

The Orange County ENROLLED AGENT

The Tax Professionals

Editor: Dale Quelle, EA • • 714-899-2221 • 14340 Bolsa Chica Rd. #A • Westminster, CA 92683-4868

Volume 2010 - 2011 Issue 11 May 2011

May 17, 2011 Program 2 Hr CPE

Ethics

by Russell Fox, EA

When many of us began our careers, computers filled rooms; today, your cellular phone likely has a more powerful computer than some of those ancient behemoths. Likewise, the world of tax has changed dramatically over the past twenty years. Not only are most returns electronically filed, we face mandates on both the state and federal level requiring us to electronically file returns for clients.



The digital world we live and work in has dramatically impacted our ethical duties as Enrolled Agents. Russell Fox, EA explains how the digital world has changed our ethical responsibilities.



Welcome New Members

Norma Yarbrough EA

Sherry Martin

Kathryn Zdan EA

Dinner Menu

Chicken Cordon Bleu

Salmon

Au Gratin Potatoes

Green Beans Almandine

Caesar Salad

Cucumber Tomato Salad

Sliced Seasonal Fruit

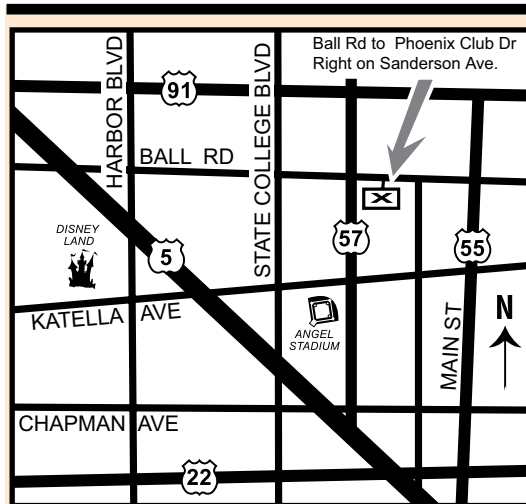
Carrot Cake

German Chocolate Cake

The Vision of OCEA is to serve, to represent the best interests of Enrolled Agents in Orange County, and to emphasize and enlighten the general public that an Enrolled Agent is the premier tax professional.

The Mission of OCEA is to encourage professionalism, personal growth, and educational growth, while providing member benefits and enhancing the role of Enrolled Agents among the local governmental agencies, other professionals, and the general public.

OCEA is 421 Members strong and proud to be the largest Chapter of CSEA.



Meetings are held at the Phoenix Club

1340 S Sanderson Ave, Anaheim, CA 92806

Agenda May 17th

5:00 Board Meeting

5:30 Social Time

6:00 Dinner Hour

7:00 2 Hr CPE Program \$45/\$50

\$35 for Member pre-registration before midnight on the Thursday prior to the dinner meeting; \$40 for on-site registration and for non-members for meetings with 1 hour of CPE credit. Meetings with 2 hours of CPE credit are \$45 and \$50 respectively. To make a reservation go online to our web site www.eaoc.org and select the sign up button next to the event you would like to attend and follow the prompts. If you incur any difficulties signing up contact Donna Miller EA at 562-424-3 088 or Lisa Newton EA at 562-267-0351

PRESIDENT'S MESSAGE

by Russell Fox, EA



There's a television show on Discovery called I Survived. Hopefully you have all survived and made it through tax season and are in recovery mode. I'm writing this on April 20th, and did I enjoy sleeping in yesterday and not waking up to an alarm clock? I suspect that most of you enjoyed the day after, and many of you are probably taking (or have taken) well deserved vacations.

There's a lot happening right now for Enrolled Agents. The IRS announced that registration for Enrolled Agents with social security numbers ending in 4, 5, or 6 will finally be able to file their renewals. The enrollment period will likely begin on June 1st and conclude on August 30th. According to the NAEA, EAs in this cycle should receive a letter from the Office of Professional Responsibility (OPR) regarding their renewals. The revised Form 8554 will probably not be available until June 1st, so we're still in hurry up and wait mode but only for a little while longer.

If you haven't heard Congress passed and the President signed a repeal of the onerous 1099 reporting requirement. You and your clients won't have to send 1099-MISCs to every business you pay money to next January. The legislation also eliminated the requirement for rental property 1099 reporting.

