



Michigan



# MICHIGAN CHAPTER - NATP

National Association of Tax Professionals

## MI-1040 REPORT

www.MI-NATP.ORG

APRIL 2009

### PRESIDENT & VICE PRESIDENT'S REPORT

#### TAX PROFESSIONALS NEEDED MORE THAN EVER.....

Welcome to the "real world" now that tax season is over! Isn't that what everyone thinks? However, we know that we need to continue to help our clients and gain new clients year round. We will realize that even more when we have time to look at all the provisions of the newest tax law changes as well as realizing many of the items that have been there forever. That is what our May Convention is all about. We are honored to begin our convention with Beanna Whitlock speaking on "HOT IRS ISSUES". Beanna comes to us from Austin, TX after having worked on her own, for the IRS and with other tax organizations. She will entertain us as well as make us aware of many things that are going on with the IRS currently. She will be followed by Vonda VanTil from Social Security Public Affairs.

"SOCIAL SECURITY PRIMER for TAX PROFESSIONALS" giving much information to let us know about questions our clients regularly ask us about Social Security.

Beanna then returns to talk to us about LLCs, the business entity of the current age. Are they the best type of entity, who should use LLCs, how they should be used.

Election of Michigan board members and officers will be covered during our brief annual meeting.

NATIONAL BOARD MEMBER Harry Picou will bring us greetings from our National office. Harry comes to us from Houma, LA., as a newly elected National board member.

After a delicious lunch provided by the chapter, we will finish the annual meeting with the announcement of the officers for the coming year and conclude the LLC discussion.

How many of us are becoming PAPERLESS or would like to head in that direction? Karen Ryan will provide us with her experience as well as information on the positives she has found in dealing with the daily questions of clients.

As the day ends we will have an interactive session

with Beanna on dealing with ETHICS in our practices. There are so many issues to deal with every day with every client.

The evening finds us relaxing at our 20<sup>th</sup> annual banquet with awards and prizes, ending with "GIGGLE FEST" by an improvisational group.

Friday begins with the simple subject of DEPENDENCY and QUALIFYING CHILD and the newest provisions that we must deal with presented by Les Marti from Illinois. We will then review the LATEST TAX CHANGES which will affect our clients – Making Work Pay Credit, Economic Recovery Payment, Energy Property Credit, Vehicle Purchase, American Opportunity Tax Credit, new withholding, etc. – What is happening and what should our clients be aware of. Marilyn Meredith will attempt to cover these items with the latest interpretations.

Larry Zimpler will cover issues with and other TAXABLE SOCIAL SECURITY issues.

The afternoon will have you making decisions as to what breakout groups you want to attend (SUGGESTION: bring an employee to attend another session):

- 1<sup>st</sup> Federal NOL (Les Marti) –or- New W-4/Estimate (Marilyn Meredith) – or- Like Kind (1031) Exchanges (Karen Ryan)
- 2<sup>nd</sup> Federal NOL continuing (Les Marti) –or- Responding to IRS & MI Letters/ POAs (Marilyn Meredith) –or- Offer in Comprise (John Rankin)
- 3<sup>rd</sup> Farms (Les Marti) – or- MI NOL (Marilyn Meredith) – or- Federal & MI 1040X (Faith Rankin)
- 4<sup>th</sup> Farms continues (Les Marti) - or Ministers (Marilyn Meredith – or Tax Elections (Faith Rankin)

As the rest of you drive safely home with all of the new knowledge and networking notes, you Michigan Chapter board will be meeting to plan for the rest of 2009 and 2010 using your evaluations and comments.

As free internet software, software to purchase, free services and other competition is out there we all need to be more aware of the tax law changes and ways we can help our clients and others who come to us. Join us in Grand Rapids for 2 days packed full of information for our practices to make you more PROFESSIONAL.

## MICHIGAN TREASURY TO OFFER ONLINE PAYMENTS FOR BUSINESS TAXES

The Michigan Department of Treasury is pleased to announce that they will soon offer the capability for Electronic Funds Transfer (EFT) payments for select taxes to be made online for ACH Debit filers. The existing touch-tone telephone payment process will continue to be available.

