The Bulletin
East Bay Association of Enrolled Agents

January 2017

NEXT MEETING: Wed, Jan. 18, 2017
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!

4:30 Board Meeting
6:30 Dinner Buffet
7:00 Program: “Federal Tax Procedure”

Cost: $40.00 with reservation by Monday, Jan. 16
$50.00 with reservation after deadline

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.

A Happy & Prosperous New Year to all members! Hope everyone had a wonderful celebration of the holidays!

We are now all headed to the 2016 Tax Season and our office staff must gear up and be ready to work! We should have emailed or mailed the tax organizer to all our clients, by now! Sharon Hinchman, EA, CSEA Director and I just had our January 6th to 9th, 2017 CSEA Board Meeting in Sacramento! The financial health of CSEA was the focus; to prioritize the important matters and to arrive at the best solutions for the financial health of the society! CSEA EVP, Ms. Scarlet Vanyi had shared and urged the committee to maintain the high road in the face of our challenges and emphasized the importance of robust dialogue in shaping CSEA’s future. CSEA will have a new EVP by March 2017 since Ms. Vanyi’s service will end in February 2017!

The PIA Committee’s strategic issues discussion was on consolidating the EA Promo and 3M (Major Media Marketing) Funds; a motion will be brought to the June 2017 meeting. Both of these Funds were established to support public awareness activities or events that will heighten the awareness of the EA designation and members of CSEA among the general public. Another discussion is the up-coming Tax Help Day on February 4, 2017. There are nine (9) Chapters signed up for Tax Help Day out of the nineteen (19) Chapters! The PIA Committee was urging more people to sign up for Tax Help Day! For our Chapter, we need more EAs to volunteer for Tax Help Day. Only two (2) confirmed EAs have volunteered; one (1) in the morning for 2 hours and one (1) in the afternoon! Our time schedule for Tax Help Day is from 10:00 AM to 3:00 PM. I am hoping to get more EAs from our EBAEA to volunteer for this!

January Session: Federal Tax Procedure presented by David Fogel, CPA
by Peggy Hall, EA

David Fogel, CPA will give a 2-hour presentation that covers several selected topics in Federal tax procedure, such as due dates of returns, refunds and penalties for late returns, the types of claims that can be filed and their limitations, audit procedures, statute of limitations, audit-related penalties, procedures to resolve audit disputes and collection alternatives.

SHRED FEST – JANUARY 21

The East Bay Association of Enrolled Agents is having a “Shred Fest” on Saturday, January 21. The Holiday Inn in Dublin is kindly allowing us to use their back parking lot free of charge. Bring your old files and invite your clients to come. See the flyer later in this Bulletin.
There have been no formal complaints to the Ethics & Professional Conduct Committee since the last report. The case that appeared to be headed toward the investigative stage was closed because the Respondent failed to renew their membership. Any future complaint should be forwarded to CSEA by the Chapter. The OPR Sanctions List has been updated. There is a link that has been posted on the CSEA website but the sanctions list is only for California! To get the update on all States, go to the IRS link.

The Education Committee’s discussion was on the “Super Seminar 2017.” The flyer is now available for May 16-18, Las Vegas, NV and June 28-30, Reno, NV. Everyone should take advantage of the discount for CSEA Member (3 days) $559.00 which is good until 2/28/2017 for both locations! As of January 7th, there were 135 EAs signed up for Super in Las Vegas and 135 EAs for Reno, too! Unbelievable to have same numbers of EAs signed up for both locations! We also brainstormed Digi-Tax Topics by forming groups of ideas to arrive at common topics!

The CSEA Nominating Committee has announced the slate of officers for the 2017-2018 fiscal year:

President: Torie Charvez, EA
1st V.P.: Cynthia Leachmoore, EA
2nd V.P.: Joyce Cheng, EA
Treasurer: Bruce Miller, EA
Secretary: Susie DiMaggio, EA

BIG CHANGES AT CSEA
by Sharon Hinchman, EA

December was a busy month for CSEA. Big changes with long ranging effects on the membership took place. First, I got a call from President Doug Pickford telling me that Scarlett Vanyi, our Executive Vice President had tendered her resignation and that the executive committee would be searching for a suitable replacement.

