



# The Bulletin



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

January 2010

W

**NEXT MEETING Wed, January 20, 2010**

Place: **DUBLIN Radisson Hotel**

(go to [http://www.radissondestinationguide.com/location/Map.process/OID\\_EB39EA2D/?hotelCode=CADUBLIN](http://www.radissondestinationguide.com/location/Map.process/OID_EB39EA2D/?hotelCode=CADUBLIN))

4:30 Board Meeting

6:15 Networking

6:45 Dinner Buffet

7:30 Program: **“Survive an IRS Audit”**

Cost: \$35.00 with reservation by Friday January 15  
\$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 [ebaean@ebaean.org](mailto:ebaean@ebaean.org) (preferred) or call 800-617-1040.

## January Topic: “How to Survive an IRS Audit”

**Speaker:** Michelle Jirasek, CPA, IRS  
*by Irene Moore, EA Program Chair*

Michelle Jirasek began her career with the Internal Revenue Service in 2004 in the San Rafael office as a Revenue Agent. She is currently the Group Manager for a Small Business/Self-Employed Revenue Agent Group in San Francisco. She received her bachelor’s degree in accounting from Sonoma State University and is currently pursuing her graduate degree in the same subject at Golden Gate University. Michelle is a certified public accountant and she resides in Marin County.

Her topics will include:

- Returns that they are planning to examine for FY 2010 (California Work plan)
- Initiating taxpayer contact - cold calls
- Scheduling the exam - time and location

- Interviews - what questions they ask and why they ask them
- Tour of Business – purpose
- Minimum Income Probes (including discussion of new probes for e-commerce and BLS estimates)
- Reviewing Records - how they should be presented, when they will summons
- Penalty Considerations
- Installment Agreements
- Miscellaneous - TEFRA, Fast Track Mediation, 3rd Party Contacts, NOLs

### PRESIDENT'S MESSAGE

*by Peggy Hall, EA*

My New Year’s resolution is to be proactive with my clients, asking them questions rather than just answering their questions. During the last few dinner meetings we have been given tools to view our clients’ overall financial wellbeing. In October we talked about how to communicate more effectively with our client’s financial consultant. In December CSEA President David Shaw gave us ideas about doing beneficiary check-ups and how to help our clients during these troubled times. As he said “You have a chance to become the trusted advisor at the center of your client’s world, a position that will give you a client for life and referrals you’ll love”. We perform tax CPR: consultation, preparation and representation. Cherry Comstock has offered to share with everyone a packet of information to help you succeed in your tax practice. Email her at [cherry@jettax.org](mailto:cherry@jettax.org).

We have some excellent dinner programs coming in the next few months. Our speaker this month comes to us from the IRS. Several of our Members have heard her speak and were so impressed that they told us to get her to speak. In February Karen Brosi and Steve Sims, Franchise Tax Board Taxpayer Advocate, will serve as the panel to answer your California tax questions (you can slip in a few federal questions.) In March we will again have Karen Brosi and her “too tall” friend

Sharon Kreider as well as Joe Calderaro as our panelists answering your federal tax questions. We are very fortunate to get these knowledgeable and popular people to come to our meetings so calendar the dates February 17 and March 17.

If you are advanced in your tax practice and your tax knowledge, then it is time for you to contribute. You can do this in many ways. Here are a few of my suggestions: attend the Jim Stern Legislative Day, offer to be a mentor, attend the breakfast meetings or start up one in Oakland, offer yourself as a volunteer in EBAEA. We already have many Members who come to give; we need more.

Again, please participate in Jim Stern Legislative Day.

### **IRS CHANGES SOME EFILE PROCEDURES**

*By Gerry Kelly-Brenner, IRS goddess-at-large*

Yes, the rumors are true...the IRS is really moving into the 21st Century with the Form 1040 Modernized e-File program beginning in February 2010. The computer program schema are already developed, now it's just up to the software vendors if they choose to offer the new XML format. For more information about the 1040 MeF program, visit:

<http://www.irs.gov/efile/article/0,,id=204750,00.html>

My MAIN reason for sending this message is to let you know that if you are an Electronic Return Originator (ERO), you will NOT have to update your e-File application to be allowed access to the new XML format. HOWEVER, if you are a Transmitter, and directly transmit your e-filed returns to the IRS, you WILL need to update your e-file application. If you are not sure what you are, contact your software vendor and they can let you know.

