



Chapter IdEAs

"To Promote the Professionalism and the Growth of Our Members"
CSEA Inland Empire Chapter October 2009



Bob Hartnett, Public Affairs Specialist

Joel Hedriks, EA, Education Chair

Bob Hartnett will be speaking at our October meeting on the topic of Social Security. Bob is Social Security's Public Affairs Specialist for the Inland Empire Area of Southern California. His area of responsibility includes all of Riverside, San Bernardino and Imperial Counties. Since assuming his duties in June of 1998, he has had the honor of speaking to over 1,500 groups and organizations throughout the area.

Bob is a graduate of Illinois State University, and has been employed by the Social Security Administration for over thirty-seven years. He began his career with the agency as a Claims Representative in Chicago, and relocated to California in 1975. He has held numerous management positions with the administration throughout the Southern California area. He was manager of the Fontana, California, Social Security Office from 1983 until 1986 and was responsible for managing five Social Security Offices in Orange County immediately prior to assuming his public affairs position. In addition to conducting numerous retirement planning seminars in the communities he serves, Mr. Hartnett has also been actively involved in training agencies and advocates on disability work incentives and the 1999 Ticket To Work and Work Incentives Improvement Act, and most recently has been actively involved in outreach activities to inform Medicare beneficiaries about the new Prescription Drug Benefits that began in January, 2006.

Bob just recently moved and resides in Riverside, California.

PRESIDENT'S MESSAGE

Don Stacy, EA, Inland Empire Chapter President

Our emphasis this year is on Chapter growth and member retention. When I think about all of the benefits we enjoy together I can't imagine not being a part of this group. And the most important benefit of all in my mind is the synergy we bring to one another.

My wife is not especially interested in taxes, and I admit my eyes glaze over when she goes on about the knee or elbow she's fixed that day. We spEAK tax, and she uses medical terms I can't even spell, let alone understand. But when we get together monthly at our CSEA meetings we all spEAK tax, and we can share experiences and advice around our tables. It has been a privilege for me to get to know my fellow Enrolled Agents at our meetings, and I'd like to encourage every member to come and be part of our group.

I also appreciate the support I get from our Chapter. Between the members of the Board that I interact with regularly, the education offered and the dinner meetings, there is a constant source of tax professionals always available to help me with that one problem I can't figure out for myself. I can't imagine how Enrolled Agents try to practice alone and without professional support and peer guidance.

I'm challenging each member to invite at least three people each month to come to our meetings. Have you made your invitations yet for this month? Be watching for the email blast put out each month so you can forward it to other tax professionals you know in our area. It even prints up nicely on my color printer so I can drop it off to offices in my area.

This month we welcome Bob Hartnett, Public Affairs Specialist with the Social Security Administration. When you

read his biographical information in this newsletter you have a great reason to invite someone.

Update from the Board of Directors

Pat LaRue, EA, Secretary

At the September board meeting reports were heard from various committees and the Treasurer's Report was given.

President Don Stacy EA announced that the current Legislative Chair had resigned. He will select a replacement.

President Stacy is still focused on building our membership. The past two months he asked us to invite current members who have not attended a meeting in several months to a meeting. This month he is asking us to invite persons who are prospective members. Lists of names with contact information will be provided at the general meeting.

Clara Barrett EA continues to work with Inland Empire Magazine on an ad similar to the one published last year. She shared a few handouts about press releases and other publicity/information items. The Board examined the contract for this year's ad and approved our participation. Approval of a \$40 reservation fee for submitting the application was also approved. Clara had hardbound copies of the magazine issue containing last year's ad available for member participants at the general meeting. The focus of the new ad will be "why you need us"; the previous focus was on "who we are". Two people volunteered to assist Clara in the preparations.

The current SOPs are undergoing some revisions. These proposed revisions/additions will be discussed in depth at the October Board meeting.

The next meeting of the Board of Directors will be held on October 14, 2009 at the Hilton Hotel in San Bernardino.

2009-2010 Board of Directors

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New Member Chapter Challenge

Pam Jipp, EA—Membership Chair

CSEA is having a New Member Chapter Challenge that will end on October 9, 2009. Prizes will be awarded to the three top Chapters that bring in the most new members. Of course we would all like to see our Chapter in first place. We are always interested in increasing membership but it is even more enticing to do so during this time period. If you know someone who might be interested in becoming a member encourage them to do so now. Have them contact me at (760) 955-6434 or anhy@aol.com so that I can forward them the correct member application. Please ask them to mention your name because you will be entered into a drawing for a \$100 gift certificate to be used for our Chapters Education Events. One entry for each application received between September 14, 2009 through October 9, 2009.

