



MICHIGAN CHAPTER - NATP

MI-1040 REPORT

www.MI-NATP.com

AUGUST 2007

YOUR PRESIDENT'S REPORT

Did you know that MI NATP now has over 800 members? Even more important, did you know that MI NATP was recognized for the second year in a row by NATP as **best chapter in the nation in attracting AND retaining members?** I find this recognition to be a good measure of our success and instills confidence that we can continue to offer programs that benefit you. Our members represent a wealth of talent and experience and are working hard to better their professional expertise and meet fellow members in our state. As we begin **our 19th year**, we are determined to think that anything is possible in our collective future.

I also want to introduce a **new Board Member Anna Mayer**. She is a longtime member of MI NATP and is regularly seen attending our educational events. We are very fortunate to have her as our newest Board Member. **Larry Zimble** has **created our own website www.mi-natp.com** which will inform you about our events and offer you the chance to register and pay online. I offer my thanks to Larry for his expertise and efforts to make this a reality for our chapter.

As a recent attendee at the NATP annual educational conference, I received the benefits of learning from some of the best instructors in the country, as well as from fellow members. One of the sessions offered was in audits. I learned of the excellent presentation, ordered the CD and am reviewing it.

Perhaps the **best value** that **we offer** you at MI NATP is our **"2 for 1"** seminar. This will be the fourth year in a row that we have offered the "2 for 1" format--2 people can attend for the price of 1. Help us kick off our fall education program by coming to Lansing on September 21 and learning from the best of the best, David and Mary Mellem and our own Marilyn Meredith. All 3 of them are **nationally recognized instructors** who have the knowledge and skill to present their information effectively.

As you **prepare yourself** for this upcoming tax season, assess your skills. Today's competitive environment and impending legislation require that you make every effort to improve your knowledge and skills. It is very possible that more audits are the wave of the future and studying for and passing the enrolled agent's exam may become a requirement of this profession. Our legislators in Washington are determined to make our profession more accountable and this very well may be the path they will use to achieve their goals.

Take the time to introduce yourself and strike up a conversation with one of the 15 MI NATP Board Members who generously give their time and talents to provide leadership to the chapter and provide you the opportunity to improve your skills through the seminars sponsored by MI NATP. I speak for all of the Board Members when I say that **you are very important** and your professional knowledge, experience and skills are the lifeblood of the chapter. It is only through our collective talents and efforts that we can forecast the continued success of MI NATP. **Val Anderson, E.A. Chapter President**

FAMILIAR FACE WITH A NEW RESPONSIBILITY

I know that I have met and come to know many of you while attending various MI NATP functions, serving as chapter president a few years ago, or teaching at the MI Piggyback seminars. Now I have the opportunity to continue the high standards of success that my predecessor, Jerry Coon, established as he served as the Education Chairman for MI NATP for the last 6 years. This will be possible with your continued cooperation and support of the chapter.

Special "2 for 1"

With the help of the education committee, dates and times have been set, topics selected and instructors contacted to teach at our seminars for the upcoming season. Our fall season opens with the "2 for 1" on September 21 at the Holiday Inn South in Lansing. Enclosed is a registration form for you to complete and include the name of a friend or coworker at the same time so both of you can attend for the single price of \$130, providing that you return the completed registration and payment by September 11. I make my first promise to you that you will not be disappointed in the "2 for 1" seminar. David and Mary Mellem along with Marilyn Meredith will be our featured speakers, the topics covered will be divorce, 1099A, 1099C, bankruptcy and Michigan topics. These timely subjects require their expertise and experience to teach us how to assist clients who face these problems. Furthermore, we are fortunate that Marilyn can provide us with insights into Michigan tax law. David is the former Director of Research for NATP. Mary spent many years working in NATP research and education. I know that they have vast experience to shed light on these subjects.

Piggybacks

Plan on attending our MI Piggyback sessions which follow the 1040 updates sponsored by National NATP. They last 3 hours 6-9p.m. will be offered in the following locations: Grand Rapids, Lansing, Livonia, Benton Harbor and Bay City. Byron Kuxhaus will instruct at the first two locations, and I will teach at the final three. I know that these seminars will provide you much needed information about MI and City tax law. From teaching this seminar last year, I am confident that, after you attend one of the piggyback seminars, you will leave with some very important and valuable information to help answer your clients' questions concerning current MI and City tax law. Use the enclosed flyer to register.

