

MICHIGAN CHAPTER - NATP

National Association of Tax Professionals

MI-1040 REPORT

www.natptax.com

APRIL 2007

PRESIDENT'S REPORT

A TIME TO RENEW

The weather has broken and we are enjoying the wonderful days of spring. We see so much new activity around us which is extra special because we have spent the last few months at a desk with a computer on little sleep. We are glad that we have survived another tax season and appreciative of the fact that the season provides us a sense of renewal. Let us make the most of it.

In just a few weeks, we will meet again. I know the Education Committee has filled May 17 and May 18 with two days of important and necessary information. As you think about the time to come in Frankenmuth, allow me to remind you of the need to continue our fine tradition of volunteerism. If you would like to join a committee or agree to become a Board Member, now is the time to put those ideas into action. If you would contact me or any one of our Board Members, I am sure that you will quickly learn how important your contribution can be to our continued success.

I am pleased to tell you that MI-Chapter now has 810 members. It so pleases me to see our chapter continues to grow. It was not that many years ago that our chapter had less than 300 members. We owe a measure of gratitude to the original charter members of MI-Chapter NATP who in 1988 had the foresight to start the Michigan chapter. Many of them are still in the area and must feel a measure of pride when they see the tremendous growth of our chapter.

NATP is planning the National Conference this year in Las Vegas, Nevada. I have attended this Conference on 8 separate occasions, and I can attest to the value of this experience. You have a chance to meet members from throughout the country and participate in an exceptional educational event.

As you renew your spirit at this time of the year, my hope is that you will see more clearly the wonderful opportunities that await you at MI Chapter-NATP Convention and the many other educational seminars scheduled for the year. Valorie Anderson, President Michigan Chapter—NATP

REFLECTIONS OF THE PAST, FOCUS FOR THE FUTURE

I have served as Vice President of MI Chapter NATP for the past six years. My main responsibilities were twofold. First, the Vice President serves as the Chairman of the Education Committee. We meet 3 times each year to discuss and make choices for the educational content to present at our seminars. We also select interesting and knowledgeable instructors to teach. This has been a very rewarding experience working with the hard working and dedicated members who serve on the

VICE PRESIDENT'S REFLECTIONS/FOCUS

Education Committee. I have been able to interact with instructors who come from throughout the United States. Secondly, three times each year I write this column in the MI-NATP newsletter to inform you of the upcoming event. As I look back on the last 6 years and how quickly the time has come and gone, I wanted to give you some perspective on how far we have come as an organization thanks to your interest and support of the events that are sponsored by MI Chapter NATP.

Perhaps one of the biggest steps that we have taken during this time has been our ability to attract nationally known instructors such as David and Mary Mellem, Dale Bousley, Chris Bird, B.J. Worth, Tom Copeland, Beanna Whitlock, Les Shapiro, Larry Zimpler and Marilyn Meredith to come and present at our seminars. This was not always the case. Now on a regular basis we have been able to bring these people to Michigan. Secondly, as our membership and attendance have increased we have been able to sponsor events at some very nice facilities in Lansing, Grand Rapids, Frankenmuth, Ann Arbor, Sarnia Ontario and Mt. Pleasant. From the comments that we have received on the evaluations, it appears that you do enjoy the benefits that these locations provide you. Thirdly, the May seminar is now 2 days when just a few years ago, it was 2 days every other year. I think that real progress has been made and we offer you good education at a fair price within a reasonable distance from your home or office.

How do we recognize our past gains and focus on the future? Mark the dates on your calendar and plan on coming to Frankenmuth in May. You will have a chance to learn something new from Tom Copeland, an expert on daycare. If you chose not to attend the daycare session, you can review Fed and MI 1041's with Marilyn Meredith. Other instructors will take you through basis information, other income, injured or innocent spouse, Form 5329, and HSA distributions. Finally, we will all meet our ethics requirement on the second day of the seminar. Sue Scioli, former IRS employee and a frequent speaker of MI Chapter NATP, will present the 2 hour ethics requirement.

In closing, I would like to thank each of you for all the support and encouragement you have given me over these years as Vice President of MI Chapter NATP and Education Chairman. The future of the Michigan Chapter of NATP is very bright indeed.

Jerry Coon, Vice President
Michigan Chapter- NATP

TAXING CHARITABLE DONATIONS: NO MORE ANSWERS ON THE CEILING!

2006 was an interesting year for tax legislation. We always look forward to the last minute tax law changes at the Federal level which complicate tax forms, our filing season and our client's lives and this past year was no exception. The Telephone Excise Tax Refund added some excitement to an otherwise dull tax filing season void of bonus depreciation, advanced child tax credits and so on. Much focus was on the changes in charitable donation record keeping for both taxpayers who claim deductions for charitable donations as well as the charities themselves. The new rules on cash donations started in January 2007 for our clients.

