

PSEA

2012-2013

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PSEA

PENNSYLVANIA SOCIETY OF ENROLLED AGENTS

POWERING AMERICA'S TAX EXPERTS

PA EA ALERT

Volume 22 Issue 4

May, 2013



Hello, PSEA Members,

Recently I had an opportunity to fly kites with two young children. Neither had ever flown kites before and were both fascinated with the process of getting a kite to finally take flight. We spent long minutes gauging wind speed and direction, waiting for that perfect moment to take off running across the field, kite in hand, ready to be released. More often than I cared for, just as the kite was being picked up by the wind, the breeze would disappear and the kite would crash to the ground. Although I was annoyed, the children treated the frequent crash and burns as part of the process and were even more excited when the kites finally stayed high above us in the sky, buffeted by the winds.

As I stood in the field with the two kids, correlations between kite flying and tax preparation kept coming to mind. This past year in particular resonated. As I waited for the wind and forces beyond my control, I was remembering waiting through the late start to the season because Congress was delayed in making laws for this season. The extra weeks the season was pushed back caused a backlog of clients before the season ever officially began.

Watching the kites struggle in the wind, trying to find purchase, was reminiscent of tax season as a whole. More and more tax professionals have told me this year was among the most difficult they have ever had. It was a season fraught with late and difficult clients, missing or amended information and delay after delay.

Of course, I'm sure everyone can imagine my thought as I watched the first glorious crash by one of the kites: *Loving*, the court decision that rocked the IRS and RPO office. The court decided the IRS did not have the authority to require licensing of tax professionals and adjourned them from continuing the registered tax return preparer program. The IRS has appealed and is trying to play out the dying breeze of the program as long as they can.

As I continued to think about tax season while we flew our kites, I actually lost interest in the activity at hand. But when I saw the enjoyment on the face of my nephew and niece, I realized it did not matter that the string kept getting twisted, or that as soon as I thought the kite was going to fly, it suddenly crashed, or that the wind seemed to always blow opposite of how we were moving, the process and the preparation leading up to it was still fun. That anticipatory look on the kid's faces, of knowing a sense of satisfaction lies just around the corner, is how I feel about tax preparation. It does not matter what the problems are, I keep doing it every year because I enjoy it.

Many of you feel the same way and that is why we continue to offer the fEAs every June. It provides a great way to wrap up the bulk of the preparation season and to network with fellow peers. I hope to see you all in State College this year and hear your stories of the past season.

Until then, may your kite find a strong headwind,

Samantha



What's happening at the IRS

Brian Finn, Area Manager for Stakeholder Liaison is retiring on May 31, after 37 years of service with the Internal Revenue Service. We thank Brian for his work with Working Together, his support of PSEA and of Enrolled Agents. We wish you well in your retirement, Brian!

Form I-9 Revised March 8 2013

In case you missed it, the Department of Homeland Security and U.S. Citizenship and Immigration Services has revised the Form I-9, Employment Eligibility Verification. The former version had an expiration date of August 31, 2012.

This latest version has a revision date of March 8, 2013, and an expiration date of March 31, 2016. This March 9, 2013 version should be used for all new hiring. The form has not changed in what it contains. Items have been moved around a little and the type style is larger and easier to read.

Just as a reminder, Section 1 of the I-9 is required to be completed by the employee no later than the first day of employment and it should never be completed before the employee has accepted a job offer. Section 2 of the I-9 is required to be completed within 3 business days of the employee's first day of employment. Employers or their authorized representative must physically examine each identification document. The employer may, but is not required to, photocopy the document(s) presented. If photocopies are made, they should be made for ALL new hires or reverifications. Such photocopies must be kept with the Form I-9.

The employer is required to keep the completed form for the entire time of the employee's employment. Once the employee's employment ends, the employer must retain the form for either 3 years after the date of hire or 1 year after the date employment ended, whichever is later. Any photocopies of documents made by the employer must be kept with the Form I-9.

A copy of the revised form can be found at <http://www.uscis.gov/files/form/i-9.pdf>. We can also send you a pdf copy attached to an email upon request.

