



Michigan



MICHIGAN CHAPTER - NATP

National Association of Tax Professionals

MI-1040 REPORT

www.MI-NATP.ORG

APRIL 2010

PRESIDENT & VICE PRESIDENT'S REPORT

WE MADE IT!

We made it! Here we are taking a breather. We can now join our families and friends for meals and weekends and maybe even a vacation! Wow think of that! Recharging our batteries is top priority before the next round of extensions and earning our CPEs for the year.

IRS has proposed a new requirement for Tax Return Preparers that affects everyone except active CPAs, Attorneys and Enrolled Agents who are using PTINs.

Phase one of the program has been tentatively set: September 1, 2010 will launch registration of all paid preparers

January 1, 2011 – Require all paid preparers to be registered with the IRS and begin using their assigned PTIN (Preparer Identification Number)

January 1, 2011 – Begin new 15 (fifteen) hour annual continuing education requirement.

Then follows Phase Two:

April 1, 2011 - Launch competency testing, continuing education tracking, renewal capability and tax compliance checks

To be announced – Launch public database of registered preparers.

MI Chapter-NATP will be working with NATP National to make sure all members have courses to prepare them for the exam. We will continue to offer continuing education credit classes as required.

I hope many of you will join me and other members at our National Convention to be held in Austin, TX. You will find a wide variety of classes to choose from along with many chances for networking and education credits!

Before we go to National Convention, please join us at the Michigan Convention in Traverse City on May 20 & 21. Jean Millerchip, Vice President of the National Board of Directors from Nutley, New Jersey will be here to share information about NATP National with us.

The registration fee includes continental breakfast and lunch both days. There is an afternoon snack both days and the banquet with entertainment on Thursday evening. This year's convention provides superb information in a magnificent setting!

Val Anderson, E.A. President

Preparing for a New Era

IRS has finally said the time is here to be licensed. Not my favorite decision, but for us Tax Professionals it will have a positive effect! It will encourage education and require it. That alone leads to a positive outcome. Now is the opportunity to be ahead of the other Tax Professionals in the industry by attending our Michigan convention in Acme, MI at the Grand Traverse Resort. While the last four months are fresh in your mind, this is a great opportunity to get those questions answered!

Now, don't be fooled by the word convention. This is truly an EDUCATIONAL EXTRAVANGZA. Two days of sharing ideas and cases with fellow Tax Professionals who have just gone through the same stressful four months. This is all located at the Grand Traverse Resort, which is the site that our members chose as their preferred location.

This is an excellent opportunity to get your Ethics requirement in if you are an Enrolled Agent. Kevin Huston, E.A. is presenting, not in the traditional format, but in a new and exciting Jeopardy format where you will participate in the decision on what is ethical. Kevin, a nationally recognized speaker from Asheville, North Carolina, will also be discussing basis issues and how to prepare the Final 1040 for our deceased clients.

Questions about 1099C's? Did you have any clients with cancellation of debt this year? I bet you did! Marilyn Meredith, E.A., will help you decide how to deal with the tax consequences.

W-2G's? Love them or hate them? Did you have any lucky client gamblers this year? Byron Kuxhaus J.D. E.A. will lead a thought provoking discussion on how to deal with these "Lucky" clients!

Those discussions and seminars are what's in store for Thursday! After an evening of entertainment and great food at the banquet, we start another day of great topics and speakers! Check out our Convention flier or our website for the complete list of topics available. The exciting thing about the Friday sessions is that you have your choice of topics in the afternoon. We are offering break-out sessions to allow you to choose what topic you want. You will have material from all the sessions to take back to the office with you, but you get to choose what seminar you want a more detailed discussion on.

I am looking forward to seeing you in attendance!

Glen Mitchell, E.A. Vice President

Tax Professionals and the IRS Working Together Conference

New IRS rules for tax preparers makes this conference more important than ever. Meet the people behind the face of the IRS at this one day conference aimed at enhancing working relationships between the IRS and Tax professionals. Hear about new standards and IRS updates straight from the source and take advantage of this unique opportunity to network with IRS staff.

