EA	925-283-0130
Educ. Coord.: M. Williams-Jones, EA	510-482-6204
Mini Seminar Team: Patty Pringle, EA	510-912-1682
Program: Peggy Hall, EA	925-388-1040
SEE Class: vacant	
Tax Talk: Patty Pringle, EA	510-912-1682
Town Hall: Patty Pringle, EA	510-912-1682
Administration Committee (IPP)	
Chair: P Gail Nanbu, EA	925-943-3993
Bylaws/SOP: Gail Stan, EA	925-336-0589
Chapter Office: Dagmar Bedard, EA	510-537-3883
Financial Review: vacant	
Nominating: Patty Pringle, EA	510-912-1682
Volunteer Coord.: Sharon Hinchman, EA	925-743-1108

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