

President's Message

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June, 2010

The CSTC Summer Symposium is here. Well actually it's in Reno, NV, the "Biggest Little City in the World", and it's happening June 6th through 9th, 2010. There are plenty of good speakers and topics to choose from, so if you're looking for CPE credits this is an excellent opportunity to earn a whole bunch and get some useful information to bring back to your practice. Overall, an outstanding value brought to you by CSTC.

Also, as summer approaches, we hope that you had a great Memorial Day weekend. Not only for the chance to spend some extra time with family and friends, but also as a time to remember those who have made the ultimate sacrifice in the service of our country. Their service, as well as that of all who have served, or are serving, makes it possible for us to enjoy the many freedoms that we have in this great country, including the freedom to pursue the American Dream.

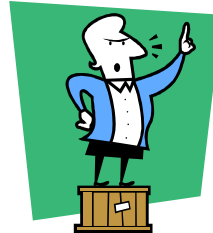
Speaking of remembering...please remember Dad this month. While Moms generally nurture us, comfort us, and teach us how to relate to others; Dads generally teach us how to play ball, fix things, and solve problems. Please note the use of the term "generally" as we are aware that some Moms and Dads do "all of the above". In any case, if we reflect on the role that Dad played in our lives growing up, most of us can probably attribute some of who we are to his influence on us. Happy Father's Day!

Last month, our dinner meeting featured a round table forum about the toughest tax issues that we faced during this past tax season. Based on the few issues that were brought up, apparently most of us didn't have any tough tax issues this year. Luckily, Mike Mergen had a problem return concerning reporting the "short sale" of a rental property and Sondra Cates had a problem audit case involving a taxpayer whose Schedule C business activity could have or should have been reported as a partnership.

This month, our speaker will be Cruz Saavedra, and his topic will be "Reasonable Reliance on Professional Advice". This should be interesting as we all sometimes rely on the advice of other tax pros and our clients certainly rely on us for tax advice. So please come out and join us for an evening of food, fellowship, and valuable education.

Finally, just a reminder about CSTC's goal of "2012 in 2012". That's 2,012 members by the year 2012. This means we have to double our membership within the next two years...(hard), or, each existing member must bring in one new member during the same period...(easy). In the spirit of this campaign, please invite a nonmember colleague to our next dinner meeting and share with them the benefits of becoming a member of CSTC.

Respectfully Submitted,
Rick L. Jenkins, President Orange County Chapter CSTC



Speaker: Cruz Saavedra

REASONABLE RELIANCE ON PROFESSIONAL ADVICE

Taxpayers have always been under risk of audit which may result in additional taxes, interest and penalties. Cruz Saavedra, a frequent speaker before CSTC will discuss recent cases dealing with the interaction between a taxpayer and return preparer when penalties arise from the examination of a tax return.

Cruz will discuss circumstances under which a taxpayer may avoid penalties by invoking the "reliance on professional advice" reasonable cause exception to penalties and what this really means to the practitioner.

Cruz will also discuss when proposed return preparer penalties can be avoided by claiming good faith reliance on information provided by the taxpayer in preparing the return. Related to these subjects is an understanding of the Internal Revenue Code's true test of how much substantiation is lawfully required to support a reasonable deduction when backup is no longer available. The level of proof may surprise you.

CTEC: **1000-CE-3046** Hours: 2 Federal

This presentation, if qualified, has been designed to meet the requirement of the director of Practice of the Internal Revenue Service; The California State Board of Accountancy and the California Tax Education Council, including Code 31 of Federal Regulation 10.6(g).

This does not constitute an endorsement by these groups. A listing of additional requirement to renew tax preparer registration may be obtained by contacting CTEC at PO Box 2890, Sacramento, CA 95812-2890, phone CTEC at 916-492-0457 or on the Internet at www.ctec.org

Dinner "no-shows"

All no-shows of reservations will be billed back to you if not cancelled by the call-in date. Fred will be keeping track if you make a reservation, or are on the permanent list, and do not cancel your dinner reservation. The restaurant charges us for all meals whether you show up or not. Unforeseen circumstances are always taken into consideration on a case by case basis.



On the Web

Additional information about the Orange County Chapter can be found on the web.

