



Our Mission: *To promote professionalism by providing quality educational events for tax professionals, creating and encouraging networking opportunities for members, & advocating professional standards & positions within the tax industry.*

President’s Message

You can get 4 hours of California Education and 2 hours of Ethics CTEC credits at one seminar. We are holding the seminar July 31, 2010. See the attached flyer for information and an application. We would like this to be a money maker for the chapter. We have not had a seminar or other projects in years. (Please Support This One) Our treasury is slowly depleting. Please send in your application at once.

One of the Objectives of CSTC is to protect the interest of the tax preparer. The new regulation by the IRS is protecting us and our clients from people preparing taxes who are not qualified. We have the opportunity to let our clients and prospective clients understand that we are registered with the IRS, CTEC, EA, etc. We have taken proficiency tests to show we understand tax law. By attending meetings, seminars, networking, etc., you have the opportunity to keep up to date on the current laws and obtaining information regarding the new IRS PTIN registration and education requirements.

Please all members put an effort into helping us grow our membership. CSTC is a great way for members to get their education requirements, keep up to date on new laws and share with fellow associates. CSTC as a State Wide Society has a goal of 2012 members by year 2012. CSTC member in good standing who bring in a new member will receive a \$25.00 Education Voucher from the Society. Members, when you give somebody an application form, be sure your name is on it so you receive the voucher. This is for each member you bring in. Lets all work together to achieve the goal “2012

Carmen
Foothill Chapter President

Benefits of Foothill Chapter Membership:
Networking - Education - 2 hrs. Educations Credit per meeting
Updated legislation - State & Federal
Monthly meetings

Cost of CSTC Membership: \$155 initial fee - \$130 annual renewal
For a chapter near you call: (714) 750-2782 or go to www.cstcsociety.org

UPCOMING PROGRAMS

Saturday July 31, 2010
8:00 am - 3:00 pm
Subject - California 4 hours
Speaker: Lila Fedler - State of California
Subject - Ethics 2 hours
Speaker - John Keil
CTEC 1000-CE-2929
Continental Breakfast and Lunch Provided

Thursday August 5, 2010 6:00pm
Dinner meeting
Speaker: Carol Nelson, E.A.
Subject: “Updated Collection Info & Appeals”
2 hrs Federal CTEC: 1000-CE-3117

Thursday September 2, 2010 6:00pm
Dinner meeting
Speaker: David Eastis
Subject: “990 Tax Exempt Organizations”
2 hrs Federal CTEC: 1000-CE-3118

Thursday October 7, 2010 6:00pm
Dinner meeting
Speaker: Hal LeMaster
Subject: “Death Without A Will or Trust”
2 hrs Federal CTEC: 1000-CE-3120

Thursday November 4, 2010 6:00pm
Dinner meeting
Speaker: Keith Kershner, IRS Stakeholder Liason
Subject: “New IRS Preparer Requirements”
CTEC: 1000-CE-3119

CSTC Society & Chapter Education Programs:
CSTC on Line Education
California 4hr course/Ethics 2 hr course
TAX BRIDGE - December 2010
Registration Forms available at our chapter meeting or contact Society Office._____

RSVP by calling 909-595-6032 or e-mail carmkep@aol.com by Monday August 2, 2010
RESERVATIONS ARE A MUST.

Golden Pot: Art Baker’s name was drawn and he was not present. The Golden Pot in August will be \$35.00.

Be Sure to Attend the

August 5th Meeting
Speaker: Carol Nelson, E.A.

Subject: "Updated Collection Info and Appeals"

CTEC: 2 hr Federal #1000-CE-3117

FOOTHILL CHAPTER OFFICERS

President: Carmen Hustad	909-595-6032
Past President: Augustine Beanez	626 333-9167
1 st Vice President:	
2nd Vice President:	
Secretary: Elaine Patterson	818-790-1719
Treasurer: Esther Lopez	626-289-9627

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Director: Melinda Estrada	323-887-1182
Director: Dorothy Solomon	909-865-1164
Director: Victor Romero	626-483-9900

LOCATION:

American Legion
14929 E. Clark
City of Industry, CA

RESERVATIONS

Carmen K. Hustad
909-595-6032

carmkep@aol.com

Call or email for reservations
by Monday August 2nd.