Some of the benefits of EFT online payments include:

- Printing your payments confirmation.
- Viewing your payment history.

For more information about paying taxes by EFT go to [www.michigan.gov/biztaxpayments](http://www.michigan.gov/biztaxpayments). The website will be updated as additional information becomes available about the new online service.

## CITY TAX RETURNS

Preparation of city returns has become easier with the advent of the COMMON FORM. It would make the process even more efficient if we could get more cities to implement ELECTRONIC FILING. For this to occur, coordination will be required between the cities and the software providers. Please provide me with your input in regard to this for the December meeting with city administrators. Contact Kathy Vosburg at [Kvosburg@sbcglobal.net](mailto:Kvosburg@sbcglobal.net).



## LAUGH AND GIGGLE



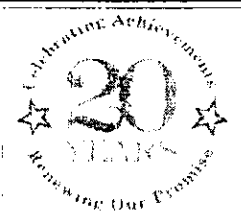
BANQUET ENTERTAINMENT will be different this year. If you are into laughing, be prepared. This year our after dinner entertainment is going to be one of the finest "improv groups" in the state. Their home base is Grand Rapids.

Improv comedy will get the audience involved. This could be YOUR chance to take the step to change careers. Just think, maybe people will quit laughing at your tax preparation techniques and business ... And maybe laugh at your natural comedy traits!

## IT'S ELECTION TIME AGAIN—CANDIDATES NEEDED

There are openings for six candidates for a 3 year term. The openings are as follows: Region 5 (currently Val Anderson), Region 6 (currently Kathy Bozman), and 4 are 'at large' (currently Leslie Echols, Arleen Mundy, Raymond Wojcieckowski, and Lawrence Zimble). The Regional map can be found on our website at [www.mi-natp.org](http://www.mi-natp.org). Candidates' names can be emailed to me. The official vote will take place at the May 14<sup>th</sup> annual meeting.

Remember your MI Chapter is only as good as the member participation. Do your best to keep us young and motivated. Sincerely, Jerry Coon [jcoon@actiontaxservice.com](mailto:jcoon@actiontaxservice.com)



**Our May 14<sup>th</sup> & 15<sup>th</sup> Convention in Grand Rapids is loaded with daily give-aways. Included with your paid registration, you will receive a lap-top attaché and a 20<sup>th</sup> anniversary pen.**

**Plan on joining in this year's seminar for the best CPE education in our profession.**

## MICHIGAN CHAPTER-NATP WELCOMES OUR NEW MEMBERS!

Walalmer Adams	Joe Bartley	Laurie Brown	Paul B Cole	Theresa Crayton
Daniel R Crots	Diane Culhane	D N Cunningham	Scott Doorn	Stacey Hale
Mutarr Jallow	Sheryl A Kammerzell	Marianne Kulhanek	Julie Lepper	David Livingston
Steven E Neuman	Michael Paul	Nancy Skriba	Paul J Straub	John M Worth

**THE MICHIGAN TREASURY ALLOWS PENSION DEDUCTION FOR BUYOUTS AS "RETIREMENT INCENTIVES"**

The Michigan Treasury has announced that they will allow a pension subtraction (up to the limit) for any buyout that came from a pension plan that can be shown as a "retirement incentive". They are allowing this pension subtraction whether the 1099R is code 1, 2 or 7. **WARNING:** Those with Code 1 may get a letter from Michigan and have to be able to prove they got the lump sum as a "retirement incentive".

Example: Gary retired at age 52 from GM with a buyout from GM retirement plan of \$45,000 with a 1099R code 1. On the Federal return he will pay tax on the \$45,000 and a 10% penalty on the \$45,000. He will be able to subtract \$43,440 as a single taxpayer from his Michigan return as a pension subtraction. GM has just sent him a letter that he will get reimbursed for the 10% penalty if he sends them proof of payment by June 30.

**MICHIGAN MEMBER REPRESENTS NATP IN IRS TELECONFERENCE REGARDING PROPOSED CHANGES**

Michigan NATP member from Petoskey Stephen Bartha, along with Karen Coombes and Larry Gray, were asked to participate in a teleconference with the IRS and 6 prepares from 2 other tax professional organizations. They discussed proposed changes to the Form 872 series, the extension of time for audits. NATP had earlier been contacted about proposed changes so they could register their concerns BEFORE the IRS changes had taken place.

