Michigan

MICHIGAN CHAPTER - *NATP*

National Association of Tax Professionals

MI-1040 REPORT

www.MI-NATP.ORG NOVEMBER 2011

PRESIDENT & VICE PRESIDENT'S REPORTS

PRESIDENT'S REPORT

At the National conference I met some of our Michigan members for the first time. It was wonderful to see you at the Chapter Showcase. I trust your experience was like mine with the conference exceeding your expectations. Some of you told me that you will be going again because you did not realize the quality and quantity of the classes available. Also, the networking with other preparers from different states was great. That aspect broadened your experience and allowed you to bounce ideas off of them. Hope to see you all at next year's national conference in Baltimore, MD on July 9-12, 2012.

Well, the last of the 2010 returns should have been finished and filed. Next it is the time to get some rest and educate yourself on what's new for 2011. Your Michigan NATP has many education opportunities available for you to get all the new information before the new season starts.

At the Chapter's annual meeting with the Michigan Department of Treasury in September we found out a little more about the State's changes. It's very possible that some of our non-filing seniors will now have a filing requirement and some of them may be losing their Homestead Property Tax Credit. Treasury will be depending on the pension administrators and the tax preparer communities to properly inform retirees about their new responsibilities.

Remember to get your PTIN numbers renewed before the end of the year if you are a preparer. The PTIN schedule for tax preparers who are NOT an EA, a CPA or an Attorney as it now stands is:

By 12/31/11 – Everyone must renew their PTIN.

By 12/31/12 – Everyone must again renew their PTIN **AND** have completed 15 hours of qualified education.

By 12/31/13 – Everyone must again renew their PTIN **AND** have completed 15 hours of qualified education **AND** have passed the Registered Tax Return Preparer exam.

Don't forget our Chapter Annual Convention next year is on May 17 & 18, 2012 in Frankenmuth. We are pleased to have nationally renowned speaker, Lisa Ihm, join us for this event.

Your Michigan Chapter is always ready to assist you in improving your skills and knowledge about tax preparation.

Val Anderson, President

VICE PRESIDENT'S REPORT

HISTORIC MICHIGAN TAX CHANGES COMING

Do you know the significance of the date October 1, 1967??? For taxpayers in Michigan it was an important date, the date Michigan began an income tax. Do you know the significance of 12/1/2012? It is the beginning date of the most substantial changes made to Michigan tax system in its history. Although 2011 filers are little affected, virtually all filers for 2012 will have changes. Everything from pension subtractions, exemptions, non-refundable credits and the refundable credits (particularly the Homestead Credit) are changing. We even have a new benchmark for taxpayers to deal with, Household Resources. This new grouping of income will determine what subtractions are allowed for some and will replace Household Income for refundable credits.

PURE MICHIGAN TAX SEMINARS

Attending our Pure Michigan Tax seminars have always been a great way to brush up on the many complexities of Michigan tax law, but this year it should be mandatory for anyone that will be preparing a Michigan tax return. Your clients will need to know what changes are in store for them. Many may need to start making estimated payments or have withholding for 2012. It is important to know how to plan for those changes.

Michigan Chapter-NATP saw the many changes coming and have added more seminar dates and locations than we have ever offered before. In the past most of our 3 hour Michigan seminars were in the evening, but this year there are 3 daytime class dates along with 4 evening classes. Check out the enclosed Pure Michigan Tax Seminar flyer for details and to register!

LAST CHANCE SEMINAR along with BASIC TAX & OFFICE PROCEDURE

Before the holidays consume all your time, be sure to register for our January "Last Chance" seminar (flyer enclosed). This seminar is meant to put together all the latest information that YOU NEED TO KNOW just before our busy season officially starts. The date is January 6. The seminar is paired with a seminar for your new preparers or support staff. The Basic Tax & Office Procedure class (flyer enclosed) is meant to give an insight into the wonderful world of taxes for those just beginning. The instructors, Bill Pratt E.A. and Candace Mitchell, will lead the participants through the terminology and basics of tax preparation so they will also be ready to start the tax season with you.

