



California Society of Tax Consultants

CSTC Greater Long Beach Chapter Newsletter

SOCIETY CORPORATE OFFICE

California Society of Tax Consultants

12419 Lewis Street, Suite 106

Garden Grove, CA 92840

Phone: 714/750-2782

Fax: 714/750-2722

[Hwww.cstcsociety.org](http://www.cstcsociety.org)

MISSION STATEMENT

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

GLB Chapter Meetings Are held at:

Lakewood Country Club
3101 Carson Street
Lakewood, CA 90712

Call for Reservations:

Marie Chambers @ 323/585-9927

Call-in Deadline: The Wednesday prior to the meeting.

Morning Educational Meeting

Cost:

\$30.00 Members with RSVP

\$35.00 Members no RSVP

\$40.00 Guests

Meeting: 8:45 to 12:00 Noon

January thru April 3 hours CE/ea

Evening Educational Meeting

Cost:

\$35.00 Members with RSVP

\$40.00 Members no RSVP

\$45.00 Guests

Meeting: 6:00 to 9:15 P. M.

April thru November 2 hours CE/ea

Board Meeting: 4:30 to 5:45 P.M.

April thru November

Officers, Directors, Board Volunteers

For reservations to one of our morning or evening educational meetings, call:

Marie Chambers @ 323/585-9927.

*There is no meal guarantee without a reservation. **Call-in Deadline: The Wednesday prior to the meeting.***

If you have not yet signed up on our Permanent Meeting List and wish to do so, please contact Marie Chambers @ 323/585-9927

Be Sure To Look on Page 4 under:

BOOK ORDERS

See if you have already qualified for a free copy of The Tax Book 2010; or if you have not, look to see how many more meetings you must attend to qualify!!!!

The Greater Long Beach Chapter of CSTC meets monthly and offers Continuing Education. Our Chapter has over 90 members, which includes CTEC registered tax preparers, Enrolled Agents, CPA's, and others in the tax profession. If you are looking for tax knowledge, how to manage your business, or want to share experiences and networking with statewide tax professionals, you should attend one of our events.

Upcoming Meetings and Events:

07/28/10: David Eastis: Red Light Green Light for Determining Income & Expenses for Non Profits.

1000-CE-3097

2 Hours Federal

Continued:

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Did YOU Know???

What Do You Think?

Classified Ads

Upcoming Meetings and Events:

- 08/25/10:** Lynn Freer: CA Tax Issues
09/29/10: David DuVal on Ethics
10/27/10: Practice Management, Roundtable Discussion
11/17/10: Keith Kershner, of the IRS: IRS Hot Topics; also, elections
12/15/10: Holiday Party, Installation of new Officers & Board Members

Menus:

07/28/10: Plated – Grilled Chicken with Lemon Herb Sauce, Garlic Mashed Potatoes

08/25/10: Pasta buffet – Seafood Fettuccini with Bay Shrimp and Scallops, Pasta Primavera

09/29/10: Italian buffet – Caesar Salad, Penne, Linguini and Cheese Tortellini served with Alfredo, Pesto and Marinara sauce, Meatballs and Italian Sausage, Garlic Bread

10/27/10: Plated – Pork Loin with Caramelized Pearl Onions and Pan Drippings, Rice Pilaf

11/17/10: Plated – Turkey, Pecan Stuffing, Giblet Gravy, Cranberry Relish, Mashed Potatoes

12/15/10: Plated – Honey-Maple Glazed Ham, Sweet Potatoes

All dinners include salad and dinner rolls (except Mexican dish comes with tortillas) and dessert.

Fish and vegetarian dinners are available upon special request with reservations.

Vegetarian dishes are usually: Penne pasta w/marinara and steamed vegetables. Chefs "choice" Fish.

Greater Long Beach Chapter Officers and Board Members
PRESIDENT:

Dennis Kaho, 562/421-8523

1st VICE PRESIDENT:

John Murrill, 562/981-2900
tigerjohn@earthlink.net

2nd VICE PRESIDENT:

Nancy Spiegel, 714/527-3065
nspiegel@pacbell.net

TREASURER:

Barbara Cleary, 562/423-4533
taxmarx@yahoo.com

SECRETARY:

Donna Miller, 562/424-3088
dmillerea@aol.com

PAST PRESIDENT:

Hal LeMaster, 714/750-1796
lemaster@pacbell.net

DIRECTORS:

Stephen Bruce, 562/594-4830
brucetax@gmail.com

Marie Chambers, 323/585-9927
mariechamberstax@sbcglobal.net

Tim Cleary, 562/423-4533
mrtim@dslextreme.com

Jen Horton, 310/415-1685
jen@jenhorton.com

David McClenon, 562/926-2817
Dwm_42@hotmail.com

Jim Moriarty, 562/943-0149
Jim.jr4@verizon.net

Fran Oatridge, 310/530-6499
franoatridge@hotmail.com

VOLUNTEERS:

Shirley Blanton, 562/433-3420

David Eastis, 714/256-4985
daeastis@aol.com

Diane Kucera, 623/266-3300
taxbus@dianekucera.com

Carol Lalli

Nikki LeBrun, 310/534-3492
nlebrun@sbcglobal.net

Bob Mitchell, 714/622-3188 x 271
bob.mitchell@nrservices.com

Congratulations !!!

Paul Payne

**“Wear Your Name Badge”
 June 2010 Winner was our
 distinguished speaker,
 Paul Payne**

Paul will receive half-off the price of his next attendance to one of CSTC GLB's Evening Educational Meetings.

Come to this month's Evening Meeting – and don't forget YOUR name badge!

Wear your **name badge** and have a chance to receive **half-off** the price of your next Evening Education meeting.

YOU may be the next winner!

President's Corner . . .

The month of July started out with a bang-lots of fireworks in my neighborhood. I am hoping for a "quiet" tax month. I am still trying to catch up on some home maintenance, landscaping and vintage trailer restoration.

Now is the time to network with others and begin to look for new clients. Ask "who do you know?" And always add to your correspondence P.S 'dont keep me a secret"

See you at the July Chapter meeting.

Dennis Kaho

2nd Vice President...

Nancy's quote for the month:

Did you ever notice that if you put the two words 'the' and 'irs' together it spells 'Theirs' !!!

Nancy Spiegel

Treasurer

Tax News – July 2010

The IRS has initiated a study under the auspices of the National Research Program, which gathers information to enable IRS personnel to better select and audit taxpayers who underpay federal taxes. The initiative examined 5,000 randomly selected S Corp returns and has resulted in increased scrutiny of same.

While the IRS did not announce the exact tax issues it focuses on in S Corp audits, one major focus is undoubtedly the low, below-market salaries paid to S Corp shareholder-employees in order to avoid payroll taxes.

As you probably know, S Corp shareholders receive Schedule K-1 reporting their share of S Corp tax items. The information is then reflected on each shareholder's tax return. In many audits and court cases involving S Corps, shareholders have been found to take ridiculously low salaries for the positions and industries they are in. Shareholders must be prepared to show that salary levels are reasonable for the work performed. If too low, the IRS can reclassify distributions as disguised salary payments and the company will owe back employment taxes, interest, and penalties.

Some other S Corp issues that we can expect to see in audit are:

- Improper tax-free treatment of fringe benefits provided to S Corp shareholders and members of their families.
- Personal expenses which are non deductible, paid through S Corp in an attempt to disguise as deductible business expenses.
- Failure of shareholders to report income items passed through from S Corp.
- Failure of corporation to comply with qualification rules that must be met to properly elect S Corp treatment.
- Failure to make valid S Corp elections under the applicable procedures.
- Insufficient tax basis in S Corp stock to deduct losses passed through from S Corp.

This is a good time to make sure that your clients are not exposing themselves to adverse tax issues and, with your guidance, to take corrective action.

Barbara Cleary

Membership Corner . . .

“Dear Costco member, it’s time to renew your membership; please send us a chunk of your money and we will allow you to continue to buy stuff at our stores”; hmm, sounds fair to me. “Dear prospective member, please submit your application to the Wealthier Than You Country Club and we will let you know if you are good enough to be seen with us; if you do qualify we will then charge you a large amount of money for the privilege.”; wow, what more could I ask for?

Whether it’s AAA or our local service club, we all seem to be members of one group or another. I spent a few moments recently thinking about what it costs for the privilege of membership in many organizations and the benefits we receive as a result. I believe we receive many excellent benefits, especially from participating in those organizations where we volunteer our time. I am a member of a couple of the examples above but only one organization gives back to me much, much more than it costs me in time and money to participate; I’m sure my answer will surprise you; oh well, here goes...CSTC GLB CHAPTER!

I cannot think of any other organization that offers me the quality educational benefits and special friendships I receive from CSTC. As a self-employed person, the annual dues and fees for our special educational classes and symposium are a pittance compared to the value received. I am honored to be a Member of our group; I hope you are too.

*Stephen Bruce
The Membership Guy*

Remember... wherever you go, there you are!