This is also a reminder to sign up for QuickAlerts, which provide you with the most up-to-date information of what is going on in the individual and business e-file program, including e-form availability updates, delays, etc. If you do not already receive free QuickAlerts please go to the QuickAlerts signup page at: <http://www.irs.gov/taxpros/providers/article/0,,id=97623,00.html>

Starting this fall, you will not be able to call the SSA to verify employee SSNs by phone. You can only use the Telephone Number Employer Verification (TEVN) system. You will need to register at 1-800-772-6270 or at [www.socialsecurity.gov/employer/](http://www.socialsecurity.gov/employer/).

### **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 manage your subscription, visit:

<http://ebaea.org/cgi-bin/dada/mail.cgi>

### **NEW HOME BUYER CREDIT ALERT**

*By Cherry Comstock, EA*

Letters are going to taxpayers who claimed First Time Homebuyer Credit on 2008 1040 or amended 2008 1040. The settlement page was not required until 11/6 legislation, but IS required retroactively. Letters are being received by OUR clients NOW. We did the return right at the time, but the letter is automatically sent. Required documentation pursuant to IRS Form 886-H-FTHBC is here:

<http://www.irs.gov/pub/irs-pdf/f886hfh.pdf>.

### **JIM STERN LEGISLATIVE DAY**

*by Peggy Hall, EA*

We want you to join us in Sacramento on June 8, 2010.

Jim Stern Legislative Day is YOUR opportunity to visit the historic State Capitol and Capitol Park, build relationships, and protect your right to practice and your livelihood.

CSEA is the strongest voice for EAs in California and they need your help! There is no better way to educate legislators about EAs than by personally visiting their offices and letting them know what EAs do and what issues are important to CSEA.

The event is January 8th. Beginning at 8:30am we will have our keynote speaker, legislative updates and then Lobby Day 101 (training). Starting at 11am individuals and groups will be making visits to their representatives. We will end the day at an open house at our lobbyist's office.

PLEASE COME. Patty Pringle and I will set up carpools so contact me (Peggy Hall) at 925 388-1040 or Patty Pringle at (510) 912-1682. This is fun, informative and important. More information and the registration form are at [www.csea.org](http://www.csea.org).

### **WOULD YOU ATTEND A BIMONTHLY EBAEA MEETING IN OAKLAND?**

*by Peggy Hall, EA*

We (Board of Directors) know there are those of you who would come to a dinner (or lunch) chapter meeting if it were held closer to you, and we would like to know how many. So, if we were to hold a lunch or dinner meeting every other month in Oakland would you attend, and would you rather it be lunch or dinner? Please call the chapter office 800 617-1040 to let us know if you would be interested in attending.

On another note, currently we do not have a breakfast meeting in Oakland? Would you be interested in attending one?

## **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 25<sup>th</sup> of the month prior to initial publication. Send the desired text to: [bulletin@ebaea.org](mailto: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: Tax Professional/Seasonal**

Established tax office in the Hayward is seeking an EA with a minimum of 5 to 10 years current experience. Work is in a contemporary and pleasant office environment. Responsibilities include preparation of simple to complex tax returns for individuals and small businesses. 2+ yrs experience using Lacerte; assemble returns for signature, use of work papers & documentation management.

Successful candidate should have good communication skills and be computer literate. Please fax or e-mail a copy of your resume including a cover letter and salary requirements to: Attn: Patty Pringle, EA, Office Manager; Secure Taxes, Incorporated; FAX: (510) 537-9331; [ppringle@yoursecuretaxes.com](mailto:ppringle@yoursecuretaxes.com)

### **HELP WANTED: Tax Professional/Seasonal**

Castro Valley tax office seeking EA with min 3-5yrs experience in preparing individual tax returns. 20-30hrs per week. Please fax resume to 510-247-1183

### **HELP WANTED: Tax Preparer/Seasonal**

EA tax practice in Berkeley looking for experienced EA, or possibly a CTEC, during tax season. Possibility of part-time year around work with new clients. Input and review of 1040 returns during the 2010 tax season. 16 to 30 hours per week with flexible schedule. Experience with Lacerte preferred. FAX: 510 295 2696 or [hyarmo@hyarmo.com](mailto:hyarmo@hyarmo.com).