For up-to-date information on continuing education, seminars, chapter meetings, this newsletter and more, please visit our website at www.cstcsociety.org

“2012 by 2012”

Society Membership Drive

CSTC is offering a \$25 Education Voucher for any member, in good standing, who brings in a new member (for each new member).



New Members

Flora Aguiar
Robert L Harrison
Gordon Jackson
Eduardo Orue
Pouria Safabakhsh
Paul Shisbey

Anna Cabrera
Denise Hunter
Gitonga Kanampiu
Marti Rogna
Robert Schumann
Anne Tahim

South Orange County Monthly Meeting:

We will have a roundtable forum “Tax Season Issues, Problems, & Solutions” as the topic. The meeting is at 5:30PM Tuesday, May 25th at the Marie Callender’s located at 31791 Del Obispo Str, San Juan Capistrano. The cost is \$29 for members with reservations and \$34 at the door and for non-members. For reservations, please contact Ms. Haydee Robinson at (949) 361-9373. Members: wear your name badge and be eligible to win a Marie Callender’s pie.



2010 Board of Directors

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Classified Ads



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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



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PAM DUNN
(714) 289-0047

Society Address

12419 Lewis Street, Suite 106
Garden Gove, CA 92840
Tel (714) 750-2782
Fax (714) 750-2722

CSTC Mission Statement

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

The chapter newsletter is designed to provide accurate and authoritative information about the subject matter covered. It is provided with the understanding that the publisher is not engaged in giving legal, accounting or other professional service. If legal advice or other expert help is required, the services of a competent professional person should be sought. Statement of fact and opinion are made on the responsibility of the authors alone. They do not imply an opinion on the part of the officers or members of the California Society of Tax Consultants, Inc.



CANCELLATION OF DEBT... in the Real World 2 Day Workshop!!! July 30 & 31, 2010



Lisa Ihm, EA

Feeling a little panicked at the prospect of preparing returns with COD? Afraid you're missing pieces of the puzzle? Worry that you don't know the questions to ask? This seminar is for you!

- Questions to ask in the interview
- Interview worksheet to gather info needed
- Where to get the #s your client can't provide
- Understand why the info on the 1099s is not the info that goes on the return
- Use the internet to determine sale date & price
- Understand how the NEW Reacquisition of Debt Exclusion can help your client
- Calculate depreciation after basis reduction
- Recapture basis reduction upon sale
- Understand how bankruptcy works and how to prepare the debtor's tax return; before, during, and after the bankruptcy
- Detailed checklist to verify return is complete
- Learn how to answer the question, "Should I do a short sale, declare bankruptcy, or let it be foreclosed?"
- Worksheets with Excel formulas to perform all necessary calculations
- All new even more comprehensive textbook

****Bring your laptop and work the cases just like you will in your office (not required)****

Presented by Lisa Ihm, EA. Now you get a chance to actually apply the practical skills she teaches in a workshop format. Her step-by-step approach and practical worksheets help both beginners and experienced preparers get the answers they need to tackle these complex problems.

Location: Phoenix Club, 1340 S. Sanderson Ave., Anaheim, CA 92806
Registration/Check-In: 7:15 am **Seminar starts:** 8:00 am – 4:30 pm
16 hours CE(14 Fed/2 CA) CTEC #1000-CE-3056

CLASS SIZE IS LIMITED. REGISTER EARLY!!!

- Early Bird Registration \$200.00 (through 7/15/10) Nonmember \$ 245.00 (thru 7/15/10)
(CSTC Members ONLY)
- Regular Registration \$220.00 Nonmember \$265.00 *Prior Foreclosure attendee \$15.00 discount

Name _____ E-mail _____ Phone _____
Address _____ City _____ State _____ Zip _____
Circle One: CRTP EA CPA Other License, Registration, or Enrollment # _____

Will you bring a laptop to class? _____ **Continental breakfast & lunch provided each day!!**
Make checks payable to "CSTC-Orange County". Credit Card (Circle One): MC/VISA
Name on card _____ Card # _____
Exp. Date ____/____/____ Security Code _____ Signature _____
Credit Card Billing Address (if zip code from above) _____

Mail registration to: Linda Morlang, 1154 E Yorba Linda Blvd, Placentia, CA 92870
For additional info contact: Linda Morlang, EA, 714-528-4290 Fax 714-528-0675.
email: aregalone@sbcglobal.net

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Can I Call Myself an Accountant?