The Birthday Corner:

July

Happy Birthday To:

- Our own Chapter's
1st Vice-President, Jack Murrill
- Syed Shuja
- Current Society President
Nicole LeBrun
- Martha J. Gilmore
- Christopher Tovar
- Frank D. Farfan
- Robert Jones
- Denise L. Roman
- and new member, Lilian Rivera .

I know our membership will be continually growing and I'll be asking the new people for their birthdates. Thank you for your cooperation. If you haven't already done so, please contact Hal LeMaster @ 714-750-1796 to complete the list and/or to make corrections for future newsletters.

Hal LeMaster

Greetings from Dave

Just returned from 50th High School reunion. (I was 7 when I graduated) Two weeks in New England were great. Lobster rolls were fantastic !!

Thought for the month:

*“You control your future, your destiny.
What you think about comes about.
By recording your dreams and goals on paper,
you set in motion the process of becoming the person you most want to be.
Put your future in good hands - your own.”*

Mark Victor Hansen

Submitted by:
Dave McClenon, Director

Notes from Nikki . . .

Society Calendar

Support Society Education Programs!!!

7/19/10 Society BOD– see below
 9/20/10 Society BOD meeting – TBA
 11/15/10 Society BOD meeting – TBA

12/2-12/3/10 Tax Bridge to 2011
 TBA

06/05-06/08/11 25th Summer Tax
 Symposium
 Las Vegas, NV

Society News . . .

The next Society Board of Directors meeting will be held on Monday, July 19th from 10 AM to 5 PM at 500 City Parkway, Suite 100 in Orange directly across the street from the Society office.

CSTC has professional-logo-long-sleeved shirts that are for sale. The shirts are \$32 each. If you are interested, please contact Beverly Switzer at 714-750-2782

BOOK ORDERS

It's about that time again to start thinking about the book orders. GLB Chapter members that attend 9 meetings between October 2009 and September 2010 are eligible to receive a regular "FREE" Tax Book 1040 or a discount (amount to still be determined by the BOD) price for their total order. The book order form will be in the August & September newsletters. Here are the members, as of June 30th, who have qualified or need 1-3 more meetings to qualify.

Qualified: Shirley Blanton, Inge Boekenhauer, Stephen Bruce, Marie Chambers, Barbara Cleary, Tim Cleary, Jim Hicklin, Jen Horton, Dennis Kaho, Nancy Kindness, Nicole LeBrun, Hal LeMaster, Jim Moriarty, John Murrill, Syed Shuja, and Nancy Spiegel.

Needs 1 more meeting: Emilia Gomez, Alice Moriarty and Fran Oatridge.

Needs 2 more meetings: Shobha Bajaj, Luis R. Barreras, Martha Gilmore, Tom Jenkins, Carol Lalli, Rumalda Medina and Helen Vargas.

Needs 3 more meetings: Donna Miller, Paul Payne and Antonia Ramos.

Respectfully submitted,
Nikki LeBrun, CSTC President

Chapter Calendar

4:30 PM to 6:00 PM – Chapter Board of Directors Meetings (Open to members)

6 PM – 9:15 PM
 Evening Education Meetings on 7/28/10; 8/25/10; **9/29/10** (please note the change in the date); 10/27/10; 11/17/10; and

Christmas Party & Installation of new Officers on 12/15/10

Secretary's Chapter News. . .

Donna was on vacation during June... look for her column again next month!

Greater Long Beach Chapter Benefits . . .

Discount pricing to all Chapter Educational events *with reservations*. Attend the Roundtable

Morning Educational meetings January through April and bring in your **problem tax returns** to our roundtable discussion.

Receive **9** issues of the **Greater Long Beach Chapter** newsletter **free** (via e-mail).

At least **34 hours of quality Continuing Education** offered each year by the Greater Long Beach Chapter.

Attend **9 meetings** from October 2009 to September 2010 and receive a "Free" **resource book discount of approximately \$46**. Chapter Members get **discounted pricing** on all tax resource books.

Wear your **name badge** to the Evening Education meetings and have a chance to receive **half off** the price of your next Evening Education meeting.

Free advertising for chapter members in our chapter newsletter.

Other Chapters' News . . .

FOOTHILL: 1st Thursday of the month. Call Carmen Hustad for information and reservations @ 909/595-6032. Their meetings are held at the American Legion Hall, 14929 E. Clark, City of Industry at 6:00 P. M.

LOS ANGELES: 1st Tuesday of the month. Call George Yen for information and reservations @ 562/947-2918. Their meeting is held at the Taix French Restaurant at 1911 Sunset Blvd. in Los Angeles at 7:00 p.m.