I am looking forward to the seminar events planned and look forward to seeing you there.

January 2008

Mark your calendar to attend our Update Seminar Jan 4. Plan to bring your new employees to Basic Tax and Office procedure.
Glen Mitchell, E.A. Vice President

Look at our **new website** www.mi-natp.com

Send your orders in for **Quickfinder** and **TaxBook**. Use the order blank enclosed to give our chapter credit and save you money.

Notes on the New Michigan Business Tax

No one thought they could do it, but they did. They came up with a tax more complex than the SBT! Some basics first. The exemption is \$350,000 in gross receipts. To soften the blow, when you get just over the filing threshold there is a credit to reduce the tax. This credit ends when your gross receipts hit \$700,000.

The tax is really 4 taxes under one name. Two of these taxes are specific for insurance and banking. The other two taxes tax business income and "modified gross receipts." "Modified gross receipts" has yet to be fully defined. It begins with gross income less purchases from other firms, supplies, depreciable assets, parts, materials and inventory. The tax rate on this part is 0.8%.

Business income is taxed at 4.95%. The new law extends 18 prior credits available under SBT and adds 8 more. With all this complexity Michigan Treasury will not have forms ready for months. They also expect there to be many technical corrections or outright changes in the law.

SBT still exists until 12/31/07. The new law requires payment of 85% of 2008 MBT in estimates, so it will be necessary to understand how MBT operates and affects our clients.

Michigan Minimum Wage Increased

Michigan's Minimum Wage Law covers employers that employ 2 or more employees 16 years of age and older. Michigan minimum wage is higher than Federal. On July 1, 2007 the wage increased to \$7.15 an hour and the 85% of Minimum Hourly Wage Rate became \$6.08 (for minors under age 18). Next July 1 minimum wage increases again. For other increases and rules check with the Michigan Department of Labor and Economic Growth. A civil fine of \$1,000 can be assessed to an employer who does not pay minimum wage or overtime.

Answer for Michigan Exemptions

	Regular	65 or older	Blind, etc	Child 18 & under
	\$3,300	\$2,100	\$2,100	\$600
Mr.	yes	n/a	yes	n/a
Mrs.	yes	yes	yes*	n/a
Don	yes	n/a	yes	yes
Deb	yes	n/a	yes	no
Dad	yes	yes	yes	n/a

- *You cannot take exemption for being over 65 and an additional exemption for being disabled. You can be over 65 and still take an exemption for being blind.
- Total for 2006 exemptions would be \$29,700.
- For the 2007 tax year Michigan expects the regular exemption to increase to \$3,400 & the special exemption to remain at \$2,100. Child exemption remains at \$600.
- These **additional exemptions for disability and special exemptions for dependents** are **often missed** on MI returns. You can **amend** the last **4 years** to get this advantage.

Charles Bailey	Hancock	Roberta Bellanger	Westland	Barb Bollinger	Marne
Carrie Bott	Jonesville	Laura Breault	Freeland	David Brogan	Milford
John Cox	Muskegon	Darcia Daglow	Pittsford	Raymond Paul Davis	Southfield
Colleen Daymon	Shelby Twp	Lisa Dunneback	East Jordan	Denise Edwards	Novi
Sharon Faucett	Oxford	Tracey Fennell	St Clair Shores	Leroy Gates	Troy
Carol Ann Harms	Battle Creek	Diann Harris	Benton Harbor	Laura Havens	Gladwin
Sonja Huseman	Canton	Mary Ann Jones	Menominee	Eugene Juergens	Brighton
David Katz	Livonia	Sid Kelly	Troy	Elaine Kerr Schramke	Novi
Brenda Krause	Marlette	Kristie Lamb	Grant Twp	Lawrence Levy	Lathrup Village
Luann Marion	St Clair	Mary-Slade Morrison	Traverse City	Michelle Nauta	Hillsdale
Elaine Pearson	Ferndale	Christopher Picciurro	Algonac	John Rankin	Eaton Rapids
Allen Scioli	Saginaw	Debora Stone	Muskegon	Sandra Thompson	Gladstone

MICHIGAN CHAPTER - NATP WELCOMES OUR NEW MEMBERS!