Each month as I look around the room at our meetings I am impressed with the knowledge and experience of our members. More tax professionals should have access to this wealth of resources. I encourage each of our members to invite non-members to our meetings so that they can see for themselves what an opportunity they have for professional development and networking.

The True Benefit of CSEA

Deborah St.Martin, EA

All too often I find myself questioning, "Why am I spending the money to maintain my membership in CSEA?" When I first became an EA, Paul Cheatham introduced me to the Chapter and shared with me his perspective on the reasons for joining, which I greatly appreciated and respected. However, being the independent spirit that I am, I needed to also find my own reasons. I have served on the Board of Directors for quite a few years to gain an in-depth perspective of CSEA.

Networking is the answer. Although the education is very valuable it is the fellow professionals with whom you get to meet and talk that truly makes the membership and the time worth it! As we are all aware, it becomes increasingly difficult to be an expert in all the different facets of tax preparation, planning and representation, to say nothing of the challenges of practice management! I have been able to pick up the phone and get right through to fellow members on many occasions. Whether the questions were related to computer hardware; software; a involved tax question; or, most recently how to handle responding to an exam notice, as an owner of a small tax practice I don't know how I would have managed without being able to turn to fellow members of CSEA. My personal thank-you to all who have helped me out and taken my phone calls without hesitation.

To any of you who have not been attending the meetings or questioning the value of the membership, I encourage you to come to the meetings and spend time getting to know one-another and understand each other's strengths. I am a member of a leads group, BNI, whose motto is "Givers Gain". We need to always be willing to take a call from a fellow CSEA member and share our expertise.

CHAPTER NOTES

Awards Committee

It is time for us to recognize those Individuals in our Chapter who have contributed to the enhancing and/or improving of the status of the organization in general, the Chapter or CSEA. Please fill out the Nomination's Form inserted in this Newsletter.

Nominations to be submitted to awards chair: Donald H. McAllister, EA : Fax (951) 688-3263, email dhmcall@pacbell.net, or mail 4408 Summit Ridge, Riverside, CA 92505.

CSEA Inland Empire Chapter Committee Chairs 2009-2010

AWARDS

Don McAllister, EA
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BUSINESS RETENTION

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BYLAWS & SOP'S

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Scholarship Information

In today's current economic conditions all of us are trying to make each valuable dollar stretch as far as possible. That is why everyone should know about CSEA Education Foundation. The Foundation is a 501(c)(3) entity and is a separate organization from CSEA. There are two classes of scholarships awarded through the Foundation. The first is scholarships awarded to persons studying to become an Enrolled Agent. The second is current EA's wanting to broaden their knowledge in the field of taxation by taking courses such as Tax Court, NTPI, C-STAR, etc. Applications can be downloaded from the Foundation website at cseaeducation-foundation.org.

In order to help fund the Foundation there will be an online auction from October 1 – November 30 and the Foundation is in need of donations. Donations in the past have ranged from home-made items to vacation rentals. Since the Foundation is a 501(c)(3) donations are tax deductible. Let's not limit donations to our members. How about informing your family, friends and clients about the tax deductible donation they are able to make to the Foundation. I encourage everyone to make a donation and to visit the online auction at CSEA and bid on the items as they are made available. Remember new items will be added during the duration of the auction so check frequently. Remember that by bidding on auction items you are fostering the professionalism of EA's and advancing their tax knowledge through scholarships and education. For further information contact Pam Jipp, EA, Scholarship Chair.

Up and Coming Educational Seminars

Our Chapter co-sponsors several educational seminars. The current ones are ClientWhys, BrassTax, and Spidell's Summer and Trust seminars. Our Chapter receives commission based on the number of attendees we sign up for each. HOWEVER, you must register using an Inland Empire Registration form for us to get paid. Any questions please call Barbara Robertson, EA at (909) 466-7466.

Strategic Planning Committee

Alert! The Strategic Plan Committee Needs Your Help! An E-Mail Blast will be sent to Chapter members early in October. It is a Chapter Self-Evaluation Survey consisting of 18 questions to help direct the Strategic Planning Committee for the future needs of the Chapter.

Your Input Is Needed! Please look for the E-Mail and Reply ASAP along with any additional comments.