MICHIGAN CHAPTER – NATP IS HELPING YOU BE PREPARED

Hope to see you at one of our seminars soon!

Glen Mitchell, Vice President

2011 Michigan Treasury Visit

Chapter representatives had another successful meeting in Lansing with employees of the Michigan Department of Treasury. We gave the Treasury over 70 practical application questions for which they prepared answers. These were not client specific questions, but process oriented inquiries. Our Pure Michigan Tax contain information received at this meeting.

The TaxBook and Quickfinders

Don't forget to order your TaxBook or your Quickfinder through MI-NATP! When you order your books through MI-NATP it allows the chapter to provide you with reasonably priced education throughout the year!
Use the order form enclosed and return your orders to:
Valerie Anderson by November 16th, 2011!

ANNUAL CONVENTION - - SAVE THE DATE

Michigan Chapter-NATP's annual convention will be in Frankenmuth, MI on May 17 & 18, 2012. The featured speaker will be nationally renowned instructor, Lisa Ihm. She will be presenting on Repossessions, Cancellation of Debt and Bankruptcy with the rest of the story behind the 1099-A and 1099-C. Lisa will also cover 2 hours of Ethics for Tax Professionals and Registered Tax Return Preparers. Other topics will be covered on Michigan estimated payments, shredding/document destruction, Resolving Sticky Issues, Foreign Transactions, and Dealing with the IRS.

Dependency & Support Issues (September 23 "2 for 1" Seminar Update)

At the Michigan Chapter-NATP seminar held in September there were some issues that should be clarified:

Social Security received by a child IS CONSIDERED SUPPORT toward his or her own support. The exception to include Social Security and other income is when the money is not used toward support and is invested.*

The Qualifying Child rules specify that the child cannot pay over ½ of his/her own support.

Example: Widowed parent receives $10,000 in Social Security for child for the year. Unless the money is put into savings (or other investment) the parent would have to show they paid over $10,000 out of their pocket towards support. In other words, the total amount spent to support the child for the year would have to be at least $20,001.
Taxable Social Security, NOT gross Social Security, is included in gross income when looking at the gross income test to be a Qualifying Relative. This was correctly stated in the seminar, but is often confused with the above discussion for Qualifying Child.

At the January 6, 2012 Last Chance seminar we will include an hour to review dependency issues. Brush up on your dependency rules as there will be audience participation!

*Source is page 32, Publication 17 from IRS for 2010. The information is also in VITA/TCE training manual on page 6-9.

MICHIGAN CHAPTER-NATP WELCOMES OUR NEWEST MEMBERS!

Lisa E Abramowicz Roseville	Nancy Bognar Walled Lake	Laura Lynn Brothers Sturgis	Gail M Doane Bay City	Shannon K Klug Livonia
George Kopp Livonia	Richard A Mackie Troy	Jane E Mellema West Olive	Ronald Miaso Escanaba	Gary L Millar Jackson
Mary Ellen Rodgers Johannesburg	Mary Ann Smith Sylvan Lake	Jean Wellhousen Monroe	Michelle Rose Wolfe Milford	

WELCOME!!!

See you at the Seminars!

Michigan Pension Withholding Guide

Michigan Department of Treasury has issued the 2012 pension withholding guide for personal income tax withholding purposes. Effective January 1, 2012, administrators of pension and retirement benefits are required to withhold Michigan income tax on taxable payments. Qualified pension and retirement benefits include most payments reported on Form 1099-R for federal purposes. For example: defined benefit pensions, IRA distributions, and most payments from defined contribution plans are included. However, payments received before the recipient could retire under plan provisions or benefits from 401(k), 457, or 403(b) plans attributable to employee contributions alone are not considered pension and retirement benefits.

Taxpayers are required to complete Form MI-W4-P (Withholding Certificate for Michigan Pension or Annuity Payments) for each pension or annuity. The 2012 Michigan Pension Withholding Guide is available from the Michigan Department of Treasury website.