It is my pleasure to announce that our new EVP will be Leslie Cain. For those of you who don’t know Leslie, just go look at the new CSEA website. Leslie, in her position as Controller, spearheaded the implementation of the society’s new database and website. This monumental undertaking is about 85% complete and those features not yet fully functional, should be up and running by the end of tax season. If you haven’t visited the website lately, please do www.csea.org.

With Leslie’s promotion to EVP and the exit of Ashley Soy, as Marketing Director, Leslie’s first job will be to fill the two vacant positions on her staff. This effort will go hand in hand with a new taskforce created by the board to look at how our association is currently governed and what changes may need to be made to streamline our processes to better serve the membership.

I know this is a lot to absorb in three paragraphs. More depth and detail will be provided as this process unfolds.

UPDATE ON CE
By Marjorie Jones, EA

CE Credits are still not posted by IRS. The IRS PTIN Website has had the following statement since mid-September –“ NOTE*: The information displayed will not be updated beginning Sept. 14 while we transition to a new CE provider reporting system. Check back soon for the latest information regarding your CE credits.” I’ve been checking back regularly – the credits from Sept to current are still not posted.

EBEA EA MEMBERSHIP
by Gail Stan, EA

To help you get to know our members, we are running profiles of some of our members in each issue of the Bulletin. Each future issue will have a profile of at least one Officer or member of the Board of Directors and one or two general members. If you are interested in being profiled, see the template in this Bulletin – fill it out and return it to the editor at EBEA EA.Editor@gmail.com. You can send a photo of yourself if you would like to have it included with your profile - it will help the members know who you are!

If you have never received an EBEA EA Membership Certificate, please send an email to Gail@gailstan-taxes.com and I will get one for you.

OFFICER/BOARD OF DIRECTORS PROFILES

Name: Peggy Hall, EA
Current EBEA EA Officer Position: Secretary, Dinner Program Chair
Year became EA: 2000
Year became NTPI Fellow: 2004?
Location of practice: Moraga, CA
# of Employees: 1
Education: UC Santa Cruz, B.A. St Marys (management)
Tax Specialization(s): stock options, NOLs, COD
How/Why became EA: I started doing taxes in 1985 and eventually became an EA.

What do you like best about being an EA: The high standards give me confidence which in turn gives my clients confidence. EA’s have respect from IRS and EA’s.

What do you like least about being an EA: The questions “what is an EA?” How do you compare to a CPA?

Former officer of EBA EA – Position(s) & year(s): President 2008-2010, 2nd VP, Secretary
Former officer of CSEA/NAEA - Position(s) & year(s): I was the CSEA director from EBA EA for two years.
**Anything else:** I love that we collaborate rather than compete with other EA’s. My passion is backpacking and I am always looking for partners. My husband past away and came back as a cat, which I adore!

**Name:** Lourdes C. Rabara, EA  
**Current EBAEA Officer Position:** Director  
**Year became EA:** 1993  
**Location of practice:** Pleasanton, CA  
**# of Employees:** None  
**Education:** BS in Business Administration and Management  
**Tax Specialization(s):** International Tax, Individual & Trust  
**How/Why became EA:** Peer pressure and to get credibility for what I do.  
**What do you like best about being an EA:** That I am authorized to practice before the IRS throughout the country.  
**What do you like least about being an EA:** Lack of public knowledge of what EA’s are. My clients still call me their ‘CPA’.

**MEMBER PROFILES**

**Name:** Mark Bole, EA  
**Year became EA:** 2008  
**Location of practice:** Walnut Creek, CA  
**# of Employees:** Solo  
**Education:** math, MBA (UC Berkeley Haas School)  
**Tax Specialization(s):** employer stock, multiple state individuals  
**How/Why became EA:** Working at H&R Block, pay was automatically higher for EAs who also completed in-house representation training, plus they reimbursed for application fee. Also wanted to get access to e-services, which was a more powerful tool back then. Several other tax pros in my office all became EAs right before me, I didn’t want to be left behind.  
**What do you like best about being an EA:** Excellent EA colleagues, both on-line and in-person.  
**What do you like least about being an EA:** Representation and collections, basically I don’t do it.  
**Former officer of EBAEA – Position(s) & year(s):** former Board Member 2012-2015  
**Anything else:** Like to read science fiction, take road trips, and view music videos. Would like to try occasional monthly lunch for speaker and CE, instead of dinner.

