



The Bulletin



East Bay Association of Enrolled Agents
*To Enhance and Protect the Professional, Economic, and
Educational Interests of all Enrolled Agents*

January 2009

NEXT MEETING Wed, January 21, 2009

Place: **DUBLIN Radisson Hotel**

(go to http://www.radissondestinationguide.com/location/Map.process/OID_EB39EA2D/?hotelCode=CADUBLIN)

4:30 Board Meeting

6:15 Networking

6:45 Dinner Buffet

7:15 Program: **“Mortgage Interest Deductibility”**

Cost: \$35.00 with reservation by Friday January 16
\$45.00 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.

January Topic: “Mortgage Interest Deductibility Overview”

Speaker: Alan Pinck, EA

By Cherry Comstock, EA, Program Chair

Mortgage interest is causing more and more questions both for us and for our clients. How much is deductible? What is acquisition versus equity debt? What if the loan is for over a million dollars? And, most importantly, what does the IRS really look for when the audit happens?

Our speaker this month is Alan Pinck, EA, who is very active in representing taxpayers before the IRS. He closed over two dozen audits specifically dealing with mortgage interest in 2008. Alan has taken the things he has learned both from education events and in real life IRS situations to develop this program topic. This session will go into the rules, the things the IRS will be looking for and how to prepare your records to survive scrutiny.

Alan L Pinck EA, has been preparing tax returns since 1989 and passed the Department of Treasury exam on his first try in 1992, becoming enrolled to practice before the IRS in 1993. His practice specializes in audit representation and small business tax preparation and consulting. In addition to his practice, Alan gives back to his community as a speaker for S.C.O.R.E. in business taxes and accounting for small businesses. Alan has been offering these services since 1990. He also speaks for a variety of business and professional organizations and has been doing so since 2000. Alan is a member of NAEA, CSEA and is President-Elect of our southern neighbor, the Mission Society of Enrolled Agents.

Don't miss this timely and critical education opportunity.

PRESIDENT'S MESSAGE

by Peggy Hall, EA

Our December dinner meeting was well received and well attended. Duncan Sandiland, EA, presented a different kind of Practice Potential seminar. What made the seminar so special was the extra time and effort put into both the presentation and the content. Duncan shared his results from years of research. This so exemplifies the spirit of this Chapter! Share and reveal all! Together we have so much more strength to serve taxpayers and to further the effort to make EA a household word. Duncan has also prepped an electronic version of his presentation. Send an email to ebaea@ebaea.org if you would like to be emailed a pdf copy.

More than 30% of our Members submitted their online surveys. What a great response rate! We have compiled the results of the survey and we have hired a public relations specialist to suggest how to use the information obtained to put together a plan of action. Our first call to action is our website; we need a vibrant website that attracts both the public and our own Members. We are looking for volunteers for the Website Committee and we also need your ideas for content. If the creators do not know what we want, we won't find it when we look. You do not need technical expertise. HELP!

Almost everywhere we go we are asked what we do. This is our opportunity to make a good impression and promote ourselves as Enrolled Agents, *The Tax Professionals*. This is our best PR and it doesn't cost anything. FREE! View the related article by Cherry Comstock, EA elsewhere in this bulletin.

Take care of yourselves during tax season. We are incredibly lucky that our jobs are assured especially with all of the new tax laws. However, we will see many of our clients not doing so well. Some of these clients have become our good friends and their problems will hit us hard. So besides all the usual tools, tax research, software, technology, books etc. make sure you have a good support system and a way to close your door (emotionally) when you leave your office. At EBAEA let's support each other.

HAPPY HOLIDAYS EVERYONE. Laugh and love.

TAXBOOKS ARE SHIPPING

Ken Seaman reminds all who ordered TaxBooks through the EBAEA discount program that the IRS books should be available at the January dinner meeting. Make sure you attend the meeting to get your book.