### **HELP WANTED: Tax Reviewer/Seasonal**

EA tax practice with offices in El Cerrito and Martinez looking for experienced EA during tax season to review 1040 returns and some client interviews. 24-30 hours/week with flexible schedule. Experience with Lacerte preferred. Contact Grizel at (510) 558-8060

### **HELP WANTED: Tax Preparer/Seasonal**

Accountant/Tax Preparer, for 2009 tax season in fast paced Walnut Creek firm. Minimum 5yrs exp. pref. Pay commensurate with production and ability. Fax to: 925-979-1088 or email: [firm@huntercpa.biz](mailto:firm@huntercpa.biz)

## **The Death of Common Sense**

© Lori Borgman *March 15, 1998*

Three yards of black fabric enshroud my computer terminal. I am mourning the passing of an old friend by the name of Common Sense. His obituary reads as follows: Common Sense, aka C.S., lived a long life, but died from heart failure at the brink of the millennium. No one really knows how old he was, his birth records were long ago entangled in miles and miles of bureaucratic red tape. Known affectionately to close friends as Horse Sense and Sound Thinking, he selflessly devoted himself to a life of service in homes, schools, hospitals and offices, helping folks get jobs done without a lot of fanfare, whooping and hollering.

Rules and regulations and petty, frivolous lawsuits held no power over C.S. A most reliable sage, he was credited with cultivating the ability to know when to come in out of the rain, the discovery that the early bird gets the worm and how to take the bitter with the sweet.

C.S. also developed sound financial policies (don't spend more than you earn), reliable parenting strategies (the adult is in charge, not the kid) and prudent dietary plans (offset eggs and bacon with a little fiber and orange juice).

A veteran of the Industrial Revolution, the Great Depression, the Technological Revolution and the Smoking Crusades, C.S. survived sundry cultural and educational trends including disco, the men's movement, body piercing, whole language and new math. C.S.'s health began declining in the late 1960s when he became infected with the If-It-Feels-Good, Do-It virus.

In the following decades, his waning strength proved no match for the ravages of overbearing federal and state rules and regulations and an oppressive tax code. C.S. was sapped of strength and the will to live as the Ten Commandments became contraband, criminals received better treatment than victims and judges stuck their noses in everything from Boy Scouts to professional baseball and golf.

His deterioration accelerated as schools implemented zero-tolerance policies. Reports of 6-year-old boys charged with sexual harassment for kissing classmates, a teen suspended for taking a swig of Scope

mouthwash after lunch, girls suspended for possessing Midol and an honor student expelled for having a table knife in her school lunch were more than his heart could endure.

As the end neared, doctors say C.S. drifted in and out of logic but was kept informed of developments regarding regulations on low-flow toilets and mandatory air bags. Finally, upon hearing about a government plan to ban inhalers from 14 million asthmatics due to a trace of a pollutant that may be harmful to the environment, C.S. breathed his last.

Services will be at Whispering Pines Cemetery. C.S. was preceded in death by his wife, Discretion; one daughter, Responsibility; and one son, Reason. He is survived by two step-brothers, Half-Wit and Dim-Wit.

Memorial Contributions may be sent to the Institute for Rational Thought. Farewell, Common Sense. May you rest in peace.