Food for a Cause

This year our charity is the Food Bank Council of Michigan (FBCM) made up of member regional food banks serving all 83 counties in Michigan. The regional food banks provide millions of pounds of surplus vegetables, fruits and other grocery items to more than 2,500 local agencies. These products are made available to the agencies at a low cost (about 10 cents per pound for goods with an average retail value of about $2.00 per pound). Through your generosity the Michigan NATP has donated a total of $3,899.43. This includes a $500 MI-NATP Chapter match. Your donation is eligible for a Federal Tax deduction. For 2011 your contribution is eligible for a Michigan Tax Credit of up to $100 for an individual gift of $200 and individuals filing jointly a credit of up to $200 for a gift of $400. For the Michigan credit to apply to your donation you MUST make it by December 31, 2011. If you wish to make an on-line donation their website is www.fbcmich.org or you can mail your donation to 501 North Walnut, Lansing, MI 48933.

Member Informal Seminar Location Survey

At the September "2 for 1" seminar board member Ray Wojciechowski took an informal survey of the attendees to gauge their location preferences for our seminars. Ray talked to approximately 15% of those attending the event. He asked about the interest in our Chapter offering webinars as opposed to live seminars. A majority of the responders showed little interest in webinars, preferring the live seminar for networking opportunities, camaraderie, etc. As to the geographic location question, our Chapter makes a concerted effort to locate our seminars centrally. About 60% to 70% of our membership lives/works in the Southeast Michigan area. However, much of the time we offer seminars in centrally located Lansing. Our annual convention has been held in various locations throughout the state on a rotating basis.

Newsletter Committee

Kathy Bozman
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Jon Garlick
Matt McKevitz
Brian Meredith
Erlinda Meredith
Marilyn Meredith
Glen Mitchell
Lehrae Neal
Bill Pratt
Lisa Smith
Karen West
Ray Wojciechowski

NEW MI-NATP GOLD CARD!

Do you consider yourself a Grade "A" Tax Professional?
Do you rank your Tax Education as a Top Priority in your calendar?
Do you attend at least 3 of our 4 annual education seminars

The NEW MI-NATP Gold Card is for YOU!

We have begun offering a new way to pay for our seminars, for **only $500** you can pay for your education in advance and you will be pre-registered for all **4 of the MI-NATP** annual education events! That's like getting **ONE seminar FREE!** If you take advantage of this great offer your **$500** pre-registers you for the following seminars for **2012-2013:**

- **MI-NATP Annual May Convention (Both Days) 2012**
- **"2 for 1" Seminar in September 2012**
- **1 Pure Michigan Tax Seminar 2012**
- **"Last Chance" Seminar in January 2013**

For additional information go to: www.mi-natp.org

MICHIGAN - NATP EDUCATIONAL OPPORTUNITIES

November 3, 2011*	Pure Michigan Tax	Grand Rapids
November 7, 2011*	Pure Michigan Tax	Novi
November 9, 2011*	Pure Michigan Tax	Bay City
November 11, 2011*	Pure Michigan Tax	Lansing
December 1, 2011*	Pure Michigan Tax	Lansing (1-4pm)
December 2, 2011*	Pure Michigan Tax	Detroit (10-1pm)
December 2, 2011*	Pure Michigan Tax	Gaylord (1-4pm)
January 6, 2012*	"Last Chance" Seminar	Lansing
January 6, 2012*	Basic Tax & Office Procedure	Lansing
May 17 & 18, 2012	Annual Convention	Frankenmuth
	National Speaker - Lisa Ihm	
September 21, 2012	"2 For 1" Seminar	Lansing
	National Speaker - Dale Boushley	

*See Attached Flyer for more information and to register in advance!

Watch for our Registered Tax Return Preparer classes in 2012

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

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MICHIGAN CHAPTER - NATP
NATIONAL ASSOCIATION OF TAX PROFESSIONALS
2175 Beverly Ave. SW
Wyoming, MI 49519

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