The Bonnie Moore Case

On August 21, 1986 CAIA (California Association of Independent Accountants) filed suit against the California Board of Accountancy ("Moore vs State Board of Accountancy) on the grounds that the constitutional rights of its members to use the terms "accountant" and "accounting" were being violated by certain enforcement activities of the CBA. The National Society of Public Accountants (NSPA), now called the National Society of Accountants (NSA), and the California Society of Enrolled Agents (CSEA) supported CAIA with funds, support, and amicus briefs to the Court.

The case eventually reached the California Supreme Court which issued its decision on July 2, 1992. The court upheld Ms Moore's right to perform certain audit and report writing functions and said she could continue to call herself an accountant as long as she described her accounting services as being work which does not require licensure by the state. The reason for the modifier was to reduce the likelihood of the public mistaking her for a licensed accountant. The case was appealed to the US Supreme Court which declined to hear the case.

For more information on this topic please visit the CSATP website www.csatp.org and "Right to Practice".



Need a Ride to the next meeting?

It would be an understatement to say that getting around in Orange County is a problem. Some of our members may not be attending monthly meetings because of the hassles of traffic, not being able to drive, or having problems seeing at night. What about sharing a ride to take advantage of the carpool lane? Well what if we could match folks that want to come to the meeting with those that are able and willing to give a fellow member a ride?

If you fall into one of these categories, please call Mike Mergen at 714-417-1834 or e-mail at mmergen@seq.net, or any board member, and we will try to match members from the same locale for ridesharing.

Thank you for those of you who are already ridesharing!

IRS NEWS:

Interest Rates Remain the Same For the Third Quarter of 2010

WASHINGTON – The Internal Revenue Service today announced that interest rates for the calendar quarter beginning July 1, 2010, will remain the same.

The rates will be:

- four (4) percent for overpayments [three (3) percent in the case of a corporation];
- four (4) percent for underpayments;
- six (6) percent for large corporate underpayments; and
- one and one-half (1.5) percent for the portion of a corporate overpayment exceeding \$10,000.

Under the Internal Revenue Code, the rate of interest is determined on a quarterly basis. For taxpayers other than corporations, the overpayment and underpayment rate is the federal short-term rate plus 3 percentage points.

Generally, in the case of a corporation, the underpayment rate is the federal short-term rate plus 3 percentage points and the overpayment rate is the federal short-term rate plus 2 percentage points.

The rate for large corporate underpayments is the federal short-term rate plus 5 percentage points. The rate on the portion of a corporate overpayment of tax exceeding \$10,000 for a taxable period is the federal short-term rate plus one-half (0.5) of a percentage point.

The interest rates announced today are computed from the federal short-term rate during April 2010 to take effect May 1, 2010, based on daily compounding.

[Revenue Ruling 2010-14](#), announcing the rates of interest, is attached and will appear in Internal Revenue Bulletin No. 2010-26, dated June 28, 2010.

IN HONOR OF MEMORIAL DAY!





Calendar of Events

MONTHLY DINNER MEETING - SECOND WEDNESDAY

PLACE: 1340 S. SANDERSON AVE, ANA-

HEIM, CA 92806

COST: \$33 FOR MEMBERS WITH ADVANCE RESERVATIONS

\$40 FOR MEMBERS AT THE DOOR, STAFF/SPOUSE

\$45 GUESTS

OC BOARD OF DIRECTORS MEETING 4:30 PM

TIME: REGISTRATION 5:30 PM

DINNER 6:00 PM

SPEAKER 7:00 - 7:50 PM

BREAK 7:50 - 8:00 PM

SPEAKER 8:00 - 8:50 PM

Excellent Speakers & Topics for Continuing Professional Education Credits for CTEC, CPA's & EA's

UPCOMING EVENTS:

Summer Tax Symposium, Reno NV - June 6th - 9th

Society Events

Summer Tax Symposium, Reno NV - June 6th - 9th

Leadership Workshop, Reno, Nevada

Society Board Meeting September 20th

Society Board Meeting November 15th

OTHER CHAPTER MEETINGS . . .