If you are not currently on the E-Mail Blast, you may sign up by e-mailing Pam Jipp, EA at anhya@aol.com.

Tax Court Cases Reviews

Paul Cheatham, EA

In T.C. Memo 2009-169, the taxpayer (petitioner) was disputing the IRS' (respondents) proposed use of a levy to collect frivolous income tax return penalties against petitioner pursuant to section 6702. The issue was whether to sustain respondent's determination to proceed with the proposed collection activity. Petitioner is an adherent of the principles espoused by Robert Clarkson, founder of the Patriot Network, a national organization that advocates tax avoidance activities as well as the frustration and delay of collection efforts by the IRS. A frivolous return penalty may be assessed against a taxpayer if the following conditions are met. First, the taxpayer must file a document that purports to be an income tax return. Secondly, the purported return must be substantially incorrect. Thirdly, the taxpayer's position must be frivolous or demonstrate a desire to delay or impede the administration of Federal income tax law. The respondent's Appeals settlement officer verified that the requirements of all applicable law and administrative procedures were met and that the proposed levy action appropriately balanced the need for efficient collection of taxes with the petitioner's concerns that the levy be no more intrusive than necessary. In a tersely worded conclusion the judge wrote, "We hold that respondent did not abuse his discretion in determining to proceed with the collection by levy of the frivolous income tax return penalties owed by petitioner for years 2001 and 2002."

In T.C. Summary Opinion 2009-117 the sole issue before the court was whether the petitioner is liable for the accuracy-related penalty under section 6662(a). Our petitioner is a Silicon Valley software engineer who prepared his own tax return using Turbo Tax. He reported about \$84,000 of W-2 income on his Schedule C and then claimed about \$65,000 of business expenses on Schedule C to offset the reported income. The IRS (respondent) disagreed with this treatment, reclassified the income to Page 1, Line 7 of the return and disallowed the expenses. The petitioner never addressed the disallowance of the \$65,000 of business expenses in his petition, nor did he mention it in his pretrial filings. Accordingly, the expenses were deemed to be conceded by the petitioner and the judge would only consider the abatement of the accuracy-related penalty. When the judge asked the petitioner why he reported his W-2 income on the wrong schedule he responded, "Turbo-tax (allowed him) to put W-2 into Schedule C, so then (he) thought it was legal." So, this poor taxpayer lost the deductions due to procedural errors and lost the abatement of the penalty because he could not establish that he had acted with reasonable cause and in good faith.

Mark Your Calendars!!

Wednesday, October 14, 2009

Chapter Meeting — *Social Security, Bob Hartnett*

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

Dinner choice of Vegetarian Plate or Lasagna, Caesar Salad, Vegetables, Garlic Bread Sticks, and Dessert

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

Tuesday, October 27, 2009

Advanced Representation Seminar, San Bernardino Hilton.

Wednesday, January 13, 2010

IRS Practitioner Seminar, San Bernardino Hilton

Thurs-Fri, November 5-6, 2009

ClientWhys "1040 Review & Update", Ontario Hilton

Wednesday, May 12, 2010

Chapter Meeting: IRS Committee Report, Joni Terens, EA

Wednesday, November 11, 2009

Chapter Meeting: Exit Strategies, David Smith

May 10-12, 2010

CSEA Super Seminar, Las Vegas A

Wednesday, December 2, 2009

Brass Tax "Tune Up", San Bernardino Hilton

May 13-15, 2010

CSEA Super Seminar, Las Vegas B

Wednesday, December 9, 2009

Chapter Meeting: "Retirement Plans", David Shaw, EA

Wednesday, June 9, 2010

Chapter Meeting: "Tax Court Issues", Sherrill Gregory, EA

Friday, December 18, 2009

Brass Tax "Tune Up", Ontario

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 kathy@ctbpro.com or 909-466-6900.

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 909-533-2159 or attach to an email and send to: kathy@ctbpro.com. All information must be received by 4 pm Friday preceding the monthly meeting to receive the lower rate.

Early registration for the Advanced Representation Seminar by October 17th is \$170, after that \$190.

Early registration for Brass Tax is October 31. See Flyer.

LOOKING TO RETIRE OR MAYBE SEMI-RETIRE OR YOU ARE JUST TIRED OF DOING TAXES

We would like to purchase your business or if you prefer to semi-retire, work part-time schedule of your choice

Please call Jackie Skelton, EA
909-307-6678

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Inland Empire Chapter CSEA

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