

# MICHIGAN CHAPTER - NATP

National Association of Tax Professionals

## MI-1040 REPORT

www.natptax.com

August 2004

### PRESIDENT'S REPORT

Summer is passing quickly, much too quickly! It won't be long before we are again getting ready for a new tax season.

Our chapter is celebrating our 15th anniversary and our national organization is celebrating 25 years of great service. A lot has changed. Who thought we would be all using computers and e-filing? NATP has grown into the premier organization for tax knowledge and education. Our chapter should take pride on our accomplishments, particularly the first rate education we provide.

The 15 year anniversary should be a salute for those that gave freely of their time to set up and keep our chapter running. At this year's national convention our chapter received the award for membership growth and retention which shows Michigan is still continuing to expand. Meeting with other chapters at the convention one can easily see our chapter is well organized, very active, and is easily one of the top chapters. This is all a reflection of those who came before us and laid the groundwork. THANKS!

To celebrate we have designed a timely seminar on September 24. Every tax professional should attend. Not only have we made it very affordable, with "pay for one and bring one free", the topics reflect what we will all see in our day-to-day business.

Like any anniversary there will be gifts. No you don't need to bring any. Each attendee will receive a portable receptacle with a multitude of uses. Uses vary from pencil holder to dog food scoop but the unimaginative just use the pretty blue container for a coffee cup.

Hope to see everyone on September 24.

Glen Mitchell E.A., President

### TWO FOR ONE SEPTEMBER SPECIAL

2 for 1. Yes, two for one!

We are holding a special event on September 24 in Lansing in honor of our 15 years of accomplishments. The featured instructors will be Alice Orzechowski and Marilyn Meredith. The subjects featured will revolve around "Our Aging Society".

- ◆ Social Security Issues
- ◆ Retirement Planning
- ◆ Will vs Trust vs POA vs Nothing
- ◆ What changes when spouse deceases
- ◆ Gifting vs Inheriting
- ◆ Reverse Mortgage/Pay off Old Mortgage/Give it away



It seems that our clientele is aging faster than we are. Many of the questions they ask us involve answers that we need to know for our own situations. In any event, it will be an excellent opportunity to hear two of the best instructors in the United States give us good information on very relevant subjects. Mark September 24 on your calendar for you & a friend (remember it is 2 for 1).

### WHAT ARE "PIGGYBACKS"?

We provide a series of seminars called Michigan Piggybacks. These meet from 6pm-9pm on the evening of, and at the same hotel as, National's Famous 1040 Seminars. This series concentrates entirely on Michigan subjects. The class time goes very quickly! Three hours is hardly enough to cover Property Tax, Household Income, and Real Estate Tax issues, as well as getting a Cities update, a "What's New" update, and spending a few minutes on the e-file recap. Attend one of these at any of 4 locations and you will put it on your yearly agenda.

### TELL US WHAT YOU WANT!

Michigan NATP has brought you quality educational seminars and more for the last 15 years. That has been our mission. Our goal is to continue to improve our service over the next 15 years. Please contact me or one of the Board Members at any time with your input and suggestions.

Jerry Coon E.A., Vice-President & Education Chairman

## TREASURER'S NOTE

You may wonder how your Chapter puts on good quality education programs at such reasonable rates. Basically, a portion of the dues paid to National are forwarded to the state chapter. Another significant source is the rebate that QUICKFINDER issues to our chapter based on the number of QUICKFINDERS sold. So, by being a member of NATP and making use of the QUICKFINDER, you are supporting your Michigan Chapter. What a great deal! You can order your QUICKFINDER (see the enclosed order form) at a reduced rate and support the quality education of Michigan NATP at the same time!

Andrew Mitchell E.A., Treasurer

## MAKE OR REVOKE SECTION 179 ELECTION ON AMENDED RETURNS

Temporary Reg 1.179-5T allows a taxpayer to amend his/her tax return for tax years that begin in 2003, 2004, or 2005 to make or elect out of Section 179. Any reduction is irrevocable.

If a return is amended to elect 179, the change made cannot be changed back without the consent of the Commissioner.

If a return is amended to elect 179, to the extent the change affects any later year returns, the returns must be amended to take into account the change.

An amendment can also be made to reduce or increase the amount of 179 or to change the assets on which 179 was taken.

## IRS 2004 FALL PRACTITIONER FORUM FOR TAX PROFESSIONALS

Topics: LLC, E-file updates, Tax Updates, E-submission Updates

Time: 9 AM to 4:30 PM (Registration begins at 8:00 AM)

Fee: \$25 which includes 8 CPEs, reference material, lunch, and break refreshments.

Preregistration is REQUIRED. Mail registration to IAAM, P.O. Box 370, Bath, MI 48808-0370. Make checks payable to IAAM or use Visa, Mastercard, or Discover. Call 616-641-7505 or Fax 517-641-4402.

Dates & Locations:

September 29 Sterling Heights - American Polish Century Club

September 30 Grand Rapids - English Hills Country Club

October 5 Lansing - Holiday Inn West

October 6 Saginaw - Horizons Conference Center

October 7 Livonia - Holiday Inn West

## TIDBITS

### STATE OF MICHIGAN TAX LAWS

- ◆ If you would like to receive e-mail notices regarding Michigan tax legislation, please send a request via e-mail to Kathy Vosburg [kvosburg@sbcglobal.net](mailto:kvosburg@sbcglobal.net). You will receive notice of proposed legislature action taken by house, senate, and related committees each day that the legislature considers tax issues.