MENTORING – WHAT'S THAT ABOUT?

by Patty Pringle, EA

Our chapter is currently seeking members to volunteer for its mentoring program. Mentoring provides seasoned professionals the opportunity to leave their mark on the profession by passing along knowledge and experience to the newcomer. Some new EAs will "go it alone" in the trenches, others who are more fortunate will have the advantage of a mentor.

A mentor provides the new EA with support, feedback, problem-solving guidance, direction and a network of colleagues who share resources, insights, and expertise. This circle of support is a lifeline to a new EA who may otherwise find themselves, "tossed in the tumultuous waters of uncertainty." Everybody could agree that mentoring is an important component of professional support. Also, "If you really want to learn a subject, teach it to someone else" – most mentors have found that mentoring provides them with the chance to see old habits and procedures through the eyes of a new EA, and that often results in improvements for both!

If you would like more information about volunteering as a mentor and assisting in the development and growth of a new EA, please contact Patty Pringle EA at 510-912-1682 or email pchips1234@sbcglobal.net. Successful mentoring benefits us all.

IRS CORRESPONDENCE EXAMS

by Philip Fiegler, EA

As we approach tax season, it is a good idea to be aware of trends and operations concerning correspon-

dence audits. CP 2000s have increased tremendously. It seems that IRS gets certain ideas on something, not always correct, and sends mass CP 2000s on the issue. Be sure to respond timely. In the last year I have had more weird activity from IRS regarding whether stuff was received or when it was received than ever before. It may be prudent to send all correspondence of importance to IRS via Certified Mail, Return Receipt Requested.

In our own district, IRS is leaning heavily toward calling on the phone as the initial contact with the TP for both office and field work. I have an info sheet (*attached-ed.*) I tend to send out with the January package every couple years regarding rights before IRS and to advise clients not to speak with them.

Be aware that correspondence exams have gone from about 380,000 in 2000 to about 1.1 million in 2007.

Correspondence audits which are not CP2000s are increasing heavily, especially on Sch A, mortgage interest and unreimbursed employee expenses. They do also audit some lighter weight Sch C and E stuff. IRS is devoting a lot of push to this. I hear they are planning to reduce office audits in favor of these. I think IRS either wants to save on staffing/employee benefits, or, alternatively, they plan to keep about the same amount of office audits and use this way to increase exam activity. The examiners AND their managers are not that knowledgeable, less so than an office auditor (BTW, office auditors are now called Tax Compliance Officers or TCOs).

There are two important things to be aware of in these exams. First, IRS has figured out that there is a "sweet spot" between around \$500 and \$1,800 or so, and that many people, when receiving a letter, will just pay it. TPs realize that if they hire quality representation for this, they might end up paying us something similar, and by paying IRS, they have less hassle. The second, and more insidious item, is that they have now developed a "quick trigger" correspondence audit. The initial letter to the TP goes out with the audit already completed and includes an audit report! Without even asking us to prove or clarify anything! These cases also have a specific computerized timeline. They start moving toward generation of a 90-day letter after about 30-45 days from the date on the letter, and once it gets to that place, it becomes harder to reverse the trend. It is imperative to reply to these rapidly, and **always** use Certified Mail, Return Receipt Requested. Do not forget that an audit report is a 30-day letter, and if it is the first thing you are receiving, you are on the clock.

We hope that it does not happen, but issuance of these fast 90-day letters can cause taxpayers to be forced to file a protective tax court petition to ensure that their rights are not compromised. Please be aware, that IRS does not have a statutory requirement to continue discussing the case after issuance of a 90-day letter, even though they are generally cooperative about it. Be careful as to how you advise taxpayers in these situations.

ICE- IN CASE OF EMERGENCY

Courtesy of Ken Seamann, EA

(Apparently this is a standard procedure all paramedics follow at the scene of an accident when they come across your cell phone.)

We all carry our mobile phones with names and numbers stored in its memory but nobody, other than ourselves, knows which of these numbers belong to our closest family or friends.