Date: June 17th, 2010 Time: 8:00am to 5:00pm

Cost: \$129 8 CPE Credits

Location: Rock Financial Showplace, 46100 Grand River Avenue, Novi, MI 48374

Contact: Michigan Association of Certified Public Accountants

Phone: 248-267-3700 Web: <http://www.michcpa.org/Public/Conference/Description.aspx?CourseID=10IRS>

Michigan Corrected 1099G's and Proof of Sale of Personal Residence

MI Department of Treasury sent out corrected 1099Gs because they had included earned income credit as taxable on the original 1099Gs and had not included some voluntary contributions that they should have included. Taxpayers may need to file an amended Federal Return if they used the original 1099G amount. Earned Income Credit is not to be included in income since it is not a deduction. However, voluntary contributions are to be included in income and then may be deducted if the taxpayer itemizes deductions.

Michigan Treasury continues to require proof of the sale of a Michigan residence at a loss. They want the documentation. In the current economy usually that means a copy of the buy and sell statements. These are known as the HUD statements.

Guest Speaker Biography Kevin C. Huston E.A.

Kevin C. Huston E.A. is the President of Blue Ridge Tax Advisors, Inc in Asheville, North Carolina. Kevin grew up in Kalamazoo, Michigan and received his B.S. degree in Business Management from Oakland University in Rochester, Michigan and his M.B.A. in International Business from Georgia State University in Atlanta, Georgia. Kevin has earned the Chartered Financial Consultant (ChFC) and Certified Life Underwriter (CLU) designations from The American College in Bryn Mawr, Pennsylvania. He is a Graduate Fellow of the National Tax Practice Institute of the National Association of Enrolled Agents. Kevin has been a nationally known tax instructor for several years and has authored several tax and financial articles for professional journals.

Banquet Entertainment May 20th, 2010

Entertainment for the banquet is a legend in the Magic World! For over 40 years Hank Moorehouse has been entertaining and WOWing the crowds! Hank Moorehouse, who is on the governing board for the Society of American Magicians, has many accolades. Hank is known worldwide for his Master of Ceremonies duties, his contagious funny humor and his Schedule K1 or the "K"nowledgeable "One" as a Master of Prestidigitation.

As Hank slows down this year, he still has many dates in numerous states plus Italy and England. Be prepared to laugh and Schedule A-musing fun for the banquet on May 20th, 2010. Schedule C for Comedy, Schedule L for Laughs and Schedule M for Magic!

MICHIGAN CHAPTER-NATP WELCOMES OUR NEW MEMBERS!

Sandra Abercrombie	Patrick Banks	Michele Bittner	Justin Bock	April Brown
Clement Coulombe	Pamela Davis	John Dillon	Deborah East	Richard Feight
Natalie Gustafson	Scott Hackney	John Haley	Adel Hanna	Amanda Harman
Thomas Jennens	William Kane	Annette Kelly	LeRoy Lewis, III	Valonda Little
Michael Melvin	Jacqueline Miaso	Michael Mullins	Gary Nowitzke	Kenneth Ohs
Irene Piwowarski	Sharon Roy	Wilma Russell	Greg Schmid	Rita Selliman
Michael Smith	Shirley Snyder	Brian Sommerfield	Rita Talamonti	Hussein Tarraf
Eldon Vincent	Patrick Wardrop	Cedric Webster	Shanari Williams	

MISCELLANEOUS MICHIGAN ITEMS FROM "2009 TAX SEASON"

