

CSTC Temecula Valley

PUBLISHED FROM MAY THRU JANUARY ♪ TEMECULA VALLEY CHAPTER OF THE CA SOCIETY OF TAX CONSULTANTS ☺ THE TAX SPECIALISTS CHOICE

Calendar of Meetings

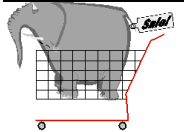
The first Wednesday of each month at 5:30 pm at **Richie's Real American Diner** at 40651 Murrieta Hot Springs Road Murrieta CA 92562 951-696-5504

December 1st — David DuVal EA — **Audit Representation**

January 5th

Correction

White Elephant Sale Fun Meeting Members Free ☺



February 3th (Thru Feb & Mar) — 7:30 am Weekly-Thursdays is the Breakfast **Share & Solve Roundtable** at Richie's, more info in January Edition — Ed.

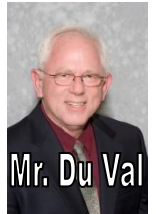
Events of the Interest

IRS Stakeholder meeting San Bernardino 12/1/10

1040 Running Start presented by San Diego Chapters of CSTC & **DAVID GORSICH, E.A.** and **MICHAEL KARLL, E.A.**: Jan 4 (Tue), Jan 6th (Thu), Jan 7th (Fri), Jan 7th (Sat). Jan 7th at California Center for the Arts 340 N. Escondido Blvd Escondido, CA
Tax Bridge: Dec 2 and 3. Anaheim Plaza Hotel

This Month's Speaker:

An Enrolled Agent, David Du Val is currently Director of Tax Services and Tax Instructor for Tax Resources, Inc., which employees many CSTC members. He holds a master's degree in education and has been teaching since 1972. With over thirty years of experience in the tax field, he has prepared thousands of tax returns, has trained, and mentored hundreds of students and aspiring tax professionals. He is a much sought after speaker and has spoken throughout California. He is a member of OCEA, NAEA, and CSTC.



Mr. Du Val

ABOUT TRI

TaxResources, Inc. is the oldest and largest income tax audit defense company in the country. In addition to federal and state audit defense, TRI's services include professional tax return reviews, tax research and advice for individuals and businesses, and special programs to support tax professionals. TRI's strategic partners include Intuit, General Electric Financial, the Medical Society of the State of New York, and numerous other professional associations and organizations. ♯



Question: To be a qualified "Real Estate Professional" the number of hours to prove the material participation for each rental (if the election to treat all rentals as one rental activity has not been made) is....?

A. 100 Hours	C. 730 Hours	E. None of above
B. 500 Hours	D. 0 Hours	

Question: In general, a PLR (private letter ruling) can be use in Tax Court to support your client's position. ¿Verdad o Falso?

I was married by a judge. I should have asked for a jury. — **Groucho Marx** ☺

Temecula Valley President:

Earlier this year I mentioned that CSTC was working on updating our website. Well, that project is well underway and will be up and running on January 1, 2011. The sneak peak we have had looks good. This will be a great source to reach out to new members and to offer online education courses thru the website. Be sure and check it out come the first of the year.



If you are interested in attending the statewide annual meeting for CSTC, that will be held at the **Tax Bridge** on December 2nd at 1:30pm. If you are not attending Tax Bridge, you can still attend the luncheon for a cost of \$20.00. Please RSVP with the home office.

We are firming up our seminar for next year with William Rogers. Our topic will be **“Sales Tax”**. This seminar will be held in September 2011. The location will most likely be at Richie’s Real American Diner once we have secured a date.

I was pleased that 5 members of our Chapter attended Selina’s workshop this month. She gave an excellent presentation. She was well received by those in attendance.

Your Board of Directors voted to keep our monthly meeting fee at \$20.00. Of all the CSTC chapters, have one of the most affordable monthly meetings. This encourages our members to attend and get a valuable education.

Please join us for our December meeting where we will have elections. It looks like we almost have all our officers in place although we still need a secretary and a director or two.

I wish for each of you a joyous holiday season.

Sandi Goodwin ☺



CSTC –Temecula Valley

Meeting Agenda Richie’s Real American Diner
40651 Murrieta Hot Springs Road
Murrieta CA 62562 951-696-5504



- 4:30 PM Board Meeting
- 5:00 PM Networking & Registration
- 5:30 PM 1st Session:
- 6:30 PM Dinner Served 🍴
- 7:30 PM 2nd Session

Members **\$20**
Non Members **\$30**

Cost includes meal chosen from the menu not over \$11.00. Amount over limit paid by member.
Approved by CTEC for 2 hours of Federal Continuing Education Credit (1000-ce-_____)

Officers	2010
President Sandi Goodwin	951-733-8308 mspencil@earthlink.net
First Vice Pres, Selina Steele	951-676-3443 ptc@iinet.com
Acting Secretaries Denise and Elyse	
Treasurer Aurora Schneider	626-675-3883 auroraschneider@yahoo.com
Denise Seyarto Membership Chair	951-677-2847 denisetax@yahoo.net
Director Tim Large	951- 679-6410 Timlargecpa@verizon.net
Director Helmut Schneider	626-675-3883 Helmutschneider57@yahoo.com
Director Elyse Beltz	951-461-3108 QualityAssuredTaxes@airenetworks.com
Newsletter Scribe Dennis Martin	951-926-3065 dennismartin@dslextreme.com
Past Pres. Martha Rush	951-678-5405 Inarush74@msn.com
CSTC Society Budget Liaison	Shannon Henry batestax@aol.com

From the (Editor) Scribe:

The exemption amounts on the sale of a primary residence have not changed. However, the amounts in excess of \$250,000 (filing single) and \$500,000 (filing married) are subject to the new Medicare Tax of 3.8% on investment income starting in year 2013.