## CALENDAR OF EVENTS

### January 2010

- 6** CSEA digiTAX: "California Tax Update"  
@ csea.org (webinar)
- 8** Jim Stern Legislative Day  
@ Sacramento
- 20** EBAEA Dinner Meeting: "Hot Audit Issues"  
@ Radisson Hotel, Regional St, Dublin

### February 2010

- 8** EBAEA Miniseminar: "Preparing a 990"
- 17** EBAEA Dinner Meeting: "FTB Tax Panel"  
with Steve Sims and Karen Brosi  
@ Radisson Hotel, Regional St, Dublin

### March 2010

- 17** EBAEA Dinner Meeting: "IRS Tax Panel"  
w/ Joe Calderaro, Karen Brosi, Sharon Kreider  
@ Radisson Hotel, Regional St, Dublin

### April 2010

**No monthly dinner meeting –  
rest up for extension season!**

### May 2010

- 10-12** CSEA SuperSeminar "A"  
@ Flamingo Hotel, Las Vegas
- 13-15** CSEA SuperSeminar "B"  
@ Flamingo Hotel, Las Vegas
- 19** EBAEA Dinner Meeting:  
@ Radisson Hotel, Regional St, Dublin

### Small Group Tax Meetings

<b><u>Antioch /Brentwood</u></b>	Fridays 8:00am Brentwood Café, 8500 Brentwood Blvd, Brentwood <b>Ken Seamann EA</b> (925) 634-8297
<b><u>Danville Area</u></b>	4 <sup>th</sup> Tue 9:30am Pascals French Oven, 155 Railroad Ave, Danville <b>Michael Power EA</b> (510) 366-8836
<b><u>Livermore Area</u></b>	Fridays 8:45am Rock House Café on Portola Ave, Livermore <b>Richard Goudreau EA</b> (925) 606-6672
<b><u>Castro Valley</u></b>	3 <sup>rd</sup> Tue 8:00am Carrow's, 2723 Castro Valley Blvd @ Lake Chabot, CV <b>Dagmar Bedard EA</b> (510) 537-3883
<b><u>South Alameda County</u></b>	1 <sup>st</sup> Wed 9:30am Dino's, 1 block W of I-880 on Industrial Blvd, Hayward <b>Sal Romo EA or Walt Thomas EA</b> (510) 487-1691
<b><u>Email-only Group</u></b>	as needed Send an email to <a href="mailto:halloftaxes@gmail.com">halloftaxes@gmail.com</a> <b>Peggy Hall EA</b> (925) 388-1040

### HMMMM...

10% of the US population was age 65 or older in 1970, but that group represents 13% of our nation today. By the year 2025, 18% of our population will be age 65 or older. (United Nations)

Americans had 3 million CAT scans (Computerized Axial Tomography) in 1980 compared to 60 million CAT scans that are performed annually today. (Christopher Moore, Newsweek)

One of President Obama's campaign pledges is to implement universal health care, an effort first undertaken by President Theodore Roosevelt more than 100 years ago. (Newsweek)

### HUMOR

#### **Regarding Electronic Filing**

With every technological breakthrough, an old-fashioned tradition dies. In this case, we're losing the tradition of burning the midnight oil: sweating over a pencil and paper the night of April 15, trying to calculate those deductions, then spilling cold coffee all over the tax return and having to start all over. Whew, aren't we glad those days are over? In this new, improved era, we can sweat over a computer keyboard and unfamiliar software program the night of April 15, then spill cold coffee into our computer, resulting in a shower of sparks and a small fire. - Steve Brewer, Albuquerque Tribune Columnist, March 30, 2006