Our next Special Enrollment Exam (SEE) class begins in just a few weeks. The class begins on June 18th and runs nine Saturdays from June through August. We have great instructors—Vicki Mulak, Lisa Ihm, and Norm Schmidt—so this is a tremendous opportunity for those looking to get their EA card. It's just \$1,195 for all three parts if you register by the end of May. There should be an enrollment form within the newsletter or just go online to <http://eaoc.org> and enroll today.

Our next meeting is on May 17th, and we will be having our annual election of Officers and Board members. I'm pleased to see a slate featuring individuals who have not served on our Board in the past. We are always looking for additional individuals to help us; if you have any interest you can talk to any current officer or Board member or any of the individuals on the slate put up by the nominating committee (you can see this slate elsewhere in this newsletter).

Indeed, our Board is always looking for new and good ideas. All members are welcome at the Board meetings (they usually are at 4:30pm before our regular meetings), so if you have some ideas come on out and let us know what they are.

Speaking of May, I will be presenting Ethics in a Digital World. I'll be discussing how the new technology we use impacts our decision making and ethics issues. I'll also discuss the changes to Circular 230 (if it is released prior to the meeting).

Coming in July will be a seminar on cancellation of debt (COD) income given by Lisa Ihm. If you're like me you discovered during this past tax season that COD isn't a one-size-fits-all item. This is an excellent opportunity to learn about a timely and interesting subject.

I look forward to seeing everyone at the May meeting.

-- Russ



The Tax Professionals

President
Russell Fox, EA
13 Leda
Irvine, CA 92604
(714) 225-7877 rcfox@claytonservices.com

First Vice President
John Kristianson, EA
236 Mira Mar Ave
Long Beach, CA 90803-6126
(562) 438-6059, taxmann@earthlink.net

Second Vice President
Donna Miller, EA
2698 Junipero Avenue, Suite 101B
Signal Hill, CA 90755
(562) 424-3088, dmillerea@aol.com

Secretary
Patricia Yeckel, EA
22342 Avenida Empresa #280
Rancho Santa Margarita, CA 92688
(949) 888-2829, pyeckel@canyontax.com

Treasurer
Robin Miller, EA
PO Box 4424
Mission Viejo, CA 92690
(949) 347-8522, taxesbyrobin@cox.net

Directors
Dan Carlberg, EA
550 E Chapman Ave, Suite C
Orange, CA 92866-1641
(714) 774-8129, djcarlberg@sbcglobal.net

Devang Mehta, EA
22632 Golden Springs Dr., #110
Diamond Bar, CA 91765
(909) 861-8100, dmehta@pmaadvisors.com

John Rumbold, EA
3 Winterhaven
Irvine, CA 92614
(714) 425-7202, jrumbold@rfta.biz

Marilyn Ratliff, EA
17821 17th St #270
Tustin, CA 92780-2161
(714) 505-6700, marilyn@btiprofessional.com

David Shashoua, EA
3773 McCray St
Riverside, CA 92507
(951) 328-0800, david@legalrc.net

CaSEA Director
Patti Kappen, EA
31726 Rancho Viejo Rd #215
San Juan Capistrano, CA 92675
(949) 496-1174, patrecea@aol.com

Immediate Past President
Patti Kappen, EA
31726 Rancho Viejo Rd #215
San Juan Capistrano, CA 92675
(949) 496-1174, patrecea@aol.com

Nominees for OCEA Board of Directors

by Joe Guccione, EA

The following names and their positions have been selected by the nominating committee to be placed on the next ballot for the 2010/2011 fiscal year beginning July 1st. The general election will be held at the May 17th dinner meeting. Any regular Member whose name is not on this list may be nominated from the floor by any other regular Member at the election.


- | | |
|-----------|--------------------|
| President | John Kristianson |
| 1st VP | Patricia Yeckel |
| 2nd VP | Donna Miller |
| Treasurer | Robin Miller |
| Secretary | Marilyn Ratliff |
| Directors | Hugh Cunningham |
| | Joseph Dimino |
| | Patricia Patterson |
| | David Shashoua |
| | Victor Silver |



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Seminar Presenters Needed

PROVIDE GUIDANCE TO EMPLOYERS RECEIVE FEDERAL EMPLOYMENT TAXES TRAINING NETWORK WITH NEW AND EXISTING BUSINESS OWNERS REFINE YOUR PRESENTATION AND PUBLIC SPEAKING SKILLS MARKET YOUR PROFESSION AND ORGANIZATIONS

The Stakeholder Liaison field office of the Internal Revenue Service and the Taxpayer Education and Assistance office of the Employment Development Department began pooling resources in its employment tax outreach efforts in 2001. The overall objective of this collaboration was to better educate the Small Business Self-Employed taxpayers in the area of employment taxes by creating a “one-stop” approach to employment tax outreach. In the past four years, we have reached over 15,000 California businesses and independent contractors providing them payroll and employment tax instruction.