If we were to be involved in an accident or were taken ill, the people attending us would have our mobile phone but wouldn't know who to call. Yes, there are hundreds of numbers stored but which one is the contact person in case of an emergency? Hence this 'ICE' (In Case of Emergency) Campaign .

The concept of 'ICE' is catching on quickly. It is a method of contact during emergency situations. As cell(mobile) phones are carried by the majority of the population, all you need to do is store the number of a contact person or persons who should be contacted during emergency under the name 'ICE' (In Case Of Emergency).

The idea was thought up by a paramedic who found that when he went to the scenes of accidents, there were always mobile phones with patients, but they didn't know which number to call. He therefore thought that it would be a good idea if there was a nationally recognized name for this purpose. In an emergency situation, emergency service personnel and hospital staff would be able to quickly contact the right person by simply dialing the number you have stored as 'ICE.'

For more than one contact name simply enter ICE1, ICE2 and ICE3 etc. Let's spread the concept of ICE by storing an ICE number in our Mobile phones today!

Please forward this. It really could save your life, or put a loved one's mind at rest. ICE will speak for you when you are not able to.

What's the dEAL with Jim Stern Legislative Day?

Reprinted from California Enrolled Agent magazine

James A. "Jim" Stern, EA (1945-1999) was actively involved with CSEA for ten years, including serving on numerous committees and the Board of Directors. His service included one term as the President of the Sacramento Valley Chapter and as chair of various local, state and national committees. While Jim was involved in nearly all of the Society's programs and activities, one of his most lasting accomplishments for the Society was the aggressive expansion and operation of the Society's legislative affairs program.

Jim's early work in the Society's Legislative Committee also led to the establishment of the Legislative Action Fund (LAF) and the CSEA-Political Action Committee (CSEA-PAC). In 1994, he was formally rec-

ognized by the California Assembly for his work with the Legislature.

Jim received the Society's two highest individual awards: Enrolled Agent of the Year (1986) and Distinguished Service (1994). The Society continues to reap dividends from Jim's early legislative efforts.

Join CSEA members for Jim Stern Legislative Day January 9, 2009. We will spend the day with our PAC consultant Aaron Read & Associates, visit with legislators and/or their staff and enjoy lunch with invited members of the legislature and Revenue & Taxation Committee consultants.

In addition to Assemblyman Dave Jones, CSEA has also invited Colin Grinnell and Brendan Hughes, consultants for the State Senate Revenue & Taxation Committee, to join us during the day.

Promoting the EA credential and our profession to the legislature is an important activity for all of our Members. Our legislators need to be aware of our expertise so that they may rely on us as a resource when they have questions and stand in front of us when our profession needs protection. Make yourself known to your representative on January 9, 2009. Sign up for Legislative Day 2009!

BULLETIN ADVERTISING POLICY

by Duncan Sandiland, 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 it.
- 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 the desired text to: bulletin@ebaea.org
- 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.

HELP WANTED

Looking for an Enrolled Agent or CTEC to work about 30 hours per week during tax season. Familiarity

with Lacerte would be helpful. Wages are negotiable. Send resume email to: hyarmo@herb-yarmo.com. 0901

HELP WANTED

Accountant/Tax Preparer for 2008 tax season. Fast paced Walnut Creek CPA firm needs experienced tax preparer. Great place to work, pay commensurate with production and ability. Call 925-979-1099 or fax resume 925-979-1088. 0812

NEED PAYROLL HELP?