IRS Nationwide Tax Forums 2013 Locations and Dates

ORLANDO, FL	Hilton Orlando	July 9 - 11
GRAPEVINE, TX (Dallas)	Gaylord Texan Resort and Convention Center	July 30 - August 1
NEW ORLEANS, LA	Hyatt Regency New Orleans	August 13 - 15
ATLANTA, GA	Atlanta Marriott Marquis	August 20 - 22
NATIONAL HARBOR (DC)	Gaylord National Resort and Convention Center	August 27 - 29
SAN DIEGO, CA	Town and Country Resort	September 17 - 19

Please go to IRS.gov for more detail.



What's happening in our state

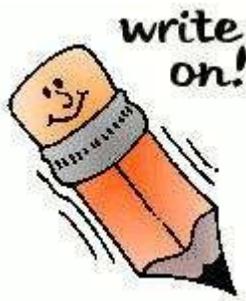
Using etides, Pa municipal statistics and the PA UC site.

After having some problems with printing forms from etides and accessing information at the PA Municipal Statistics site, I have learned that these programs, as well as the Unemployment Compensation site do not work properly when using Google Chrome. So here is a heads up...use Internet Explorer or Firefox to avoid problems.

PA SCHEDULE SP

As most of you are aware there have been some changes in determining eligibility income for Schedule SP. One area where my clients were hard hit was including Retirement distributions with Code 4, distributions due to death, as inheritance income. This hit a number of my widow rather hard this year. When you consider you can have unlimited retirement income and still qualify for forgiveness, it seems a shame a widow on a very limited income is knocked out because she gets a widow's pension. I am suggesting we all consider suggestions to our lawmakers on how to make this a little more equitable. I would like to see PSEA come up with a plan and make the effort to get our lawmakers to understand how this actually works. Please give me your feedback.

Kathryn S. McCusker, EA



Comments or articles are always welcome as a contribution to our newsletter. Let us know if you like our newsletter, or what we are missing an opportunity concerning.

I've heard from many tax professionals that this tax season was particularly difficult. Yes, we all know that the delay by the IRS until the end of January was a major factor, that there were technical issues with delayed forms. That some refunds were held up for months.

What did you experience during this season and how did you combat the issues. We can all learn from the experiences of others.

Send your comments, thoughts, experiences to me for our next newsletter.

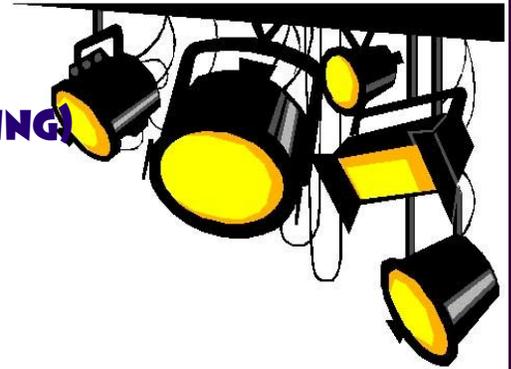
Diane S. Kenerup, EA dkenerup447@epix.net

FEAST IN THE EAST 2013 (FINEST ENROLLED AGENT SEMINAR TRAINING) JUNE 10–11, 2013

Days Inn, South Pugh Street, State College, PA



APPROVED
CONTINUING EDUCATION
PROVIDER



Monday, June 10 – 8 am to 5 pm (Registration and Continental Breakfast at 7:30 am)

We have **Beanna Whitlock, EA** coming to impart her unique version of taxes, wisdom and wit!
Tax Potpourri
Ethics & Professional Conduct
Family Limited Partnerships
Preparation vs. Representation

Tuesday, June 11 – 8 am to 5 pm (Registration and Continental Breakfast at 7:30 am)

We also welcome Linda Bleil, EA, Chuck Potter and Rich Furlong
1041 Issues – bring your questions, issues and problems!!
Marcellus Shale Taxation
"IRS Spotlight"

Both or either day registration is available. The cost to PSEA members is just \$145 (\$95 per member to attend one day). Your non-PSEA colleagues are welcome to come for \$175 per day or \$300 for both days. Each day includes Continental breakfast, two refreshment breaks, lunch and all handout materials. Spousal meals (Continental breakfast, breaks and lunch) are available at \$40 per day extra.