To achieve this success we have:

- Developed PowerPoint Presentations
- Created a “Practical (and comprehensive) Example” to aid the understanding and application of Fed and State payroll taxes
- Developed industry specific materials for the construction and cosmetology communities
- Developed the Employment Status Course, a highly interactive course to explain statutory and common law employment as it is applied by EDD and the Internal Revenue Service (IRS).

While this collaboration has been very successful, realities have presented themselves prompting retooling of the existing outreach model. We need qualified and motivated presenters to help educate the public.

Therefore, we are asking you to join us in this educational quest. The IRS will provide technical training and resource materials to those presenters that wish to volunteer to be a part of our instructor cadre. We are excited about the possibility of partnering with you to serve the small business and self-employed community.

Two Day Training Sessions

April 27 - 28, 2011
Internal Revenue Service
1301 Clay Street, 7th Fl South
Oakland, CA 94612

May 25 - 26, 2011
Internal Revenue Service
24000 Avila Road, 2nd Floor, Oceanside Room
Laguna Niguel, CA 93277

This opportunity is open to anyone with a tax or accounting background who has a desire to assist the small business/self-employed community. No prior experience in employment taxes or payroll is required. There is no financial obligation. Your participation is based on your schedule and availability. If you think this is something you and/or your colleagues are interested please contact the point of contact nearest you to RSVP as soon as possible, space is limited.

For further information please contact:

Metro Los Angeles
Metro Los Angeles,
Ventura, Santa Barbara & San Luis
Obispo Counties

Northern California
Bay Area, Fresno, Sacramento
& San Jose

Southern California
Orange County, San Diego, &
Inland Empire

Cathy Ortiz
(213) 833-1227
Cathy.Ortiz@irs.gov

Christella Sanchez
(916) 974-5117
Christella.A.Sanchez@irs.gov

Dan Breece
(714) 347-9244
Dan.E.Breece@irs.gov

SEVEN TIPS ABOUT RENTAL INCOME AND EXPENSES

IRS TAX TIP 2011-45

You generally must include in your gross income all amounts you receive as rent. Rental income is any payment you receive for the use of or occupation of property. Expenses of renting property can be deducted from your gross rental income. You generally deduct your rental expenses in the year you pay them. Publication 527, Residential Rental Property, includes information on the expenses you can deduct if you rent property.

1. When to report income. You generally must report rental income on your tax return in the year that you actually receive it.

2. Advance rent. Advance rent is any amount you receive before the period that it covers. Include advance rent in your rental income in the year you receive it, regardless of the period covered.

3. Security deposits. Do not include a security deposit in your income when you receive it if you plan to return it to your tenant at the end of the lease. But if you keep part or all of the security deposit during any year because your tenant does not live up to the terms of the lease, include the amount you keep in your income in that year.

4. Property or services in lieu of rent. If you receive property or services, instead of money, as rent, include

the fair market value of the property or services in your rental income. If the services are provided at an agreed upon or specified price, that price is the fair market value unless there is evidence to the contrary.



Do you rent property to others? If so, you'll want to read the following seven tips from the IRS about rental income and expenses.

5. Expenses paid by tenant. If your tenant pays any of your expenses, the payments are rental income. You must include them in your income. You can deduct the expenses if they are deductible rental expenses. See Rental Expenses in Publication 527, for more information.

6. Rental expenses. Generally, the expenses of renting your property, such as maintenance, insurance, taxes, and interest, can be deducted from your rental income.

7. Personal use of vacation home. If you have any personal use of a vacation home or other dwelling unit that you rent out, you must divide your expenses between rental use and personal use. If your expenses for rental use are more than your rental income, you may not be able to deduct all of the rental expenses.

For more information on rental income and expenses see Publication 527. This publication can be downloaded from <http://www.irs.gov>.

IRS SPECIAL ENROLLMENT EXAM COURSE

SESSIONS BEGINNING JUNE 18, 2011

The Orange County Chapter of the California Society of Enrolled Agents is offering a review class to prepare YOU for the IRS Special Enrollment Exam. The three parts follow the SEE Exam structure.

