



Chapter IdEAs

"To Promote the Professionalism and the Growth of Our Members"

CSEA Inland Empire Chapter June 2011



ANNUAL MEETING—ELECTION AND INSTALLATION OF OFFICERS

The Nominating Committee, Chaired by Don Stacy, EA, will present the following Slate of Officers and Directors to the membership to be elected and installed:

President—Pam Jipp, EA

1st Vice President—Norma Rae Hill, EA

2nd Vice President—Victor Morrell, EA

Secretary—Joel Hendricks, EA

Treasurer—Jackie Kincaid, EA

Past President—Connie Bracher, EA

CSEA Director—Glenn Duncan, Enrolled Agent (Two year term)

CSEA Representative—Norma Rae Hill, EA

Directors:

Kenneth Alvarado, EA

Clara Barratt, EA

Paul Cheatham, EA

David DeKoekkoek, EA

Peggy Ligori, EA

Donald McAllister, EA

Ron Uehle, EA

Come on out and support them in taking the leadership reins of the Chapter for the 2011-2012 Fiscal year.

TAX PLANNING TECHNIQUES IN CHANGING CIRCUMSTANCES—JUNE TOPIC

David DeKoekkoek, EA, Program Chair

Tax Planning techniques during a change in our clients' financial life will be topic of the June Program. Dan Koblin will be the speaker. Retirement, change of employment, unemployment, divorce, moving, and other life events are all changes that occur in our lives and that of our clients. If not managed correctly, financial and tax disasters can happen which will have a very negative affect on the quality of one's life. Managing that change and using techniques that help reduce the tax impact of that change will be the subject matter of the presentation by Dan Koblin. He will present 4-5 techniques that are available in tax planning.

Dan Koblin is a financial services professional and seasoned speaker. He is a Chartered Retirement Planning Counselor (CRPC®) and vice-president of the Pinnacle Consulting Group located in Irvine, California. Dan worked in human resources for a large corporation for a number of years. Using that experience, he began a financial planning and consulting business for retirees, small business owners and key employees. He works with attorneys and tax preparers to develop tax efficient financial plans that help clients accumulate and preserve their wealth. His experience as an executive and business owner readily prepares him to offer creative solutions to his clients. Dan earned his bachelors degree in Socioeconomics and his masters degree in Labor and Industrial Relations from Michigan State University; completed his advanced financial planning training through the College for Financial Planning; and received his professional certifications in Financial Planning from the University of California, Irvine. He currently serves in leadership roles with a number of non-profit community organizations.

We are looking forward to his presentation.

PRESIDENT'S MESSAGE

Connie Bracher, EA, Inland Empire Chapter President

If you are good, you will be assigned all the work.

If you are really good, you will get out of it.

Author Unknown

I guess I was really good! Now it's time to pass the baton!

It has been an honor and pleasure representing the Inland Empire Chapter as President this past year, and I'd like to thank the Board of Directors, the Committees, and all the Members for granting me the privilege of serving the Chapter.

I believe in the Inland Empire Chapter, its members and its mission. Formally stated, its mission is to "Promote the Professionalism and Growth of Our Members." The dedication of our Chapter Members is inspiring. "Can't be done" is not a phrase in their vocab-

ulary, and they have been busy promoting and positioning the Inland Empire Chapter in a positive and productive manner.

My year as President has gone by very quickly. We've enjoyed a marvelous year but, on the horizon ahead of us, are many more marvelous years. I look forward to the energies and ideas that our new Board and Officers are bringing to the Chapter.

We have many Committees and just as many Committee Chairs. These Committees have been dedicated to promoting "your" Profession. I encourage each and every one of you to volunteer for a Committee. In doing so, you would be volunteering your time to "Promote your Profession".

As I conclude this term as President, I'd like to again thank all those that helped, assisted and supported me.

It's been great fun serving as your President this year! Thank you!