Have we met our obligations to our clients to notify them of these changes? For those of us advising charitable operations: have we provided them with the guidance they need. A reminder to our clients NOW in the form of a quick newsletter before postage goes up again might be appropriate.

Cash donations cannot be claimed unless supported by a receipt from the charity. Using an ATM receipt on the way to religious services doesn't cut it, even though for gambling losses that might be sufficient proof. This applies even if the donation is a weekly \$5.00 in the basket, as it were, and even if no one gift exceeded \$250.00. For the charities, new rules require more record keeping and book keeping (a business opportunity?). This will also apply to "kettle" donations which may affect groups like the Salvation Army. Moral of the story: if you don't write a check; you can't write yourself a deduction. Some say this is the end of answers on the ceiling for charitable deductions. Last year's figures won't cut it.

By now we have told most of our clients about the new rules on non-cash charitable donations, substantiation requirements, valuation issues, and condition issues. Many are upset about this. Some reports indicate the largest expenses at charitable resale stores is dumpster fees for hauling away donated items of questionable value. A couple of years ago, changes in car donations ended the \$4500.00 1978 Dodge Dart donation. These changes likely will end the \$75.00 donation for a blouse purchased many years ago, on sale, at Wal-Mart. The substantiation requirements may prove to be cumbersome for some. Some taxpayers will simply make the donations anyway and not claim any deductions; others will run even more garage sales more often. Charities may see a drop overall in donated items, but hopefully will get better quality items for resale or use.

What does this mean for us? Here's a hint. Claiming excessive deductions may give rise to preparer penalties for unrealistic positions in addition to typical negligence penalties for taxpayers. Don't make the return your own: if the client doesn't have the documentation, don't enter the deduction.—**Byron Kuxhaus**

MONEY WEEK FROM THE FEDS

Michigan Money Smart Week 2007 starts April 23 all over Michigan. Check out www.moneysmartweek.org/michigan_or_877-669-7678. Sponsored by the Federal Reserve Bank of Chicago (they are from the government and here to help us), over 200 public and FREE programs on a variety of financial management topics will be offered from Gogebic to Monroe and most points in between. Topics include saving for college, young people and financial literacy, women and money, identify theft prevention, protecting yourself from financial abuse among others. There is still time to register for programs near you. —**Ray Wojciechowski**

IRS FORUM UPDATE REGISTRATION INFORMATION (LATE BREAKING AS WE WENT TO PRESS!!!)

Wednesday, June 13, 2007
8:00 a.m. to 4:35 p.m.
Registration fee: \$99.00

ROCK FINANCIAL SHOWPLACE
46100 Grand River, NOVI, MI .
www.rockfinancialshowplace.com

MICHIGAN CHAPTER OF NATP WELCOMES OUR NEW MEMBERS! See you in May in Frankenmuth!

Deborah Amundson	Howell	Pamela Ashley	Allegan	Daniel Block	Caro
Heather Boivin	Fremont	Annetta Bosman	Ann Arbor	Kathy Boylan	Rochester Hills
Katrina Bray	Brighton	Leland Clark	Cedar Springs	Janice Dillaha	Livonia
Margo Esmacher	Shelby Twp.	Susan Foster	Middleville	Mark Goetz	Adrian
Armoret Hale	Burr Oak	Timothy Hus	Bay City	Angela Huszti	Grand Blanc
Therese Jean	Livonia	Diane Kautz	Croswell	Jaclynn Kowalczyk	Sterling Heights
Karen Krahmalkov	Canton	Leri Lewis	Farmington	Diana Mammen	Holland
Lonnie McLane	Lapeer	Elizabeth Methot	Howell	Carson Newbauer	Saginaw
Jean Pimentel	Grand Rapids	Ruth Pimentel	Grand Rapids	Doris Shaw	Edmore
Jack Smith	White Lake	Duane Timmer	Holland	Cheryl Ostrowski	Saint Charles

IRS TO HOLD FULL DAY CONFERENCE IN MICHIGAN ON JUNE 13, 2007

IRS, under the guidance of Kristy Washington, working with a liaison team from the tax professional community, has tentatively set June 13, 2007 as the date for a full day conference in Michigan. Glen Mitchell & Sharon Barry represent MI Chapter.

The schedule is to include the following:

Keynote Address	Practitioner Compliance, Ethics, & Practice Standards	Examination / Audit
Panel on Employee Plans	Michigan Department of Treasury Tax Season Wrap-up	Inside IRS: Practitioner Priority, etc

I DIDN'T WANT-TO-DO-IT!