- Part 1: Individual Taxation
JUNE 18, 25 JULY 9
- Part 2: Partnerships, C Corporations, S Corporations, Fiduciaries and other topics
JULY 23, 30 AUGUST 6, 13, 20
- Part 3: Practice before the IRS, Power of Attorney, Ethics and other topics
AUGUST 27

Course Fee: Early Bird Registration: April 30, 2011 \$995 for the three parts.
First Registration Deadline: May 31, 2011 \$1,195 for the three parts.
Final Registration Deadline: June 1, 2011 and after \$1,295 for the three parts.
Textbook and online access for test taking is included in the registration fee.

Last date to register on line, June 10th, after, please call Patti Kappen at 949.496.1174 to register.
Registration for taking Parts 1 ,2 or 3 separately available – Call 949-496-1174 for price

Location: South Coast College, 2011 W. Chapman Ave., Orange, CA 92868
Time: 8:30 AM to 3:30 PM
Instructors: Lisa Ihm, EA, Vicki Mulak, EA and Norm Schmidt, EA

Register online at www.eaoc.org or use the form below

Enclose your check made payable to: Orange County Chapter, CSEA. OR charge to your credit card.

_____ Visa _____ MasterCard _____ Amer. Express 3-digit security code _____
Credit card number _____ Exp. Date _____
Your name _____ Signature _____
Address _____ Phone/days _____
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Mail to: Patricia Kappen, 31726 Rancho Viejo Rd. # 215, San Juan Capistrano, CA 92675

Fax to: 949-496-8084 Email: patti@sanjuanfinancial.com or patrecea@aol.com

It is OCEA's policy not to issue refunds once a registrant has registered for an event or class. However, a written refund request can be submitted to OCEA's treasurer by the next board meeting for consideration by the board in the following three cases: (1) Cancellation at least 72 hours before the event, or (2) a medical emergency preventing the registrant from attending the event, or (3) a death in the family.

CLASSIFIEDS

Tax season has come to an end, and many of us are heaving a sigh of relief. That being said, some of us would now like to retire or quit. Arlington Business Services, Inc., is interested in talking to any practitioners thinking of selling their practice. If that is the case, please contact our office so we can talk to you directly, or e-mail us at david@legalrc.net. Please ask for Joseph Sheinin, or Mr. David Samuel Shashoua, JD, LLM, EA, if you are interested. 05/11

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TAX PRACTICE WANTED: Looking to purchase a small to medium tax book of business. Currently practice in Irvine serving individual, corporate, partnership and trust clients. Please contact John Rumbold, EA, CFP® at 714-452-7202 or jrumbold@rfta.biz. 01/11

ARE YOU SELLING A TAX PRACTICE? Enrolled agent with 36 year's experience is seeking to purchase a tax practice of 100-250 clients in the North Orange County area (Fullerton, Anaheim, Buena Park, La Mirada). Please contact Kenneth Clark, EA at (562) 902-9169 or kennethwclark@hotmail.com 12/10

EA SEEKING EMPLOYMENT on a year-round position. Experienced in audit representation, return preparation, tax office management. Accounting and computer degrees. Client base builder. Knowledgeable and personable. For resume or any questions call Hugh Cunningham (714) 803-0300 or email HughTax@GMail.com 11/10

ISN'T IT ABOUT TIME YOU GOT YOUR OWN OFFICE? The Coronado Building in Tustin, is offering a few single-office monthly rentals to help people move into a commercial office building with ease. Conveniently located on Irvine Blvd. and the CA 55 freeway, the building is very nice, and well maintained. There is no long-term lease to worry about. Rents run from \$165 to \$275 per month - with free Wi-Fi included! For an additional \$10 per month it comes furnished, and parking is always free. Contact Ken Noland or Rita Downs at (714) 505-0015 for a showing. 11/10

Classifieds available for OCEA Members & associates to advertise items for sale or rent, want ads & employment opportunities. Ads run for 2 consecutive months free of charge (longer based on space available. Let us know when your ad is no longer needed). Email to 4quelle@msn.com or FAX to 714-899-2224. Include your name & phone number or email.

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OCEA Newsletter Editor
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UPCOMING PROGRAMS & EVENTS

<u>DATE</u>	<u>PROGRAM / EVENT</u>	<u>CPE</u>	<u>SUBJECT</u>	<u>LOCATION</u>
May 17th	Dinner Meeting	2	Ethics	Phoenix Club
June 18, 2011	Review Class		IRS SEE Course Pt. 1	South Coast College
July 23, 2011	Review Class		IRS SEE Course Pt. 2	South Coast College
Aug 27, 2011	Review Class		IRS SEE Course Pt. 3	South Coast College