Farm out your payroll headaches. Enrolled Agent has great web based system for you or your clients - a great alternative to large service bureaus or QuickBooks. Keep your tax and business clients happy, let us do the payroll. Semi-monthly \$60 per month up to 6 employees. Linda Fox EA 925 846-5913
Fox4tax@aol.com 0902

TAX SEASON HELP WANTED

Oakland EA seeks part-time help from February 15th to April 15th. Approximately 6-12 hours (1-2 days) per week, or possibly more if wanted, no dress code. Hours negotiable with possible evenings or weekends. Lacerte experience is required. Responsibilities will include return preparation and administrative tasks: phones, mail processing, filing/copying, document and return assembly. Must have reasonable computer skills including MS Office programs. Must have a good memory, be able to multi-task, prioritize, and have good communications skills. Please email a resume with cover letter detailing experience, licensing designation and expected compensation to pf1592-tax@yahoo.com. 0903

PRACTICE PRESERVATION GROUP

By Linda Fox, EA, Practice Preservation Chair

Have you considered the following:

- If you were to become ill or disabled during tax season, would you have a need for tax help by competent Enrolled Agents?
- Do you have a spouse who has voiced concerns about the continuation for the business and/or income stream should an emergency develop?
- Would you be willing to give a three to four hour time commitment per week to aid in the preparation of returns for an ill or disabled Member Enrolled Agent?
- If being willing to give aid during an emergency was the cost of being able to receive aid during an emergency, would you be willing to participate?

Last year the chapter revived a program we had many years ago - The Practice Preservation Group. The purpose of this program is to provide assistance to members of the Chapter (and their families) should the member become incapacitated or die; by providing short term assistance so that the value of the practice is not lost.

To initiate a response, it is necessary that a participant, or a representative or survivor, knows to call the Chapter Office. The Chapter Office then contacts the Chair of the Practice Preservation Committee who organizes volunteer Enrolled Agents to do what they can to protect the practice. Volunteers are asked to provide 3 to 4 hours per week maximum and will be compensated at 50% of fees charged by the office.

Don't procrastinate another day. Download the forms and instructions from the Chapter Web Site or call the chapter office for forms and return the completed forms to the chapter office by January 31st. For more information call Linda Fox, EA at 925-846-5913.

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

Livermore Area Fridays 8:45am
Rock House Café on Portola Ave, Livermore
Richard Goudreau EA (925) 606-6672

Castro Valley 3rd Tue 8:00am
Carrow's, 2723 Castro Valley Blvd @ Lake Chabot, CV
Dagmar Bedard EA (510) 537-3883

South Alameda County 1st Wed 9:30am
Dino's, 1 block W of I-880 on Industrial Blvd, Hayward
Sal Romo EA or Walt Thomas EA (510) 487-1691

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

Want a group in your area? Contact any of the above leaders for advice and assistance.

CALENDAR OF EVENTS

January 2009

- 21 EBAEA Dinner Meeting: "Mortgage Interest Deductibility Overview"
@ Radisson Hotel, Regional St, Dublin

February 2009

- 18 EBAEA Dinner Meeting: "FTB Panel"
@ Radisson Hotel, Regional St, Dublin

March 2009

- 18 EBAEA Dinner Meeting: "IRS Panel"
@ Radisson Hotel, Regional St, Dublin

HMMMM...

As of 9/6/08, the S&P 500 stock index had produced 26 days that resulted in a gain or loss of at least 4% in the previous 7,626 days, a period of almost 21 years. In the 100 days from 9/6/08 to 12/15/08, the S&P 500 also had 26 days that resulted in again or loss of at least 4%. (BTN Research)

The New York Stock Exchange set an all-time record for trading volume in a single day on 9/18/08 when 10.3 billion shares were traded. The exchange first traded 5 billion shares in a single day during calendar year 2007. By comparison, the total trading volume for the exchange on "Black Monday" (10/19/1987), the worst single-day percentage drop in the history of the S&P 500, was 604 million shares or approximately 0.6 billion. (Wall Street Journal, NYSE)

HUMOR

"Blessed are the young, for they shall inherit the national debt."

"Day in and day out, your tax accountant can make or lose you more money than any single person in your life, with the possible exception of your kids." -- Harvey Mackay

"In general, the art of government consists in taking as much money as possible from one party of the citizens to give to the other." -- Voltaire? (1764)

"Our party has been accused of fooling the public by calling tax increases revenue enhancement.' Not so. No one was fooled." -- J. Danforth Quayle V.P. 1989-1993.