I'M GLAD I DID IT!

Here we were in Mt. Pleasant, staying at the Soaring Eagle Hotel. My husband was "investing at the casino" while I was attending (at another hotel) the MI-Chapter NATP convention. I didn't think I had any chance of gambling where I was; after all, it's a tax seminar where I'll learn all kinds of new things and relax after a hectic tax season. Nothing risky here!! HA! We all know Marilyn and we all envy her ability to teach, communicate and just being a person you like to be around, so I offered a helping hand that day - and as luck would have it I WON. At the time I didn't really feel too lucky; after all, I just finished tax season, I run an office with a sizable clientele; I wanted to spend some catch-up time with my family, I have a house to take care of and on and on! Same things we all have and you know what—the Board Members are just like us. Imagine that! But, I was elected and I can honestly say I'm glad to be on board. It's been much easier than I thought. The other members have been a real help. Not "cliqu-ish" in any form. You soon realize—the more they learn, they share with the entire Mi-Chapter membership. We all benefit. Each seminar you attend has some of the inside information the Board has obtained during the year. If you enjoy and think you can contribute a little time to keep enhancing our organization please come forward at this year's convention—we need and welcome new and fresh ideas. You'll find yourself so willing to participate when you see just how hectic their lives are and yet they are always pulling together to make MI-NATP work *for all of us*. Step-up at this year's Convention in Frankenmuth. Get elected and share your knowledge and capabilities with the rest of us. See you there!!

Kathy Bozman, Board member

Newsletter Committee

Valorie Anderson
Jim Barry
Sharon Barry
Kathy Bozman
Jerry Coon
Joe Halfmann
Byron Kuxhaus
Esther Liebetreu
John Mahlstedt
Gary McCallumore
Erlinda Meredith
Marilyn Meredith
Glen Mitchell
Candy Mitchell
Dave Sheaffer
Ruth Thick
Karen West
Dawn White
Mike Wierzbicki
Ray Wojciechowski
Heather Worden
Larry Zimble

SEE YOU ON
MAY 17 & 18
IN FRANKENMUTH

CHARITY REPORT

During this year our chapter adopted two charities: Camp Quality and Walk for the cure. Leslie Echols, MI Chapter board member, spent three days walking to raise money and awareness for a cancer cure. Camp Quality of Michigan is a children's cancer camp. By passing the hat we raised a total of \$776.00. The board would like to thank all of you for your generosity. Our chapter matched \$500.00 of the money donated allowing us to give a total of \$1,276.00. Hopefully our donations will help a cure and bring some relief to all who are afflicted with this disease.

Sharon Barry, Charity Committee Chairperson

NATP NATIONAL CONVENTION: NON TAXABLE HIGHLIGHTS!

"Free" Entertainment in Las Vegas Nevada

July 23-26 2007

Fountain Show at Bellagio

Volcano at the Mirage— Every 15 minutes after dark

Fremont Street Experience—8 pm, every hour on the hour

Parade in the Sky at Rio Suites—every other hour from 2pm to midnight

Sunset Stampede at Sam's Town—every other hour from 2pm until 10pm

Ethel M. Chocolate Factory Tour— free chocolate samples 8:30 to 7pm daily

MGM Grand Lion Habitat—11am to 7:30pm

Live Circus Acts—Circus Circus 11am to midnight

Caesars Palace Fall of Atlantis Show 10am to midnight

Bally's Light, Water & Sound Show

Free Medieval Acts at Excalibur—11am to 7:30 pm

The Sirens of Ti—Treasure Island—5:30 / 7 / 8:30 / 10:30

Mandalay Bay Aquarium Bellagio Botanical Gardens

M & M's World at Las Vegas (with and without peanuts)

MICHIGAN - NATP EDUCATIONAL OPPORTUNITIES

*May 17 & 18, 2007	Michigan Convention - Featuring Tom Copeland - Home Day Care	Frankenmuth
June 25 & 26, 2007	Preparing Form 1041	Livonia
July 23-26, 2007	National Conference	Las Vegas, NV
August 23 & 24, 2007	Partnership & S Corp	Livonia
*September 21, 2007	September Seminar - Featuring David & Mary Mellem	Lansing
October 22 & 23, 2007	1040/1040Xtra - Piggyback 10/22	Grand Rapids
October 24 & 25, 2007	1040/1040Xtra - Piggyback 10/24	Lansing
October 26 & 27, 2007	1040/1040Xtra - Piggyback 10/26	Livonia
November 2 & 3, 2007	1040/1040Xtra - Piggyback 11/2	Benton Harbor
December 3 & 4, 2007	1040/1040Xtra - Piggyback 12/3	Bay City

*Michigan Chapter Functions

Address Service Requested

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