Join Us for Our Famous "Michigan Treasury Trip" On September 26, 2007

The price is a State of Michigan tax question.

You owe it to yourself and your clients to attend this year's annual Treasury Trip. We all have questions during tax season. Write that question (or questions) down, send it to our MI-NATP organizer Jim Barry @ jbarry2395@charter.net, mail: 9412 Horseshoe Bend, Dexter, MI 48130 or Fax: 734-426-2875 by 9/7/07. You are in for the BEST round-table discussion you ever attended.

The Michigan Treasury Trip is a wealth of information. Submit your questions on Income Tax, Personal Property Tax, real estate taxes, various credits, SUW, E-filing, and the new MBT, plus general questions such as "Why does the State do the things they do?".

The questions we submit will be grouped and given to the appropriate State divisions. You will be introduced to the responsible parties who will address all the questions, written and unwritten. They will present phone numbers, e-mail addresses and current updates. Their motive is clear - they know and express that the more we know - the easier their jobs become.

Discussion will take place regarding the new MBT. Legislation and what tax issues are pending will be addressed. Customer service is always an enlightening subject as presented with views from both sides. Learn more about the State's Web Site. Meet the individuals in the Problem Resolution Department.

Remember, your **cost** is just a **question** (submitted to Jim by 9/7/07) regarding any State of Michigan general questions.

You can E-mail me at KBNATP16621@comcast.net with any questions regarding the Michigan Treasury Trip or any of our seminars. I am a member of our MI-NATP Board and look forward to talking with you.

Sincerely, Kathy Bozman, E.A.

Figure the Michigan Exemptions

Mr. Taxpayer	59	Disabled (began SS disability 12/01/06)
Mrs. Taxpayer	66	Disabled (began SS disability 1/01/99) & Blind
Son Don	15	Blind
Daughter Deb	22	Deaf & Blind
Jane's Dad	90	Deaf & Blind

Newsletter Committee

Valorie Anderson
Jim Barry
Sharon Barry
Kathy Bozman
Chuck Compton
Gayle Compton
Joe Halfmann
John Mahlstedt
Erlinda Meredith
Marilyn Meredith
Glen Mitchell
Candy Mitchell
Jim Snodgrass
Karen West
Larry Zimble

CHARITY REPORT

Our charity is the Food Bank Council of Michigan. With our state in financial distress this charity can help many hard working families keep food on the table. The Food Bank Council of Michigan is a state wide organization so the goods that our donations purchase are shared throughout the state. You can give in three ways: money, time or by collecting food. Here are some facts about food banks in our state.

1. Every dollar we give provides \$8.25 in food to pantries and other organizations served by food banks.
2. **MI Homeless / Food Bank tax credit** is available for individuals, for **cash contributions** in the amount of 1/2 the donation up to \$100.00 single and \$200.00 for married filing joint.
3. Your gifts may help the food bank qualify for challenge funds from other organizations.

At our annual convention we raised \$664.00 in donations! This was very exciting for the MI chapter charity committee. We hope you will support our charity as we pass the hat in September and January seminars. If you wish to write checks make them out to the "Food Bank Council of MI." Please check our new Michigan website mi-natp.com or the food bank's website at fbc@fbcnich.org for more information on our charity. Thank you for your generosity. We look forward to helping more Michigan families in the months to come.

Sharon Barry, Charity Chairperson

MICHIGAN - NATP EDUCATIONAL OPPORTUNITIES

August 23 & 24, 2007	Partnership & S Corporation*	Livonia
September 21, 2007	"2 for 1" Seminar Featuring David & Mary Mellem (Flyer Enclosed)	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 (Flyer Enclosed)	Bay City
January 4, 2008	All Day Michigan Seminar	Lansing
January 4, 2008	Basic Tax & Office Procedure	Lansing
May 15 & 16, 2008	MI Chapter Annual Convention	Ann Arbor
September 19, 2008	"2 for 1" Seminar Featuring Alice Orzechowski	Lansing

*National NATP function

Address Service Requested

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