



California Society of Tax Consultants
HIGH DESERT CHAPTER
15 CHAPTERS STATEWIDE
October 2010



Presidents Message:

I look forward to seeing you all at the October meeting. Please remember to take care of your orders for your Quickfinders then.

Thank You
Michele' Maiwald, EA
Chapter President
Hi Desert

Quickfinders: Attached you will find the revised Quickfinder order form, if you haven't already ordered please place your order and make payment by the next meeting as we need to submit this ASAP. If you paid the original order form price please pay the balance also at this meeting contact Lori Laplante or Theresa Dingman as we need to make sure that we have all of the monies before placing the order.

Speaker and Topic for October 13, 2010: Bob Arnett from Social Security

TOPIC: Medicare

This presentation has been designed to meet the requirements going back to of the Director of Practice of the Internal Revenue Service, the California State Board of Accountancy, and the California Tax Education Council, Business & Professions Code #22250-222859, including Code 31 of Federal Regulations 10.6(g), continuing education rule 88(c) covering maintenance of attendance records, retention of program outlines, qualifications of instructions of instructors and length of class hours. This does not constitute an endorsement by these groups.

REGISTRATION: 5:30 PM
DINNER: 6:00 PM

MEMBERS: \$ 25.00
MEMBERS/GUESTS: \$ 35.00

1st time visitors – Join tonight and dinner is free!
****Attention members: Bring a guest who joins and both you and they will get a free dinner!**

LOCATION:
Lil' Bit of Country
14335 Hesperia Road
Victorville, CA

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What are the benefits of joining your local chapter of CSTC?

Keep abreast of tax laws with our professional education monthly meetings, seminars, workshops or a basic 60-hour tax course. We also offer tune-up workshops just prior to tax season. Education is discounted for members and is offered in locations throughout California. Members also receive a monthly newsletter from their chapter.

Receive assistance from other tax professionals with: researching tax laws, dealing with IRS, FTB, SBOE and EDD issues, practice management techniques to expand your business, professional assistance in selecting library, software & hardware products. Get to know other professionals in your community.

CSTC SOCIETY www.cstcsociety.org

The latest Reporter is available online now!

Do not forget to log into the society web page for the latest news, you can also view and print the reporter, and be sure to check out the members' only page and bulletin boards

Past editions of the newsletter for our Chapter are on line at www.cstcsociety.org/HIGHDESERT click on the Calendar/News link to view the education schedules and issues of the newsletter.

Anyone planning to attend a board meeting may contact any board member to confirm their attendance. The next board meeting will be held October 20, 12:30pm at Lil' Bit O' Country Cafe.

To assure timely delivery of your monthly newsletter please notify Lori LaPlante of any change of address, phone number or email address.

Come and Join us at a Dinner meeting!!

We always look forward to seeing all our members. Take advantage of the opportunity to learn something new or just refresh your knowledge on some interesting topics.

REMINDER Wear your badge to be eligible for the drawing. If you do not have a badge, please tell Judie LaDow, so she can order one for you. If you have lost your badge, replacements are available at a cost of \$15.00, due at the time of ordering.

Looking for additional CPE?

There will be a training held:
Wednesday, October 20, 2010 during the day at Edward Jones in Apple Valley.

Subject: Critical Tax-Planning Ideas and Strategies for Businesses. 3 CPE for \$65 which includes lunch & course materials.

For more information contact:

John J. Doran, AAMS
Investment Representative
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Bus. (760) 240-8720

FYI

IRS Provides Relief for Homeowners with Corrosive Drywall

IR-2010-102, Sept. 30, 2010

WASHINGTON — The Internal Revenue Service today issued guidance providing relief to homeowners who have suffered property losses due to the effects of certain imported drywall installed in homes between 2001 and 2009.

[Revenue Procedure 2010-36](#) enables affected taxpayers to treat damages from corrosive drywall as a casualty loss and provides a "safe harbor" formula for determining the amount of the loss.

In numerous instances, homeowners with certain imported drywall have reported blackening or corrosion of copper electrical wiring and copper components of household appliances, as well as the presence of sulfur gas odors. In November 2009, the Consumer Product Safety Commission (CPSC) reported that an indoor air study of a sample of 51 homes found a strong association between the problem drywall, levels of hydrogen sulfide in those homes and corrosion of metals in those homes.

[Revenue Procedure 2010-36](#) provides the following relief:

- Individuals who pay to repair damage to their personal residences or household appliances resulting from corrosive drywall may treat the amount paid as a casualty loss in the year of payment.
- Taxpayers who have already filed their income tax return for the year of payment generally have three years to file an amended return and claim the deduction. The amount of a loss that may be claimed depends on whether the taxpayer has a pending claim for reimbursement (or intends to pursue reimbursement) of the loss through property insurance, litigation or otherwise.
- In cases where a taxpayer does not have a pending claim for reimbursement, the taxpayer may claim as a loss all unreimbursed amounts paid during the taxable year to repair damage to the taxpayer's personal residence

and household appliances resulting from corrosive drywall.

- If a taxpayer does have a pending claim (or intends to pursue reimbursement), a taxpayer may claim a loss for 75 percent of the unreimbursed amount paid during the taxable year to repair damage to the taxpayer's personal residence and household appliances that resulted from corrosive drywall.

A taxpayer who has been fully reimbursed before filing a return for the year the loss was sustained may not claim a loss. A taxpayer who has a pending claim for reimbursement (or intends to pursue reimbursement) may have income or an additional deduction in subsequent taxable years depending on the actual amount of reimbursement received.

California

Changes to Information Return Filing Requirements

Earlier this year, Federal law expanded the filing requirements for information returns. These changes apply to payments made after December 31, 2011.

Every person engaged in a trade or business must now issue information return, Form 1099, when aggregate payments of \$600 or more per calendar year are made to corporations, other than tax-exempt corporations, for specific payments. Prior law required this only for specific payments made to individuals.

Recently the IRS sought public comments on how to effectively carry out the changes. (IRS Bulletin: 2010-29 dated July 19, 2010 Notice 2010-15.) The IRS intends to issue guidance to implement these changes to minimize the reporting burden and avoid duplicative reporting. We will follow this guidance.

We receive copies of federal information returns. When an information return has not been issued, we may deny deductions for amounts paid for personal services.

We may impose penalties for failure to correctly file required information returns.