2008 - 2009 Board of Directors and Committee Chairs

Web Page <http://www.ebaea.org>

President: Peggy Hall EA	925-388-1040	Disaster Services: Janet Bridges EA	510-505-0818
1st VP: Walter Nygaard EA, etc	510-547-0440		
2nd VP: Don Wayne EA	925-472-0990	Education Committee, (1st VP)	
Treasurer: Tim Hintzoglou EA	925-930-7737	Chair: Walter Nygaard EA, etc	510-547-0440
Secretary: Gail Nanbu EA	925-943-3993	Tax Talk: Bonnie Buhnerkempe EA, etc	925-855-0829
Immed Past Pres: Thomas Johnston EA	925-828-4500	Program: Cherry Comstock EA	925-778-0281
Director 2008-2009:		Bob Olsen EA	925-837-8329
Lonnie Gary EA, USTCP	650-559-5124	Scholarship: Pam Bayer	925-356-5645
Patty Pringle EA	510-912-1682	Continuing Ed: Joanne Anderson EA	925-938-9086
Ravi Sundarraj EA	925-984-1219	Town Hall: Ravi Sundarraj EA	925-984-1219
Director 2008-2010:		SEE Class: Thomas Johnston EA	925-828-4500
Chris Christopherson EA	925-786-7660	Mini Seminar Team:	
Cherry Comstock EA	925-778-0281	VITA Team: Brian Pon EA, etc	510-849-4667
Bob Olsen EA	925-837-8329		
CSEA Directors: Walter Nygaard EA, etc	510-547-0440	Administration Committee (IPP)	
Don Wayne EA	925-472-0990	Chair: Thomas Johnston EA	925-828-4500
IRS Practitioner Panel: Phil Fiegler EA	510-530-1174	Financial Review: Dick Goudreau EA	925-606-6672
		Bylaws/SOP: Sal Romo EA	510-487-1691
Communication Committee, (2nd VP)		Budget & Finance: Walt Thomas EA	510-487-1691
Chair: Don Wayne EA	925-472-0990	Chapter Office: Lonnie Gary EA, USTCP	650-559-5124
Membership: Pam Bayer	925-356-5645	Legislative: Chris Christopherson EA	925-786-7660
Membership: Clare Flores EA	510-785-8356	Nominating: Thomas Johnston EA	925-828-4500
Membership: Marjorie Jones EA	510-785-8356	Strategic Advisory:	
Outreach: Casper Chiang EA	925-202-8149	Bulletin: Duncan Sandiland EA, etc	925-691-1040
Public Affairs: Don Wayne EA	925-472-0990	Tax Agency Liaison:	
Social Affairs: Patricia Gilchrist EA	925-833-8822	Volunteer Coordinator: Patty Pringle EA	510-912-1682
Practice Preservation: Linda Fox EA	925-846-5913		

EAST BAY ASSOCIATION OF ENROLLED AGENTS

30100 Mission Blvd, Suite 6

Hayward CA 94544

(800) 617-1040 or (510) 487-2063 fax (510) 487-1501

email: ebaea@ebaea.org

BE AWARE OF YOUR RIGHTS BEFORE THE IRS

RETAIN THIS DOCUMENT

As part of IRS' new program to step up enforcement, they are going to start contacting taxpayers directly via telephone calls if they have a question, are preparing to audit the taxpayer, or are engaging in collection activity against the taxpayer. Like the cop show where the cops are hoping that the suspect doesn't "lawyer up," the IRS also hopes that a taxpayer whom they wish to speak to does not have representation. Unfortunately, they are not required to give an equivalent of the Miranda warning like the cops on TV. Be aware that you are **never** required to speak to any employee of IRS in the absence of an administrative summons (more below). There is no law or statute which requires you to do so. Please be aware of the following rights you have.