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Update from the Board of Directors

Pat LaRue, EA, Secretary

At the May 11, 2011 Board Meeting reports were heard from various committees and the Treasurer's Report was given.

Pam Jipp, EA announced that the Summit meeting will be held Tuesday, May 17 at the Hilton Garden Inn on Waterman in San Bernardino from 11 a.m. until 3 p.m. Her plan for the upcoming year will be presented at this gathering. Norma Rae Hill, EA reported that last year's membership drive netted 8 new members. CSEA is moving up the dates for next year so we can do even better. More information will be provided as the details become available.

Joel Hendricks, EA went to the Jim Stern Legislative Day held in Sacramento last January. He was quite impressed with the experience. Ken Alvarado, EA is working to update interest in Disaster Services and is working on a new form for Business Retention. Members are encouraged to participate in either of these areas if the need should arise and to advise Ken of your interest.

Clara Barrett, EA will announce her ideas for next year's Public Information and Awareness campaign at the upcoming Summit Meeting. Paul Cheatham, EA provided further information about the Booth in a Box program available through CSEA. The concept gives Chapters all the props necessary for doing a promotional display. A decision as to whether the Chapter purchases the kit was deferred to the next fiscal year.

Plans are already underway for the Hot Topics Seminar to be held later in the year. There is ongoing discussion about the possibility of the Chapter holding a SEE class. Pam Jipp, EA is working on details for this. The OPM is still working on guidelines for how various programs meet the requirements for CPE credit. The Chapter will continue to try booking speakers far in advance in an ongoing effort to provide high quality CPE for our members.

The Board accepted revisions to the Chapter SOPs as corrected. A further approved motion increased the amount for Newsletter expenses to \$400 and the amount for the Practitioners Seminar expenses was increased by \$293.73 to cover the actual expense.

The next Board meeting will be held June 8, 2011 at the Hilton Hotel on Hospitality Lane in San Bernardino.

May Program Review

Deborah St Martin, EA

Education Value off to Another GrEAt Start!

I must admit, when I saw the announcement that we were having a lawyer speak on bankruptcy my initial reaction was, do I really want to give up an evening to hear the "same old things"? WOW, was I ever wrong. I had decided to go to the meeting primarily to meet up with good friends and make sure everyone survived tax season and it was grEAt seeing everyone again. However, the "icing on the cake" was another grEAt program.

Bernard Gartland was our primary speaker. Besides being very entertaining, he was incredibly informative. I am always amazed that just when one thinks they understand a tax subject, they find out how much more there is to know. I especially appreciated Bernie stressing that we should all find our areas of expertise and stick to them and stop trying to handle all tax issues from tax preparation and tax planning to all phases of representation. I made that change in my thinking and the business model for my practice a few years back. It relieves a tremendous amount of stress and increases one's networking with fellow professionals. Oh, it also increased my bottom line!

Mr. Gartland taught from a practical point of view. Everything presented was supported with references to tax code sections and/or tax cases. He worked us through a hypothetical couple with a number of tax challenges, not all that unusual from what we see in our practices. We learned the importance of not allowing SFR's to just sit there and think there is little benefit to filing an actual return for the client. I finally received clear information on tax liens; how homestead doesn't apply to tax liabilities; and when it is in the best interest of a client to refer them to a collection expert rather than just setting up an installment agreement.

I want to commend David DeKoekkoek, EA for consistently bringing us excellent speakers with practical knowledge. If you haven't been to a Chapter meeting in awhile, you owe it to yourself and your clients to come back. As Enrolled Agents we hold ourselves out as the tax professionals. We can only maintain this expertise through constant, quality education.

CHAPTER NOTES

June Board Meeting

JUNE BOARD MEETING will be a combined meeting of the existing Board and the prospective Board. All Board meetings are open to the membership and a special invitation is extended to attend this one. Between this meeting and the July meeting of the New Board, a number of plans will in put in motion. Now is the time to speak to the existing committee chairs to submit your ideas for consideration. Plan on attending the Board meeting at 4:00 p.m. on June 8th. Remember, it is “your business to be the best that we can be.”