Stephen Bartha said that this was a very valuable experience for him. He had recent issues in this area and was quite vocal in how it affected his client, his practice and the IRS. Steve said that he had to email his position prior to the teleconference so there were no surprises. He said all were well armed with support for their position with Larry Gray bringing up some very good points that had not been addressed.

Steve is regularly in contact with Paul C at NATP, the IRS and the State of Michigan (recently with Floyd Schmitzer on MBT) about concerns that he experienced in his practice. He referred to himself as a "straight shooter" who was not afraid to attack the issues he runs into regularly. His clients range from low income people that he takes care of for VITA, to several clients who had to file MBT.

**You know you're over-loaded during tax season when:**

You shred the newly signed 8879 and corrected forms on a changed return instead of the old ones.  
Submitted by Kathy Vosburg

**Newsletter Committee**

Val Anderson  
Jim Barry  
Kathy Bozman  
Jon Garlick  
Joe Halfmann  
Kristina Hornaday-Alberts  
Byron Kuxhaus  
Brian Meredith  
Erlinda Meredith  
Marilyn Meredith  
Glen Mitchell  
Bob Monarch  
Lisa Smith  
Kathy Vosburg  
Karen West  
Heather Worden  
Larry Zimble

**COBRA AMENDMENTS MAY HELP YOUR CLIENTS**

Most employers providing health care coverage to 20 or more employees will be affected by COBRA amendments. Participation is MANDATORY.

Assistance Eligible Individuals (AEIs) may be entitled to a 65% subsidy for up to 9 months of COBRA coverage. AEIs include workers who were involuntarily terminated between 9/1/2008 and 12/31/2009 and their eligible dependents. The subsidy is paid by the former employer who is reimbursed by the government.

Employers will recover their subsidy on their payroll tax forms. Employers need to maintain adequate supporting documentation to support the amount of subsidy paid and the eligibility of the terminated employees and dependents.

Employees terminated after 9/1/2008 and before the amendment passed must be provided a new 60 day election period measured from the date that a new election notification is provided to them even if they waived coverage previously.

Eligibility of an AEI terminates when they become eligible for coverage under any group health plan (including that of a spouse) or Medicare.

AEIs are required to advise their former employers upon becoming eligible for other coverage.

**ARE YOU MISSING A CPE CERTIFICATE?**

If you are missing any CPE certificate from a previous class, please email Roger Voss at [RHVTAX@aol.com](mailto:RHVTAX@aol.com) with your information and class. He will have the certificates available for you at the May Convention or will send them to your mailing address if needed sooner.

# MICHIGAN - NATP EDUCATIONAL OPPORTUNITIES

May 14-15, 2009	MI-NATP 20th Anniversary Convention	Grand Rapids
June 10, 2009	IRS Working Together Conference	Rock Financial
July 6-8, 2009	NATP Enrolled Agent Class	Livonia
July 20-23, 2009	National Conference	Reno, NV
August 6-7, 2009	The Final 1040 & Estate 1041	Lansing
September 18, 2009	"2 for 1" Seminar	Lansing
October 23-24, 2009	Essential 1040 & Beyond 1040	Grand Rapids
November 2-7, 2009	Essential 1040 & Beyond 1040	Bay City, Lansing, Romulus
May 20-21, 2010	MI-NATP 21ST Convention	Traverse City

Go to [www.MI-NATP.ORG](http://www.MI-NATP.ORG) to register online

## Important Tips for online registrations by Lawrence Zimble, MST, EA

- Always click "Finish Order".
- Make sure you get an order number.
- When registering more than 1 attendee, always continue shopping until all attendees are entered, then "SEND ORDER".
  - Verify correct **billing** name, address and zip code. This is the address your credit card bill is sent to.
  - Verify correct email address. Without this, you will not receive your confirmation of registration.
    - Include credentials on registration, if you want them on your certificate/name badge.
  - Online registration only provides for "**authorization**" of your credit card. Your card will be charged later.
    - Bring confirmation email to registration at the seminars.

Address Service Requested

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



Michigan