\$30.00 CSTC Members w/ reservation
\$35.00 for Non-Members or Members w/o reservation

Return Service Requested

1431 N. Pleasant Ave.
Ontario, CA 91764

CSTC - Foothill Chapter - August 2010
www.cstcsociety.org





July 2010

New IRS Tax Preparer Requirements

Effective January 1, 2011, the IRS will require all paid tax preparers who sign federal tax returns to have a Preparer Tax Identification Number (PTIN).

IRS online registration for tax preparers will start September 1, 2010. Tax preparers will need to register with the IRS and obtain a valid PTIN no later than December 31, 2010. Tax preparers who already have a PTIN will be reissued their current PTIN when they register online.

Currently, there is no application fee for PTINs; however, the IRS does plan to charge a PTIN fee (new and renewing applicants) once registration starts September 1, 2010.

In addition to the PTIN requirement, paid tax preparers who are not attorneys, certified public accountants or enrolled agents will have to pass an IR'S competency exam and complete continuing education requirements. Tax preparers registered with the California Tax Education Council (CTEC) will not be exempt from the new IRS mandate.

Nonexempt tax preparers will be required to:

- Obtain a PTIN.
- Complete 15 hours of continuing education on federal tax laws each year.
- Renew IRS registration every three years from the date of initial registration.
- Within three years of initial registration, pass a competency exam from the IRS.

Starting January 1, 2011, nonexempt tax preparers who fail to meet the December 31, 2010 registration deadline will have to pass the IRS competency exam before they can be issued a PTIN. Exempt tax preparers (attorneys, certified public accountants and enrolled agents) can still register after December 31, 2010; however, they cannot! prepare or sign federal tax returns until they register with the IRS and obtain a valid PTIN.

Competency Test

Nonexempt tax preparers will have three years from the date of initial registration to pass two levels of IRS examination. The test can be taken ~s many times as needed; however, a fee will be charged each time. Once the practitioner passes the test, the requirement is filled, and the test doesn't have to be taken yearly.

Continuing Education

Nonexempt tax preparers will have to complete 15 hours of continuing education on federal tax laws each year. The hours must be completed from an IRS-approved education provider and include:

- 3 hours of federal tax law updates.
- 2 hours of tax ethics.
- 10 hours of other federal tax law topics.

IRS continuing education requirements for nonexempt tax preparers take effect January 1, 2011. Any federal education completed in 2010 will not count toward the new IRS mandate.

Right now there is no IRS qualifying education prerequisite however, CTEC will continue enforcing its 50-hour qualifying education requirement for new CTEC registered tax preparers (CRTP). Also, CTEC plans to conform its federal continuing education requirement to the IRS', so CRTPs are not forced to fulfill "double" federal education requirements

As for the 2010/2011 CTEC registration cycle, CRTPs are still required to complete 20 hours of continuing education (12 hours federal, 4 hours state, 2 hours of ethics, and 2 hours federal and/or state), and renew their registration by October 31, 2010.

Tax Preparer Enforcement

The IRS plans to implement an enforcement strategy for the 2011 tax season. Our enforcement program to identify and penalize unregistered tax preparers will remain intact for California. All CRTPs will be required to complete IRS and CTEC requirements in order to be legally qualified to prepare state and federal tax returns.

To learn more about the new IRS requirements, go to irs.gov.

New Penalty Chart

As promised at the 2009 Taxpayer Bill of Rights Hearing, we completed the FTB 1024, Penalty Reference Chart. We list the penalty codes numerically by Revenue and Taxation Code (R&TC) sections. These penalties reflect the law enacted prior to January 1, 2010.

To view or print the chart, go to ftb.ca.gov and search for 10~4 or penalty chart.

Statutes of Limitations on Claims for Refund or Credit

This is the second in a series of four articles on Statutes of Limitations (SOLs) that relate to California tax law. This month's article addresses common SOLs for claims for refund or credit that are unrelated to federal action. Future articles will cover SOLs for assessments resulting from federal actions, and refund/credit claims resulting from federal actions and miscellaneous SOLs for assessment and refund/credit.

1. What is the general SOL for a taxpayer to claim a refund or credit?

R&TC section 19306 specifies that a claim for refund or credit must be filed no later than (a) four years from the original due date of the return or (b) four years from the date the return is filed if the return was filed within the "automatic extension" period. Additionally, a claim for refund or credit is timely with respect to payments made within one year of the claim filing date (the "look back" provision).