Much to the chagrin of Real Estate Professionals, this new tax has been misreported or misinterpreted. In one article, the writer identifies it a sales tax.

Our comprehension to the complexities of the PPACA (Patient Protection Affordable Care Act) is paramount. Clients will ask for clarification in contemplating the sale of their primary residence.

The Medicare tax applies to all investment income. This includes (not all-inclusive) the following: interest, dividends, securities sales profits, annuities, rental income, etc. Those filing single whose annual income is above the \$200,000 threshold and those filing married whose annual income is above \$250,000 are subject to the new Medicare tax. ☺

A complete explanation are found at the following URL: www.snopes.com/politics/taxes/realestate.asp

Sally Freye wore her badge to the meeting and will pay \$10.00 less for the next meeting. ☺

SHORT SALES - new law for January 01, 2011

We all know deficiencies from *non-judicial* foreclosures must be cancelled under California law (do not confuse with judicial foreclosure). Beginning January 01, 2011, these essentially same rules will now apply to first deeds of trust that arise from what is known as the "short sale".



The new law does not extend relief to second trust deeds or HELOCS - the seller will still need to negotiate for settlement/cancellation of any deficiency. If there is agreement to cancel some or all of the second/equity line, the seller needs to obtain a "release" from the note holder for the outstanding amount to "memorialize" the agreement.

The tax treatment would be as we have all been dealing with COD from foreclosures and the variables in connection with the debt.

Given we are so close to the January, many of our clients may want to consider holding off on a short sale unless they can get the lender to agree now to abide by SB 931. This bill still provides note holders the ability to seek restitution for damages to the property by the seller.



The following is text from the bill and the web connection to view the actual bill and analysis.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 580e is added to the Code of Civil Procedure, to read:

580e. (a) No judgment shall be rendered for any deficiency under a note secured by a first deed of trust or first mortgage for a dwelling of not more than four units, in any case in which the trustor or mortgagor sells the dwelling for less than the remaining amount of the indebtedness due at the time of sale with the written consent of the holder of the first deed of trust or first mortgage. Written consent of the holder of the first deed of trust or first mortgage to that sale shall obligate that holder to accept the sale proceeds as full payment and to fully discharge the remaining amount of the indebtedness on the first deed of trust or first mortgage. (b) If the trustor or mortgagor commits either fraud with respect to the sale of, or waste with respect to, the real property that secures the first deed of trust or first mortgage, this section shall not limit the ability of the holder of the first deed of trust or first mortgage to seek damages and use existing rights and remedies against the trustor or mortgagor or any third party for fraud or waste.

(c) This section shall not apply if the trustor or mortgagor is a corporation or political subdivision of the state.

To see the actual bill, go to:

http://www.leginfo.ca.gov/pub/09-10/bill/sen/sb_0901-0950/sb_931_bill_20100930_chaptered.html

	CSTC Society Questions	True	False
#1	A chapter member who visits another CSTC Chapter gets a free dinner.		
#2	CSTC Chapter officers are paid for their time and expenses.		

Expanded Recovery Act Tax Credits Help Homeowners Winterize their Homes, Save Energy; Check Tax Credit Certification Before You Buy- IR-2010-110, Nov. 9, 2010



WASHINGTON — People can now weatherize their homes and be rewarded for their efforts. According to the **Internal Revenue Service**, homeowners making energy-saving improvements this fall can cut their winter heating bills and lower their 2010 tax bill as well. Last year's Recovery Act expanded two home energy tax credits: the nonbusiness energy property credit and the residential energy efficient property credit.

Nonbusiness Energy Property Credit

This credit equals 30 percent of what a homeowner spends on eligible energy-saving improvements, up to a maximum tax credit of \$1,500 for the combined 2009 and 2010 tax years. The cost of certain high-efficiency heating and air conditioning systems, water heaters and stoves that burn biomass all qualify, along with labor costs for installing these items. In addition, the cost of energy-efficient windows and skylights, energy-efficient doors, qualifying insulation and certain roofs also qualify for the credit, though the cost of installing these items does not count.

By spending as little as \$5,000 before the end of the year on eligible energy-saving improvements, a homeowner can save as much as \$1,500 on his or her 2010 federal income tax return. Due to limits based on tax liability, amounts spent on eligible energy-saving improvements in 2009, other credits claimed by a particular taxpayer and other factors, actual tax savings will vary. These tax savings are on top of any energy savings that may result. Use Form **5695**, Residential Energy Credits, to figure and claim these credits.

c/o Dennis Martin
25901 Homeland Ave
Homeland CA 92548