**Name:** Christian Christiansen, EA  
**Year became EA:** 2015  
**Location of practice:** Walnut Creek, CA  
**# of Employees:** 5  
**Education:** BA Economics, UC, Berkeley  
**How/Why became EA:** As part of our practice, we enjoy helping our tax clients and investment clients know the “other side of the coin.”  
**What do you like best about being an EA:** Helping people who have no better option than hopelessness until they visit us, and we can make a difference.  
**What do you like least about being an EA:** Nothing, but it would be easier to be one if Congress would help!

**CHANGES TO THE BYLAWS APPROVED**  
*by Gail Stan, EA*

CSEA recently changed their Bylaws and therefore, EBAEA needed to change our Bylaws to maintain consistency with CSEA. In the last issue of the Bulletin, we published the full text of the Bylaws and the proposed changes. At the December 21, 2016 dinner meeting, the members in attendance voted unanimously to accept the proposed changes to the EBAEA Bylaws. You can find the updated Bylaws on the EBAEA website at www.ebaea.org in the “About EBAEA” section.

**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

**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.

**SEASONAL TAX WORK WANTED**

Hi, I’m a GGU alum, networking to connect with a tax filing role this spring. I have several tax seasons of experience with Individual and Trust returns. To ramp up my entity filing knowledge I’ve studied for and recently passed on the first try the IRS SEE exam #2, Business Entity Tax. While I don’t sign returns yet if you use Lacerte and you need help this tax season I would be great in that role. Thank you for considering me for a seasonal or longer term tax filer assignment. ~Michael Lauper tax2017@lauper.biz
CPA FIRM SEEKING SEASONAL / PART TIME TAX PREPARER (CPA OR EA)

Well-established local CPA firm is seeking self-motivated, dedicated professional. At least five years of recent public accounting / tax experience and strong accounting skills. Responsibilities include preparation of complex tax returns for privately held businesses (partnerships, S & C Corporations), trusts & estates, and complex individuals. ProSystem fx Tax experience is preferred. Our downtown Danville office is friendly with business casual dress. We offer competitive compensation. Please send your cover letter and resume to tanya@dmdimaggio.com.

BULLETIN ADVERTISING POLICY
by Gail Stan, EA, 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 one issue. If you wish to run a notice for a longer period, you must resubmit the notice for each issue. *(Some issues are monthly and some are combined months. January and February will be single issues but March/April will be a combined issue.)*

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 EA 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 $50 per issue insertion. *(Professional Affiliates and Professional Associates are considered non-Members for advertising purposes.)*

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.

PAYROLL FOR APARTMENT MANAGERS?
By Andrew Rogers, EA

Andy has generously shared this article that he originally wrote for CSEA in 2014 and has recently updated. See the full article later in this Bulletin.

January 2017

18 EBAEA Dinner - Dublin Holiday Inn
Federal Tax Procedure by David Fogel, CPA

21 Shred Fest - Dublin Holiday Inn
See Flyer in later in this Bulletin

February 2017

15 EBAEA Dinner - Dublin Holiday Inn
FTB Panel with Karen Brosi, EA and Susan Maples (FTB Taxpayer Advocate)

March 2017

15 EBAEA Dinner - Dublin Holiday Inn
Federal Panel with Karen Brosi, EA and Joe Calderaro, EA

April 2017 – NO MEETING
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**  
3rd 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

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Joanne Anderson installing Ralph Nelson and Lourdes Rabara as Directors of EBAEA.

### “Quotes”

I just filled out my income tax forms. Who says you can't get killed by a blank?  
Milton Berle

I would like to electrocute everyone who uses the word 'fair' in connection with income tax policies.  
William F. Buckley, Jr.

Anybody who is familiar with the historical data from the IRS knows that raising income tax rates will likely actually reduce federal revenues.  
Mike Pence

1913 wasn't a very good year. 1913 gave us the income tax, the 16th amendment and the IRS.  
Ron Paul

An income tax form is like a laundry list - either way you lose your shirt.  
Fred Allen

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1st Vice President Sharon Hinchman running the dinner meeting.
The East Bay Association of Enrolled Agents (EBAEA) meets monthly except for the month of April. Meetings are usually held at the Dublin Holiday Inn although occasionally, we will meet somewhere else with plenty of notice to our members of the change in location for a particular month.