1040 Quickfinders

1040 QUICKFINDERS will again be given out for attendance at 5 meetings (May-December) by the Chapter. In addition, the Board voted to give members attending 6 or more meetings their choice of Business or California Quickfinders. Members must sign the enrollment sheet each meeting to qualify.

Clientwhys 1040 Review and Update

Clientwhys 1040 Review and Update will be held Ontario at the Doubletree Hotel in Ontario, Thursday and Friday, November 3 & 4. Early registration Fee (prior to 8/31/11) is \$328. After that date it will be \$348. This includes 16 hours of classroom CE and 8 hours of self-study CE. It also includes the “Big Book” and CD which is a wonderful reference. You can sign up online at: Make sure you mention you are a Member and our Chapter will receive a rebate.

Brass Tax

“Stocking Your Tax Tool Box” will be at the Ontario Convention Center September 21. Early Bird fee (paid by 7/31/11) is \$175. This is 8 hours of CE. You must use our registration form and pay through the Chapter.

“1040/540 TuneUp” will be held November 30 at the Hilton San Bernardino and December 16 at the Ontario Convention Center. Early bird fee (prior to 10-31-11) will be \$175. You must use our registration form and pay through the Chapter.

Remember the Chapter earns revenue for your attendance at these Seminars. For more information, or a list of other dates and locations for **Brass Tax**, call Barbara Robertson, EA at 909-466-7466.

Pre-Pay

July is when you can pre-pay for all eight meetings during our 2011-12 fiscal year. When you prepay, you do not have to be concerned about any increase in fees until the following July. When you pay in advance you save the cost of one dinner meeting and no RSVP is required; you only need to call if you are NOT going to attend a monthly meeting. Payments accepted by check or credit card.

OPT OUT

In an effort to cut operating costs for the Chapter, the Board is encouraging Members who can to opt out of receiving the Newsletter by mail. The Newsletter is also sent to those Members who have given their email address to either the editor@ietaxpro.com or the State office. If you have not been getting the Newsletter by either email or snail mail, it means that we do not have your correct contact information. The Newsletter is also posted on the Chapter Web site at www.ietaxpro.com. If you have not been getting the Newsletter, please send the updated information to editor@ietaxpro.com and while you are at it also just say that you “opt out.” We all need to do our part to stretch the shrinking dollar.

Tax Court Reviews

Paul Cheatham, EA

In **T.C. Summary Opinion 2010-68** there were several issues for decision. However, the most interesting issue was whether the petitioner is required to recognize additional income attributable to the sale of her principal residence. On her timely filed 2005 Form 1040 she reported a gain of \$288,699 from the sale of her residence. Pursuant to section 121 she excluded \$250,000 of the gain. The respondent argued that she was only entitled to exclude 50 percent of this amount (\$125,000) because she only held a 50 percent interest in the property. IRS Regulations Section 1.121-2(a) (2) provides that unmarried joint owners each owning a 50 percent interest in a principal residence are each entitled, upon sale, to the full limitation amount of \$250,000 on their portions of the gain. Accordingly, the Court had no difficulty ruling for the petitioner on this issue. (The question is: Why did this issue have to go all the way to Tax Court for a proper decision if the law is clear?)

In **T.C. Memo 2010-249** the taxpayers organized their trucking business under three separate entities where Company 1 leased tractor-trailers to Company 2 and taxpayers were employed by Company 3, which had management agreements with the others companies. Company 3 purchased taxpayers' residence and made principal and interest payments to them for the purchase. The Tax Court found that the objective was to have Company 3 pay the taxpayers' personal living expenses with funds paid by the other companies for management services. The transactions were entered into only for tax-avoidance reasons and did not have economic substance. However, the court did allow the deduction of medical and dental expenses paid on the taxpayers' behalf. (It is not uncommon for some of the more aggressive tax-avoidance schemes to utilize these types of “structured” transactions. Be advised that the IRS is prepared to challenge and prevail where the transactions lack economic substance.)