- 1.) **For MBT**, can Amish and others that are exempt from SE Tax, subtract the profit from Schedule C/Partnership ?
Answer: Yes. The only requirement is that the taxpayer qualify as Self-Employed.
- 2.) When qualifying for the **additional exemption** on MI-1040, do you use the gross unemployment received or the net amount after the \$2,400 is excluded? Answer: NET. Unemployment benefits, up to \$2400, excluded from AGI cannot be used to determine whether a taxpayer may claim this additional exemption.
- 3.) My city/township includes **trash pick-up** in my real estate tax bill. This makes the trash pick-up deductible as taxes. Answer: Maybe. If the trash pick-up is based on a millage rate that is assessed to all, this is a deductible item. However, this seldom happens. Usually the trash pick-up is a flat amount per dwelling with no reference to taxable value or millage rate. Example: City of Detroit assesses each dwelling \$300 for trash pick-up. This is a non-deductible item.
- 4.) **Food Bank/Homeless Shelter Credit**: Salvation Army's Bed & Bread Club does **NOT** qualify for the credit.
- 5.) Did any of you receive a letter requesting **proof of any of the 3 credits on the MI return?** If so, was your client able to support the credit?
- 6.) A daughter **inherited an IRA** from her father who was not retired at time of death. Can the daughter deduct this IRA on her MI tax return (she is age 6)? ANSWER: NO Only one that can deduct inherited IRA legally is the spouse of one who would otherwise have qualified.
- 7.) My client claims she never received her **MI-1040-ES vouchers**. Therefore, she did not do estimates even though she always had. What are chances of getting out of penalty? Is there an answer??
- 8.) **THE ENERGY COST RECOVERY SURCHARGE CREDIT**: A refundable credit that is based on an itemized surcharge (max \$3/month) that appears on residential electric bills. Credit is available to both owners and renters who pay electric bills and have actually paid the surcharge. The taxpayer must have AGI of less than \$65,000/\$130,000 for the year. The credit is \$3 per meter for 2009, going up to \$7.20 for 2010 and 2011. You did not forget to do this, did you?
- 9.) **Michigan Good Things**: 1) I sent one of my employees to the Sales Tax One-Day Seminar and she came back with some very good information and useful contact information for getting technical questions answered. It was very well run; good questions from the attendees; and the written information was helpful. She has since used that contact information to get some technical questions answered correctly. 2) In previous years, it was difficult to get information about rates from the Michigan Unemployment people. This year, they have been very helpful and seem to recognize that we are the people who can keep clients on the correct path.

Newsletter Committee

Val Anderson
Jim Barry
Jerry Coon
Susan Cullen
Jon Garlick

Kristina Hornaday-Alberts

Byron Kuxhaus
Esther Liebetreu
Brian Meredith
Erlinda Meredith
Marilyn Meredith
Candy Mitchell
Glen Mitchell
Bill Pratt
Lisa Smith

Ray Wojciechowski

Heather Worden
Larry Zimble
Mary Zimble

**WATCH FOR FLYER WITH DATE/TIME/LOCATION
OF "2 FOR 1" SEMINAR IN SEPTEMBER**

2 FOR 1

**Featuring: Home Ownership is like a Sweet Tart.....
Sometimes Sweet, Sometimes Sour!**

Board Positions Open in 2010

During the May 2010 Convention in Traverse City you will have the opportunity to join your Michigan Chapter NATP board of directors. There are 4 positions open.

The regions are:

- Region 1** Upper and Lower Northern (currently held by Roger Voss)
Region 2 West Central Lower (currently held by Jerry Coon)
Region 4 Thumb Area (currently held by Marilyn Meredith)
At-Large All areas needed (currently held by Glen Mitchell)

Please consider yourself or someone else you feel would be another strong member within your Michigan chapter. Please contact **Kathy Bozman** at kbozman1@comcast.net if interested in running.

MICHIGAN - NATP EDUCATIONAL OPPORTUNITIES

*May 20-21, 2010	MI-NATP 21st Annual Convention	Traverse City
June 17, 2010	Tax Professionals/Work Together Conf	Novi
July 19-22, 2010	National Conference	Austin, TX
August 2-4, 2010	EA Exam Review Class	Lansing
September 17, 2010 ?	"2 for 1" Seminar	Lansing
October 22-23, 2010	1040 Workshop	Grand Rapids
November 1-2, 2010	1040 Workshop	Bay City
November 3-4, 2010	1040 Workshop	East Lansing
November 5-6, 2010	1040 Workshop	Detroit
January 7, 2011	Last Chance Seminar	Lansing
May 19-20, 2011	MI-NATP Annual Convention	Port Huron

*See attached flyer for more information

Go to www.MI-NATP.ORG to register online

Address Service Requested

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