Dublin Holiday Inn
6680 Regional St.
Dublin, CA 94568
SHREDFEST

DRIVE-THRU
Document Destruction Event

JANUARY 21st
10:00 am - 2:00 pm

DRIVE UP
UNLOAD
WE SHRED

SATURDAY, JANUARY 21, 2017 • 10am -2pm

SHREDFEST 2017
EVENT LOCATION

Holiday Inn Dublin/Pleasanton
6680 Regional St, Dublin, CA

Very special thanks to our friends at the Holiday Inn Dublin for allowing us to use their parking lot to hold the event.

For additional Shredfest 2017 details email: info@ebaee.org

FIRST BOX FREE
FOR ALL MEMBERS OF EBAEA

MEMBERS & NON-MEMBERS
$5 EACH BOX*
Rain or Shine Event!

*All prices are for a standard size file box.
(Documents Shredded Onsite)
Payroll for Apartment Managers?
By Andrew Rogers, EA

Payroll can be tricky because the rules span several agencies with different standards and requirements. One of the special payroll situations in California is an apartment manager who is receiving reduced rent. It might appear there is no “payroll” if the rent is reduced, but a reduction in rent is compensation for services performed managing the apartments.

The IRS and California’s Employment Development Department (EDD) say if “lodging” is furnished on the employer’s premises, for the employer’s convenience, and as a condition of employment, it is not subject to Personal Income Tax (PIT), PIT withholding, Medicare or Social Security – which is almost all the taxes.

In California, if you have an apartment building with more than 15 units, you are required to have a “responsible person” residing on the premises. This would qualify as a condition of employment, and it allows you to avoid most of the payroll taxes.

The three remaining taxes are CA Unemployment Insurance (UI), CA State Disability Insurance (SDI) and CA Employment Training Tax (ETT). The value of lodging is not “income wages,” but it is “subject wages” – a fine distinction. You are required to calculate and pay tax on the subject wages, and report them to the CA EDD.

The rate for SDI in California is 0.9% for both 2016 and 2017 wages, but the SDI is normally withheld from the paycheck. If you are only providing reduced rent, there is no payroll to withhold the SDI out of. The employer is therefore making this payment in addition to the value of the lodging. So, to figure out the “wage base” in order to calculate the SDI tax, we have to add the value of tax paid to the value of the lodging. Mathematically, we take the lodging value divided by 0.991 to get the wage base for SDI, UI and ETT. UI and ETT are taxes with rates that change per employer, and these two are limited to the first $7,000 of wages for each employee in 2016 and 2017. SDI tax is limited to the first $106,742 for 2016 and $110,902 paid to each employee for 2017.

How do you figure out the value of the rent reduction? Ideally, the cash value of the rent reduction would be stated in an employment contract. You may have an idea of the value based on the other 15 units in the building. EDD also provides a minimum of $43.20 per week, or a maximum of $1,332 per month for 2016, and $45 per week minimum, $1,387 maximum per month for 2017 as an alternate method of determining value, or two-thirds of ordinary rental value (DE-44, page 12). By using the two-thirds value rather than the market rate, you’ll reduce the amount of tax to report and pay.

There are also minimum wage laws in California, but I’m just not going to get into that here! You might want to have your on site manager keep track of their hours and submit a timecard, and you should keep a copy.

The upshot of this complicated system is that it would appear that apartment managers are potentially eligible for Unemployment or State Disability, and as apartment owners (or their agents), we are responsible to report employees and pay California employment tax for them, even though they have no “wages.”

To fill out the EDD forms if the manager is only receiving a rent reduction, you'll have "subject wages" equal to the grossed-up amount, but no "PIT wages." There should be an odd looking W-2 at year end showing SDI paid on behalf of the manager/employee, with no Box 1, 3, 5 or 16 wages.

Andrew Rogers, EA is an Enrolled Agent, and is a member of the California Society of Enrolled Agents, the National Association of Enrolled Agents and the National Association of Tax Professionals and has been practicing since 1999. Andrew specializes in returns for businesses and their owners at Tax Buddha. Andrew has books on Amazon, videos on YouTube, and presents live seminars around the country. He can be reached at Andy@Tax-Buddha.com.


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<td><strong>How/Why did you become an EA?</strong></td>
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<td><strong>Have you previously been an officer of EBAEA? What position(s) and year(s)?</strong></td>
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<td><strong>Have you been an officer of CSEA and/or NAEA? What position(s) and year(s)?</strong></td>
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<td><strong>Anything else you would like the members of EBAEA to know about you?</strong></td>
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