Don't miss this opportunity for networking AND great Continuing Education at a super price! Room rates are just \$75/85 + tax for a single and \$80 + tax for a double. Be sure to mention PA Society of Enrolled Agents (group code **CGENRS**) when calling for your reservation - **800-258-3297**. The Room Block special rates expire on May 23, 2013.

Note - Due to new OPR regulations, our Continuing Education will be available to all participants providing their correct PTIN.

DINNER AND ANNUAL MEETING 2013

The Annual Meeting for members of the Pennsylvania Society of Enrolled Agents will be held on Monday, June 10, 2013 from 5:30 PM to 7:00 PM. The Meeting will be at the Days Inn, 240 S. Pugh Street, State College, PA 16801.

As has been done the past few years, PSEA is offering dinner, at no charge, to those members who **attend** the Annual Meeting. However, since we need an exact count, you will need to tell us that you will be attending the Annual Meeting and staying for dinner. You may bring one guest (spouse, significant other, co-worker, etc.) to dinner with you at no charge. Sorry, but we can not accommodate walk-ins. Due to the expense to the organization, you will be billed \$35 per meal should you fail to attend.

**2013 fEAst and Annual Meeting
REGISTRATION
Register by May 31, 2013
(Please complete 1 registration per attendee)**

Name: _____

Address: _____

City, State and Zip _____

Telephone _____

Email _____ (required for confirmation)

PTIN _____ (required for CE) EA # _____

fEAst:	Member Rate	Non-member Rate
2 days (16 hours)	\$145 _____	\$300 _____
- or -		
Monday only	\$95 _____	\$175 _____
Tuesday only	\$95 _____	\$175 _____
Spousal Meals at \$40 per day –	Mon _____	Tues _____

Total \$ enclosed _____

Annual Meeting (PSEA Members Only):

I will be attending the annual meeting and dinner- Yes _____ No _____
 I have a guest attending the dinner - Yes _____ No _____

Dinner choices:	Member	Guest
New York Strip Steak Gorgonzola –	_____	_____
Grilled Double Pork Loin Chop –	_____	_____
Cranberry Chicken Breast -	_____	_____
Hearty Vegetable Parcel –	_____	_____

NOTE – “No shows” will be billed \$35 per meal.

Mail with check *sorry, cannot accept credit cards* to:
 PSEA FOE
 444 Pensyl Creek Road
 Stroudsburg, PA 18360
 BY 5/31/2013

Why Should You Come to fEAst in the EAst in June?

By Linda S. Bleil, EA

It's been almost 23 years since I passed the Enrollment Exam and got my EA card. I immediately joined NAEA, which also put me in the Pennsylvania Society and that was truly a blessing for me and my practice. Along the way, I have met so many wonderful people who were there to answer my dumb questions and encourage me to broaden my knowledge of representation.

One of those people was Bob Nugent, EA from the Philadelphia area. Now there's a man who lives and breathes PSEA and the representation field. Because of his encouragement, I enrolled in the National Tax Practice Institute classes in 1996 and there I met Beanna Whitlock (who was an inaugural member of NTPI). A tiny package of dynamite if I ever met one!! Let me tell you...if you have never met or heard her presentations, you need to come to fEAst next month. This spunky lady has more than 45 years' experience in tax preparation, representation and planning. She has helped clients in Houston, Plano, San Antonio, Reno and countless cities in other states resolve their issues with the IRS and she does it with great dignity and vast knowledge.

In addition to her practice (Whitlock Tax Service LLC) Beanna is a frequent lecturer to tax professional organizations across this great country. Beanna also served as Director of National Public Liaison for the Internal Revenue Service in 2003 and 2004, responsible for IRS Commissioner relations with tax professionals, state and local governments and Congress. Best of all – Beanna is so down-to-earth and wants to take care of her clients always and in all ways.