Greater Long Beach

Last Wednesday monthly

Call Shirley Blanton 562-433-3420

Los Angeles

1st Tuesday monthly

Call John Caven 818-842-5193

South Orange County

4th Tuesday monthly

Call Haydee Robinson

1-949-361-9373

DINNER RESERVATION

Please reserve _____ place(s) for the dinner meeting of the Orange County CSTC on Wednesday, June 9th

All reservations must be received by noon FRIDAY, June 4th or please call by Thursday pm June 3rd.

Name: _____

Enclosed is my check payable to CSTC for \$ _____.

Advance Registration \$33 members only. Members at the door and Staff/Spouse \$40. \$45 non-members

BUFFET: Garden Salad, Caesar Salad, Sliced Seasonal Fruit

Chicken Piccata, Choice of Fish

Potatoes Au Gratin, Steamed Veggies

Carrot Cake, Apple Strudel

Buffet will include hot rolls/bread & butter, coffee (decaf/reg/ hot or Iced Tea)

MAIL TO: **Fred M. Saah**

2501 E Chapman Ave Ste 140

Fullerton CA 92831-5419

(714) 879-9880 ext 105

Fax 714-879-0710 e-mail fsaah1129@aol.com

Name: _____

Address: _____

City, ST, Zip. _____

Registration Number: TPP _____ EA _____ Other _____

Name(s): _____ Affiliation: _____

Guests Name

RESERVATIONS: Notify **FRED SAAH** if you wish to be on the permanent list for the year. Remember that if you are on the permanent list, you must still pay unless you notify at least one day before the missed meeting. Your reservation and payment must reach FRED by noon the Friday before the Wednesday meeting. Members not making reservations will pay \$40 at the door. Guests and non-members pay \$45. All reservations (permanent or not) that are no shows will receive a bill for the missed meeting. (A paid missed meeting does not qualify as a meeting for the free RIA books.) You must cancel by the Tuesday before the Wednesday meeting.



CSTC Orange County Chapter
 1154 E YORBA LINDA BLVD
 PLACENTIA, CA 92886

15 CHAPTERS STATEWIDE

**OUR
 NEXT
 MEETING:
 Wednesday
 June 9th**

TO:

Directions to The Phoenix Club...

Conveniently located off the 57 & 5 Freeways

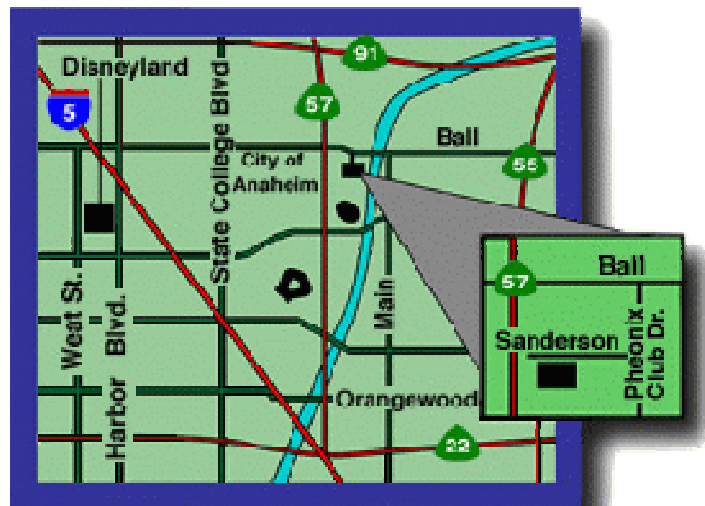
5 Southbound exit Ball Road and follow Ball Road east to Phoenix Club Drive, follow the directions below or...

5 Southbound & Northbound exit to 57 Freeway Northbound then follow directions once on 57 Freeway Northbound

57 Freeway Northbound exit Ball Road, turn right onto Ball Road and drive east to the first signal, which is Phoenix Club Drive then...

57 Freeway Southbound exit Ball Road, turn left onto Ball Road and drive east to the first signal, which is Phoenix Club Drive then...

Turn right onto Phoenix Club Drive. Drive past the auto dealers to the second street on the right, Sanderson Avenue. Turn right onto Sanderson Ave, The Phoenix Club is at the end of the street on the left side.



**Monthly Meeting
 Location:
 The Phoenix Club
 Anaheim, CA**