### OFFICE LINGO

- ◆ The Career News includes definitions for office lingo for the 21st Century. Here are some examples from recent editions:
  - ◆ "Beepilepsy" The brief seizure people sometimes suffer when their cell phones or beepers go off, especially in vibrator mode. This is often characterized by physical spasms, goofy facial expressions, and stopping speech in mid-sentence.
  - ◆ "Blamestorming" Sitting around in a group talking about who is responsible for a deadline missed or a project failure.
  - ◆ "Triority" The three important things that your boss expects you to do at once.

## WELCOME NEW MICHIGAN NATP MEMBERS

Jane Andrews	Burton	Tina Dickerman	Lowell	Jeannie McMillan	Brighton	Margaret Seedorf	Taylor
Renee Bartkovich	Howell	Theodore Jones	Traverse City	Patricia Milkovich	Commerce	Gregory Smith	Brighton
Douglas Blake	Livonia	Randall Kamm	Lansing	Robin Mull	Milan	Eleanor Spalding	DeWitt
Patrick Bruen	Dearborn	Steven Keck	Chesaning	Sharon Nichols	Three River	Rama Subramanian	Farmington
Cindy Caldwell	Garden City	Alan Kimball	Warren	Heather Paterson	St Clair	Edwin Thompson	Lansing
Debra Courtney	Northville	Pamela Landy	Franklin	William Pratt	Plymouth	Jeanette Wojciechowski	Troy
Audra DeVries	Lowell	Jason McElroy	Southgate	Patricia Schremser	Dexter	Vera Zettel	St Helen

## BLAMING THE MESSENGERS: A CHILLING MESSAGE

By: Byron O. Kuxhaus, EA

*(Opinions expressed are those of the author only and not those of any firm/company with which he is associated.)*

With some fanfare, the Government Accounting Office (GAO) issued a report last October on the role of tax preparers. It was not a surprise that the GAO concluded "most taxpayers believe they benefit from paid preparers." When I saw that line, I knew we were in trouble.

That report also dealt with IRS oversight of tax preparers and concluded, without any documentation, many taxpayers are having returns improperly prepared causing problems for taxpayers and of course, IRS. (<http://www.gao.gov/new.items/d0470.pdf>).

Thus, it was no surprise that Taxpayer Advocate, Nina Olson, reported to the U.S. Senate on July 21 there is a need to "monitor" tax return preparers. The advocate concluded that IRS is doing virtually nothing "about unskilled and unscrupulous preparers who serve middle and lower income taxpayers." Her data suggests that only 12% of preparer fines and penalties levied are ever collected. She made several recommendations.

Curiously, the advocate's recommendations were under the heading "the role of Tax Return Preparers in Noncompliance." True, with 55% of 2002 individual returns filed by paid professionals, we are often, as suggested, the gatekeepers to the tax system. While many support the notion of a national registration of paid tax preparers, getting it done is another issue. The advocate went so far as to suggest that the penalty for a preparer of a false EITC claim should be the amount of the EITC claim.

What bothers me is the notion that problems with the tax system such as administration, collection, returns and so on are somehow the result of tax professionals. With fewer and fewer audits of individual returns, the thrust seems to be putting the burden on the tax pro to interrogate (rather than interview) the client-taxpayer. Instead of being gatekeepers to the tax system, the thrust of the advocate is to make tax professionals the grand inquisitors. Civil and criminal penalties already exist to deal with fraudulent tax returns; perhaps their lack of use reflect the realistic difficulty of blaming messengers for bad news.

<http://www.irs.gov/advocate/index.html> is the link for the Advocate's remarks.

### Newsletter Committee

Valorie Anderson	Erlinda Meredith
Jim Barry	Andrew Mitchell
Jim Berish	Glen & Candy Mitchell
Vickie Black	Bob Monarch
Jerry Coon	Heather Paterson
Deana Hawkins	Barb Sturgis
Byron Kuxhaus	Carmen Torres-Smith
Esther Liebetreu	Kathy Vosburg
John Mahlstedt	Mike Wierzbicki
Chairpersons,	
Joe Halfmann & Marilyn Meredith	

### E-file Update

The Michigan Department of Treasury reports that as of August 3, 2004 more than 2.47 million 2003 Michigan income tax returns have been filed electronically, a significant increase over the previous year. In tax year 2002, approximately 1.5 million Michigan taxpayers chose e-file.

Michigan ranks second in the nation in the total number of e-filed returns for tax year 2003. Late returns and returns on extension can still be e-filed through October 15, 2004. Previously rejected returns can be retransmitted through October 20, 2004.

For more information on how to participate, visit the Michigan Department of Treasury web site at [www.MIfastfile.org](http://www.MIfastfile.org) and the Internal Revenue Service Web site at [www.irs.gov](http://www.irs.gov).

# MICHIGAN CHAPTER - NATP EDUCATIONAL OPPORTUNITIES

August 9-11, 2004	Enrolled Agent Class	Lansing
Sept. 24, 2004	Michigan Fall Seminar - Flyer Included 15th Anniversary - 2 for 1 Special	Lansing
October 18 & 19, 2004	Famous 1040 & 1040 Xtra	Livonia
October 20 & 21, 2004	" "	Frankenmuth
October 22 & 23, 2004	" "	Lansing
October 25 & 26, 2004	" "	Grand Rapids
October 18, 2004	Michigan Piggybacks - Flyer Included	Livonia
October 20, 2004	"	Frankenmuth
October 22, 2004	"	Lansing
October 25, 2004	"	Grand Rapids
January 7, 2005	Michigan All Day	Lansing
January 7, 2005	Office Procedures/Intro to Tax	Lansing
May 19-20, 2005	Spring Conference	Grand Rapids

Address Service Requested

**MICHIGAN CHAPTER - NATP**  
 NATIONAL ASSOCIATION OF TAX PROFESSIONALS  
 3485 Grange Hall Rd  
 Holly, MI 48442