You won't want to miss out on her presentations on Ethics, Family Limited Partnerships, Preparation vs. Representation and a Potpourri of Tax Issues (right after lunch on Monday to keep us awake since meals tend to make us sleepy). We are indeed fortunate to have her with us all day, June 10th. And hey, the speakers on Tuesday are a great trio as well. Remember – fEAst in the EAst stands for Finest Enrolled Agent Seminar Training. Please join us!!!

Awards Committee:



The Awards Committee is pleased to announce that we will be presenting a member of PSEA with the 2013 Member of the Year Award during our Annual Meeting on Monday June 10. If you know of a member who has worked diligently to better PSEA and help raise public awareness about the Enrolled Agent designation, let us know. Please submit your nomination with a brief explanation of why you think this person should be recognized to Lisa McAllister, EA by Friday, May 31 at lmcallister@springmillpartners.com.



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Reminders

King of Prussia Breakfast Meeting

Every month, except during tax season, a small group of EA's and tax professionals get together for a 9AM Breakfast and to discuss questions and problems that come up in our practices.

Michael's Restaurant & Delicatessen
130 Town Center Road
Valley Forge Center, Route 202
King of Prussia, PA

Directions: Michael's is on Town Center Rd in the Valley Forge Center which is one mile north of King of Prussia Mall on Rt 202.

June 5, 2013
July 3, 2013
August 7, 2013

September 4, 2013
October 2, 2013
November 6, 2013

December 4, 2013
January 8, 2014

SAVE THE DATE - MAYBE

The next **Western PA Working Together Conference** is scheduled on Thursday, September 19, 2013, at the Regional Learning Alliance in Cranberry, PA. This is the same location as last year.

This year's energetic agenda will include such topics as:

- Hot Topics & Liaison Issues
- PA Department of Revenue and PA Department of State
- IRS Audit /Examination Issues
- Non-Profits (Federal vs. State)
- Collection Issues – if anything new
- S Corp/Partnerships/LLCs
- Federal Estate vs. PA Inheritance Tax

We have invited **Nina Olson, Taxpayer Advocate Office** to be the Keynote speaker.

8 CPE credits will be offered at the cost of \$85 if registered and paid by September 1st. Following that date, cost increases to \$110. The fee also includes a continental breakfast, hot buffet lunch, and afternoon cookie break.

We will be finalizing plans for either going forward with the Conference or cancelling it at our Steering Committee Meeting on May 17th. That's why the MAYBE in the heading. The Western PA Working Together Conference could end up going the same way as the Eastern PA Working Together Conference.

More information coming your way. . .

If you have any questions, please contact Bill Matesevac, EA at wpmatzea@windstream.net or 724-468-5086

Working Together—East

The Steering Committee for the Eastern Pennsylvania Working was recently informed by Senior Stakeholder Liaison Richard Furlong that as a consequence of recent developments with the IRS budget/sequestration/furlough situation, we are not in a position to go forward with the Working Together Conference on May 22nd at Penn State Great Valley. Also, the South Jersey Working Together Conference at Rowan University will not be held on June 6th as we had planned.

As the realities of impending budget related cutbacks due to sequestration accelerated dramatically in recent weeks it has become clear to Mid-Atlantic Area Stakeholder Liaison that a Working Together event is not possible this spring.

Members of the Steering Committee are working diligently together to see if it is possible to present a Working Together event in Eastern PA in 2013. As information becomes available, we will post information to the website.

Despite the fact that all IRS travel is now under several levels of scrutiny, we are pleased that Richard has still received approval to attend and present at fEast in the East.

Nominating Committee Report

The Nominating Committee is pleased to present the following candidates for the 2013 - 2014 PSEA Board of Directors:

President:	Samantha Stewart, EA
First Vice President:	Mary Anne Jesse, EA
Second Vice President:	Lisa McAllister, EA
Treasurer:	Lynda Moscatello, EA
Secretary:	Aaron Shirk, EA
Directors:	Diana Dugan, EA
	Kathy McCusker, EA
	Mark Breon, EA
	Barbara Richardson, EA
	Bill Matesevic, EA
	George Meyers, EA

The Board is very grateful to all of the members who have served over the past year. Many thanks to Lincoln Fajardo, EA, Diane Kenerup, EA and Ed Sukolske, EA for their service and dedication to the organization! A very special thanks to Kathy McCusker who has served for several years as the Secretary to the Board. We all appreciate your diligent minute taking and are grateful that you still wish to serve as a Director!