INLAND EMPIRE: 3rd Wednesday of the month. For information and reservations, call 888/853-9670 and leave a message with your request. Their meeting is held at the Double Tree Hotel Claremont, 555 W. Foothill Blvd., Claremont at 6:00 P. M.

ORANGE County: 2nd Wednesday of the month. Call Fred Saah for information and reservations @ 714/879-9880. Their meetings are held at The Phoenix Club, 1340 S Sanderson Avenue in Anaheim at 6:00 P. M.

Chapter Policies:

An important reminder about our chapter policies: Please Review: *In order to get proper credit for your payment, PLEASE note on your sign-in if you are paying cash, or put your check number by your name.*

Another reminder about Chapter policy: meals are **not guaranteed** without a reservation. Call-in Deadline is the Wednesday prior to the meeting.

If you are **unable to attend** a meeting, please call Marie Chambers @ 323/585-9927 by the Call-in Deadline to cancel your reservation, or you will be billed!

All **no-shows** of reservations will be billed back to you, if not canceled by the Call-in Deadline. Our treasurer,

Barbara Cleary, will be keeping track of this procedure. The Country Club bills us for all meals reserved and we must pay whether you show up or not. Thanks for your co-operation.

Unforeseen circumstances are always taken into consideration on a case by case basis.

Note to Greater Long Beach Members:

There is a bulletin board available to CSTC members at the CSTC Website, www.cstcsociety.org

It is okay to use the CSTC logo on your letterhead. But you must always add "Member of ..." or "Member since ..." when using the logo.

When you change your e-mail address, telephone number, or your mailing address, **PLEASE** notify both the chapter and the society office, **and the current Newsletter editor** at cstcglb@gmail.com.

New updates for TheTaxBook . . .

New updates for TheTaxBook can be retrieved by going to the website: www.thetaxbook.com/updates.asp

Did YOU Know???

Beginning Summer of 2010 the FTB will require tax preparer's to "sign up" for secure online access of the FTB's website for client information. This will replace the current CSN based system. Go to ftb.ca.gov and select the **Tax Professionals** tab for more information.

The first of six IRS Nationwide Tax Forums was held June 22-24 in Atlanta Georgia. There will be five more events over July and August, two of which are here on the west coast – Las Vegas NV and San Diego CA. Go to irs.gov and select the **Tax Professionals** tab for more information.

As a California Tax Preparer, you **must be registered with the IRS under the new PTIN law AND you must be recognized by the FTB as an authorized return preparer.** If you prepare federal and state tax

returns for a fee in California and you are not an attorney, certified public accountant, CTEC-registered tax preparer or enrolled agent, then you are breaking state law and may face penalties up to \$5,000 from the Franchise Tax Board. Do not be fooled into thinking the new IRS PTIN regulations replace current CTEC requirements – **they do not**. The new PTIN regulations are **in addition to** CTEC requirements already in place.

June 17, 2010, TIGTA reported, "Additional Steps Are Needed To Prevent and Recover Erroneous Claims for the First-Time Homebuyer Credit." ... reference 2010-41-069 Some of the fraud TIGTA uncovered? Prison Inmates filing fraudulent claims; Multiple claims for the same home allowed in excess of the maximum credit; and an estimated \$17.6 million in credit allowed for homes purchased prior to the dates allowed by law.

Aloha & Mahalo – Jen, your Editor

What do you think?

This Month's Question:

What is your most valuable tool for everyday researching of tax questions.

Please take a moment to consider this month's question, then eMail a brief response to be posted in next month's newsletter.

*Responses should be **limited** to no more than **300 words** so that everyone may have a chance to participate (a paragraph is generally about 100 words)*

eMail to: cstcglb@gmail.com

Aloha & Mahalo – Jen, your Editor

Last Month We Asked:

Here is your chance to have your voice heard! For 2011, what are topics for presentation you would like to see in our Evening Educational Program?

In light of the proposed, new regulations which will mandate Sub-

S pass-through income be 100% subject to FICA taxes, I would like to hear discussion of what may be potential entity-choice options for those corporations affected by the change. Is it now time we advise certain clients to change their entity type? If yes, what is their best choice for a new entity, and why?

** ^^ ** ^^ ** ^^ ** ^^ ** ^^ **

I received this eMail from the IRS this past week – perhaps many of you did, too. For those who haven't seen it, read on:

IRS Requests Public Input on Expanded Information Reporting Requirement

WASHINGTON — The Internal Revenue Service today invited [public comment](#) on how to most effectively carry out a law change that, starting in 2012, will require businesses to report a wider range of payments to contractors, vendors and others, usually on Form 1099. These comments will help the IRS issue guidance that implements this provision in a manner that minimizes burden and avoids duplicate reporting.