Mark Your Calendars!!

Wednesday, June 8, 2011

Chapter Meeting — *TAX PLANNING TECHNIQUES IN CHANGING CIRCUMSTANCES*, Dan Koblin

4:00 Board Meeting; 5:30 Social; 6:00 Dinner; 7:00 Program

Dinner choice of Vegetarian Plate or Meat Lasagna—tender Lasagna Noodles layered with Meat, Ricotta and Mozzarella Cheese with Marinara Sauce, Fresh Vegetables, Caesar Salad. Garlic Bread Sticks, and Chef's Choice Dessert

Chapter Meeting location: Hilton Hotel, 285 E. Hospitality Lane, San Bernardino, CA.

June 2-4, 2011

CSEA Super Seminar, Grand Sierra Resort & Casino, Reno, NV

Thursday, October 19, 2011

Hot Topics Seminar

June 21-24, 2011

CSEA Annual Meeting and 35th Annual Meeting,
"JOIN US ON THE RED CARPET", hosted by San Gabriel Chapter

November 3-4, 2011

Clientwhys 1040 Review and Update,
Ontario Doubletree Hotel

Wednesday, July 13, 2011

Chapter Meeting: San Bernardino Hilton

Wednesday, November 9, 2011

Chapter Meeting: San Bernardino Hilton

Wednesday, August 10, 2011

Chapter Meeting: San Bernardino Hilton

Wednesday, November 30, 2011

Brass Tax 1040/540 Tuneup, San Bernardino

Wednesday, September 14, 2011

Chapter Meeting: San Bernardino Hilton

Wednesday, December 14, 2011

Chapter Meeting: San Bernardino Hilton

Wednesday, September 21, 2011

Brass Tax "Stocking Your Tax Tool Box", Ontario Convention Center

Friday, December 16, 2011

Brass Tax 1040/540 Tuneup, Ontario Convention Center

Wednesday, October 12, 2011

Chapter Meeting: San Bernardino Hilton

Due to Hotel Policy dinners will not be provided without prior reservations. Chapter Program cost is \$40 for members (\$45 for non-members and guests) for reservations made by 4 pm on Friday preceding the program. Late reservations are \$10 additional and can be made until 12 noon Wednesday of the day of the program. Walk-ins to the Seminar are \$55.

RSVP to jkincaidea@gmail.com or 951-204-4882.

The Inland Empire Chapter of CSEA accepts all VISA, Master Card, Discover, and American Express credit cards for payment of continuing education credits.

Sorry, no debit cards. To pay by credit card, go to www.ietaxpro.com, on left hand bar click "payment by credit card" and then download "IE Chapter Credit Card Form".

After you have completed and signed the Form, fax to Fax 951-687-1872 or attach to an email and send to: jkincaidea@gmail.com

All information must be received by 4 pm Friday preceding the monthly meeting to receive the lower rate.

Save the postage—OPT OUT of receiving Chapter IdEA's by snail mail. Get on the email list by notifying: editor@ietaxpro.com.

Renew your membership in CSEA and NAEA for the 2011-12 year

Register for ClientWhys 2010 1040 Review and Update using the code IEEA-11.

Chapter IdEA's is published May-January by the Inland Empire Chapter, CSEA. Classified ads are free to members up to 35 words; for non-members the cost is \$25. The Newsletter subscription is \$15 per year. It is distributed free to members of the Chapter. Checks payable to CSEA; include your name, address, email, and phone number; send to Jackie Kincaid, EA; 5924 Mt View Avenue; Riverside, CA 92504. Editorial Board: Connie Bracher, EA; Deborah St Martin, EA; Clara Barrett, EA.



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Inland Empire Chapter CSEA

First Class Mail

Chapter IdEA's