If you are interested in becoming more involved in PSEA, please contact any officer or director. For a complete list of Board members with contact information, go to <http://paenrolledagents.com>.



Our new members. PSEA wishes to welcome you all. Please let us know who you are

Last, First	Designation	City	State
Abdullah, Mikal	EA	Philadelphia	PA
Blessing, Kamila	EA	Valencia	PA
Herman, Leonard	EA	Tobyhanna	PA
Jones, Georgianna	EA	Glen Mills	PA
Lockcuff, Poincia		State College	PA
Maina, George	EA	Chester	PA
Maul, Matthew	EA	Wrightsville	PA
Nave, David	EA	Norristown	PA
Snyder, Dwayne	EA	Nazareth	PA
Thomas, LaVerne	MBA, CVA, EA	State College	PA
West, Diane	EA	Mansfield	PA

*From the desk of Lynda Moscatello, EA
Treasurer for Pennsylvania Society of Enrolled Agents*

Balance Sheet

	<u>Apr 30, 13</u>	<u>Apr 30, 12</u>	<u>\$ Change</u>
ASSETS			
Current Assets			
Checking/Savings			
PNC Checking	10,690.76	11,260.49	-569.73
PNC Money Market	<u>28,215.07</u>	<u>20,450.19</u>	<u>7,764.88</u>
Total Checking/Savings	38,905.83	31,710.68	7,195.15
Other Current Assets			
Undeposited Funds	<u>0.00</u>	<u>418.00</u>	<u>-418.00</u>
Total Other Current Assets	<u>0.00</u>	<u>418.00</u>	<u>-418.00</u>
Total Current Assets	38,905.83	32,128.68	6,777.15
Fixed Assets			
LCD Projector	<u>257.99</u>	<u>427.99</u>	<u>-170.00</u>
Total Fixed Assets	<u>257.99</u>	<u>427.99</u>	<u>-170.00</u>
TOTAL ASSETS	<u>39,163.82</u>	<u>32,556.67</u>	<u>6,607.15</u>
LIABILITIES & EQUITY			
Equity			
Unrestrict (retained earnings)	25,374.29	17,629.13	7,745.16
Net Income	<u>13,789.53</u>	<u>14,927.54</u>	<u>-1,138.01</u>
Total Equity	<u>39,163.82</u>	<u>32,556.67</u>	<u>6,607.15</u>
TOTAL LIABILITIES & EQUITY	<u>39,163.82</u>	<u>32,556.67</u>	<u>6,607.15</u>

	<u>Jul '12 - Apr 13</u>	<u>Jul '11 - Apr 12</u>	<u>\$ Change</u>
Ordinary Income/Expense			
Income			
Dues Income	16,212.50	16,525.00	-312.50
Initiation Fees	396.00	612.00	-216.00
Interest Income	18.21	9.65	8.56
Total Income	<u>16,626.71</u>	<u>17,146.65</u>	<u>-519.94</u>
Expense			
Board Meeting	1,891.32	1,709.17	182.15
Membership	93.59	0.00	93.59
NAEA Meetings	0.00	0.00	0.00
Sunshine Fund	0.00	100.00	-100.00
Telephone	252.22	254.89	-2.67
Website	175.05	215.05	-40.00
Working Together	550.00	0.00	550.00
Total Expense	<u>2,962.18</u>	<u>2,279.11</u>	<u>683.07</u>
Net Ordinary Income	<u>13,664.53</u>	<u>14,867.54</u>	<u>-1,203.01</u>
Net Income	<u>13,664.53</u>	<u>14,867.54</u>	<u>-1,203.01</u>