Internal Revenue Code Section 7521

- If a Taxpayer clearly states to an employee of the IRS at any time during any interview that the taxpayer wishes to consult a person permitted to represent the taxpayer before the IRS, such IRS employee shall suspend such interview.
- An employee of the IRS may not require a taxpayer to accompany the representative in the absence of an administrative summons.

Taxpayer's Right to Representation

- If contacted by an IRS employee, taxpayers should clearly state that they want to consult with an EA, CPA, or Attorney before speaking as contemplated by the safeguards contained in Section 7521 of the Internal Revenue Code.
- No law requires a taxpayer to speak voluntarily to an IRS employee. Section 7602 of the Internal Revenue Code does authorize certain IRS employees to summon proper persons to appear at a certain time and place to give material or certain relevant testimony under oath (this does not happen often). Note the fact that "certain time and place" does not mean right at that moment. The date fixed for appearance before the IRS official may not be any less than 10 days from the date of the summons. To actually enforce an administrative summons, it must be signed by a US District Court Judge.

Please remember...

If approached by any IRS personnel, either in person or via telephone, immediately tell them that you wish to speak with your representative, and that you will have your representative contact them. Acquire their contact information. Do not engage in casual conversation with them. Call me immediately if this happens.

Solano-Napa Chapter CSEA

is offering a

Foreclosure/Short Sale/Insolvency Workshop

Presented by Jerry Pusateri, EA

Monday, January 12, 2009

9:00 am to 1:00 pm

(Four hours of CPE)

The workshop will cover:

- the three recently passed Federal Laws
- resources available to deal with the Mortgage Maze
- completing the Sale Process (yes, foreclosure is a sale)
- proving Insolvency -- Problems and Solutions
- consequences of your Actions as the Tax Professional

Jack & Linda's Country Café
2390 N Texas Street, Fairfield

Early Bird Price \$85 (until January 5, 2009)

Regular Price \$95 (after Jan. 5)

Please register online at:

<https://www.123signup.com/calendar?Org=SCC>

For additional information contact Dina Smith, EA, at 415-640-7214
or by e-mail at ds@dinasmithea.com



JIM STERN LEGISLATIVE DAY 2009!

Legislative Day 2009, your opportunity to...

- Represent the Enrolled Agent profession at the State Capitol
- Improve your understanding of CSEA's legislative activities
- Learn about the revenue and taxation legislative process
- Visit with legislators or legislative staff (CSEA will schedule visits for you)
- Meet CSEA Advocates at the Capital

EVENT:

January 9, 2009
 8:00 a.m. – 4:00 p.m.
 \$75 for Members, \$90 for non-Members
 No refund for cancellations received after December 1
 Early Bird Discount: \$5 off your Registration before Dec. 15

**Lunch
Included!**

HOTEL:

Courtyard Marriott Sacramento Cal Expo
 1782 Tribute Road
 Sacramento, CA 95815
 916/929-7900
 Room rate: \$89 (plus tax)

REGISTER FOR THIS EVENT TODAY!

Register online at www.csea.org/events

REGISTRATION

NAME _____ LICENSE # _____
 COMPANY _____
 ADDRESS _____
 CITY/STATE/ZIP _____
 DAYTIME TELEPHONE _____ EMAIL _____

MAIL TO :
 CSEA, 3200 Ramos Circle,
 Sacramento, CA
 95827-2513
 OR FAX TO :
 916/366-6674

Who are your Legislators?

Please provide us with your home zipcode so we can match you with your legislators and make appointments for you. ZIPCODE: _____

CHECK HERE IF YOU REQUIRE A SPECIAL MEAL OR OTHER ACCOMMODATION (PLEASE EXPLAIN)

PAYMENT INFORMATION

Total Amount Due _____

Visa MasterCard AMEX Discover Check Enclosed

CREDIT CARD # _____ EXP. DATE _____

CARDHOLDER'S SIGNATURE _____

CARD BILLING ADDRESS IF DIFFERENT THAN ABOVE _____

OFFICE USE ONLY		
SACO	BATCH	\$