Under a proposed regulation, many business purchases made with credit or debit cards would be exempt from the new reporting requirement because they are already reported by banks and other payment processors. The IRS seeks comments on additional circumstances in which duplicate reporting might otherwise occur and on rules that would prevent such duplicate reporting.

The change, enacted in March but not effective until 2012, expanded existing reporting requirements to include a business's payments related to goods and other property, and payments to most corporations. With some exceptions, payments to corporations are currently exempt from this requirement.

There are three ways to submit comments. E-mail to:

- Notice.Comments@irs.counsel.treas.gov. Include "Notice 2010-51" in the subject line.

- Mail to: Internal Revenue Service, CC:PA:LPD:PR ([Notice 2010-51](#)), Room 5203, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044.
- Hand deliver to: CC:PA:LPD:PR ([Notice 2010-51](#)), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue NW, Washington, DC, between 8 a.m. and 4 p.m., Monday through Friday.

The deadline is Sept. 29, 2010. Further details are in [Notice 2010-51](#), posted today on [IRS.gov](#).

So it seems The IRS is also giving you the chance to **Have Your Voice Heard**. Take advantage of this rare opportunity to impact future tax policies!

Aloha & Mahalo – Jen, your Editor

Classified Ads:

Need Mentors: For **CSUF** Entrepreneurial Accounting during the Spring and Fall Semesters. Inquire: entrepreneurship@fullerton.edu or contact Andrea Hurt or Marisa Sherb at (657) 278-3464.

Chief Actuary: Robert R. Mitchell, EA, COPA: NRS (National Retirement Services, Inc.)
Telephone: 714/622-3188
Email: robert.mitchell@NRServices.com;

So-Cal Quality Appraisals: Steven A. Hassoldt, Certified Residential Appraiser
Telephone: (310) 371-5978
Email: socalquality@gmail.com

Bookkeeping: your place or ours. All shoe boxes are welcome. We also offer Quick Books training. Long Beach Business Services, Inc.
Call Donna Miller at 562/424-3088.

TaxResources, Inc. is always looking for tax professionals for the tax season! Positions are available at our Orange County and Sacramento locations. Enjoy flexible hours and great pay. To find out more about our company and our job opportunities,

and to apply online, please visit our website at <http://jobs.taxaudit.com>.

Greeting Cards: **HAVE YOU FORGOTTEN TO SEND A CARD TO SOMEONE YOU CARE ABOUT?** Best client follow-up system – “Sendoutcards”. For information contact:
Butch Kaske at 626/297-2114

Real Estate Services: An Agent/Broker since 1972. I will pay a \$500 Finders Fee to any CSTC member who refers me someone who wants to buy or sell, no matter the location! Through my CRS Directory, I have every state and MOST cities covered by well qualified, experienced CRS holders! **(The CRS designation is held by less than 5% of ALL RE agents!)**
R.I."Butch" Kaske, CFP, CRS, DTM
Home: (760) 931-2644
Cell: (626) 297-2114

Share Office Space Seal Beach: Looking for an individual to share an office location with me in the Seal Beach area. Interested parties should call:
Carol Lalli 562/594-4834

Share Office Space Long Beach
Looking for an individual to share a 1st Floor office space in Long Beach
Kent Huber 562/427-7951

Looking To Purchase Tax Clients: Looking to purchase 100 to 150 tax clients from anyone ready to retire or downsize. We are not looking for accounting clients. Inbody has been past president of the Association of Business and Tax Consultants, member of CSTC and has over 30 years experience. Wilson has 3 years experience and member of CSTC. Office has been in same location for last 21 years. Call to discuss 714/345-1882 Milton Inbody

ADVERTISE WITH CSTC GLB!!!

If you are hiring, or perhaps need extra employees for the tax season;

If you are selling furniture or supplies;
If you are interested in promoting your business specialty;

Or, if you just have something you would like to say to your peers...

Consider placing an ad in our monthly newsletter. It's a great way to get your message out to a targeted audience that will best meet your needs!

eMail your request to the editor at: cstcglb@gmail.com.

[This service is free to CSTC Greater Long Beach Chapter members.](#)

If you know of a business or someone that could benefit by placing an ad in our newsletter, please have them contact Dennis Kaho, 562/421-8523. Non-CSTC members are welcome to submit their ads for a monthly fee of \$10.00.