# 2009 - 2010 Board of Directors and Committee Chairs

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

President: Peggy Hall EA	925-388-1040	IRS Practitioner Panel: Phil Fiegler EA	510-530-1174
1st VP: Thomas Johnston EA	925-828-4500	CTEC Panel: Walt Thomas EA	510-487-1691
2nd VP: Cherry Comstock EA	925-778-0281		
Treasurer: Tim Hintzoglou EA	925-930-7737		
Secretary: Marjorie Williams-Jones EA	510-482-6204		
Immed Past Pres: Thomas Johnston EA	925-828-4500		
Director 2009-2010:			
Chris Christopherson EA	925-786-7660		
Jerrilynn Krebs EA	925-980-6568		
Bob Olsen EA	925-837-8329		
Director 2009-2011:			
Margie Hines EA	510-247-9255		
Patty Pringle EA	510-912-1682		
Andy Rogers EA	510-522-2300		
CSEA Director: Thomas Johnston EA	925-828-4500		
<b>Communication Committee, (2<sup>nd</sup> VP)</b>			
<b>Chair:</b> Cherry Comstock EA	925-778-0281		
Membership: Clare Flores EA	510-785-8356		
Membership: Marjorie Wms-Jones EA	510-482-6204		
Outreach:			
Public Affairs: Lonnie Gary EA, USTCP	650-209-1818		
Social Affairs: Patricia Gilchrist EA	925-833-8822		
Practice Preservation: Linda Fox EA	925-846-5913		
Disaster Services: Janet Bridges EA	510-505-0818		
		<b>Education Committee, (1<sup>st</sup> VP)</b>	
		<b>Chair:</b> Thomas Johnston EA	925-828-4500
		Tax Talk: Patty Pringle EA	510-912-1682
		Program: Irene Moore EA	510-791-8962x16
		Continuing Ed: Joanne Anderson EA	925-938-9086
		Town Hall: Ravi Sundarraj EA	925-984-1219
		SEE Class: Thomas Johnston EA	925-828-4500
		Mini Seminar Team: Andy Rogers EA	510-522-2300
		VITA Team: Brian Pon EA, etc	510-849-4667
		<b>Administration Committee (IPP)</b>	
		<b>Chair:</b> Thomas Johnston EA	925-828-4500
		Financial Review: Shelagh Gallagher EA	510-614-1834
		Bylaws/SOP: Sal Romo EA	510-487-1691
		Budget & Finance: Walt Thomas EA	510-487-1691
		Chapter Office: Dagmar Bedard EA	510-537-3883
		Legislative: Chris Christopherson EA	925-786-7660
		Nominating: Thomas Johnston EA	925-828-4500
		Strategic Advisory:	
		Bulletin: Duncan Sandiland EA, etc	925-691-1040
		Tax Agency Liaison:	
		Volunteer Coordinator: Patty Pringle EA	510-912-1682

## 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](mailto:ebaea@ebaea.org)

# Intermediate 1120S

## Solving S Corp Problems

- Solving Basis Issues including “The Golden Rule”
- How to Create a Balance Sheet, L, M-1 and M-2
- Section 351 Tax Free Conversions
- Reasonable Wages and Possibilities for Correcting after the Fact
- Auto Expenses and Health Insurance: reporting the correct way, and how to fix them
- Excess Distribution Solutions
- What Treasury Decision from 2008 should make you happy

After this “flashlight with batteries” session, you should be able to **quickly solve** the most common problems encountered with “S” Corporation returns and accurately file a Form 1120S, even if your client has made a mess of things.

You will also know what to tell your clients **now** to get them to make your life easier next year and reduce the likelihood of future problems.

A seminar for Enrolled Agents.  
**The class level is intermediate.**

### CLASS LIMITED TO 5 PARTICIPANTS

Choose from three dates:

Tuesday January 5 : 10 am – 2 pm.

Thursday January 21 : 10 am – 2 pm.

Tuesday February 9 : 10 am – 2 pm.

#### **Class Location:**

Law Office Conference Room, 1516 Oak Street, Suite 109, Alameda CA 94501.

Fee Schedule:

NAEA/CSEA Members paid one month in advance \$175

Non-Members or paid “late” \$225

“This is the best class on S Corps I’ve ever been to, and I’ve been to a lot”  
“Excellent, Exceeded Expectations”

Contact:

Andrew S Rogers, E.A.

Tax Buddha

E [Andy@TaxBuddha.com](mailto:Andy@TaxBuddha.com), P (510) 522-2300, F (510) 522-2307

Day of Seminar Only: Cell (510) 332-0401

“We have entered into an agreement with the Office of Professional Responsibility, Internal Revenue Service, to meet the requirements of 31 Code of Federal Regulations, Section 10.6(g), covering maintenance of attendance records, retention of program outlines, qualifications of instructors and length of class hours. This agreement does not constitute an endorsement by the Office of Professional Responsibility as to the quality of the program or its contribution to the professional competence of the enrolled individual.” Sponsor Number 797

Refund Policy: Request for refund must be postmarked ten days before scheduled class. All refunds subject to a service charge of \$15