



Michigan



# MICHIGAN CHAPTER - NATP

National Association of Tax Professionals

## MI-1040 REPORT

[www.MI-NATP.ORG](http://www.MI-NATP.ORG)

OCTOBER 2010

### PRESIDENT & VICE PRESIDENT'S REPORT

Greetings! I hope everyone has enjoyed the beautiful autumn season. When autumn arrives we know that winter is not far behind! Currently we are faced with the consequences of the 2010 tax laws not being finalized. Not only that, how are we to advise our clients about their tax planning in 2011 when we have limited ideas of what the federal tax structure will be after December 31, 2010. **STAY TUNED!** The Michigan Chapter and the National Office will keep you informed as the changes and clarifications develop over the next few months.

One item we do know about is **PTIN REGISTRATION**. It is here in full force. The Federal Register, Vol. 75, No. 189, Page 60310, Column 3 states: **“The final regulations define a tax return preparer in § 1.6109-2(g) as an individual who prepares for compensation, or assists in preparing, all or substantially all of a tax return or claim for refund of tax.”**

Therefore **ALL** of us are required to obtain or renew a PTIN to prepare tax returns in 2011. This includes those of us who sign the returns, and those staff members who prepare **“all or substantially all”** of a tax return. You decide who qualifies in your office staff! Be careful, the IRS will develop a review process or auditing procedure to assist with your determination. Each qualifying preparer must register and pay the PTIN fee of \$64.25 by December 31, 2010. This is phase 1 of the IRS registration process. In phase 2, preparers will need to pass a competency exam by December 2013. Testing is estimated to begin in the middle of 2011. Phase 3 is for the Registered Tax Return Preparers to complete a 15 hours of federal tax continuing education hours each year beginning in 2011. Phase 2 and phase 3 will only apply to those who are not EA's, CPA's or Attorneys in good standing. **EVERYONE** must do the phase 1 PTIN registration.

As a result of the PTIN registration program, those Enrolled Agents (TIN's ending 4, 5 or 6) have had their re-registration that was to begin November 1<sup>st</sup> delayed until further notice.

There are **NEW 1099 REGULATIONS** that will create havoc for the 2011 tax year and beyond. Larry Zimble will give us up to date information at our “Last Chance” seminar. Don't miss it.

The “Last Chance” seminar is on January 7, 2011 at the Lexington Hotel in Lansing. It will be a crucial place to get **ALL** the latest information on the 2010 & 2011 changes. Don't forget the annual chapter convention on May 19-20 at the Thomas Edison Inn in Port Huron. Both of these events will provide you the latest federal, state & city tax information. It's extremely important for you to register for these seminars early. Go to [www.mi-natp.org](http://www.mi-natp.org) for more information and to register on-line.

**Val Anderson, President**

Your Michigan Chapter has **EDUCATION** as its cornerstone. We strive to present the best education experiences for our membership. The “2 for 1” seminar in September was well attended, and based on the evaluations received, gave great “home” tax information. We would like to know what subjects you need more information about. Your suggestions are welcome! The education committee is always looking for new participants. Please consider volunteering to make the chapter better.

We are currently presenting our “Piggyback” seminars for **MICHIGAN INFORMATION** in conjunction with National Essential 1040 and Beyond the 1040 seminars. This year we have expanded the free-standing “Encore” versions of these educational opportunities. The first will be on December 2 from 1pm to 4pm at the Causeway Bay Hotel in Lansing. The second is the next day, December 3 from 10am to 1pm at Walsh College in Troy. More information and registration is available at [www.mi-natp.org](http://www.mi-natp.org) and included on the attached flyer.

The next educational opportunity is the **“LAST CHANCE”** seminar on January 7 at the Lexington Hotel in Lansing. We will present the latest federal, state and city information so you will be ready for the 2010 tax season. Kristy Washington from the IRS SB/SE Div. in Detroit will be presenting. In addition, Larry Zimble will give us the “A to SA” on 1099 information returns. Marilyn Meredith will bring the most up-to-date federal information as well as explain when your state or city income tax refunds become federal taxable income. Glen Mitchell will provide the latest on Michigan and city information.

Concurrently in the same location is our **BASIC TAX and OFFICE PROCEDURE** seminar for employees. We will cover basic income tax preparation for federal, state and city income taxes, privacy issues in a tax practice, and procedural matters in a typical tax office. **REGISTER EARLY** for “Last Chance” for you and your experienced preparation staff and “Office Procedures” for your support staff.

**Mark your calendars** for our Michigan Chapter Convention on May 19-20, 2011 at the Thomas Edison Inn in Port Huron. We will have great speakers, including Alice Orchewski. There will be popular break-out sessions giving more choices for education on topics that interest you.

Given the new IRS paid preparer continuing education requirements coming down the road, we cannot emphasize enough the importance of our seminars to our membership. The education committee constantly strives to present you with the very best and convenient educational opportunities. I am anticipating a great year and tax season.

Hope to see you at the “Last Chance” seminar in January.

**Glen Mitchell, Vice President**

**“FLOWERS AND BOARD OPENINGS ARE COMING IN MAY”**

Not only will the flowers be beginning to bloom but it will be time for the members of the MI-Chapter to blossom also. Once again you have the opportunity to *get involved* and join your MI-Chapter of NATP Board of Directors at the May 19<sup>th</sup> & 20<sup>th</sup> 2011 convention in Port Huron.

**The board positions are 3-year terms. There are 5 positions open.**

**Region 3 – East Central Lower Peninsula- Currently held by Anna Mayer**

**4 openings are At-Large – Currently held by: Sharon Barry, Jon Garlick, Byron Kuxhaus, & Kathy Vosburg**

This is your opportunity to serve. If you know of someone else you believe would be a strong and proactive person discuss this opportunity with them! We invite all members to volunteer their expertise and capabilities at keeping our Michigan Chapter the leader in education and networking. Submit your name and/or questions to any one of the current board members. All of our contact information is on our web site [www.mi-natp.org](http://www.mi-natp.org). There is a region map on our web site. To view the region map click on Directors on the left hand side and then click on the map in the upper right hand corner.

**Kathy Bozman E.A., Board Member**

**News for NATP National**

**Member to Member**

NATP's exclusive online community is Member to Member. You can find answers, read and write blogs, comment on discussion boards, listen to podcasts, talk tax, create common interest groups, and so much more! Give it a try! Just another excellent source of great information from NATP National Office at no additional charge.

**2011 National Conference and Expo**

Our National Conference and Expo is four days of phenomenal education where you can choose from a variety of course topics taught by industry leaders. You can take advantage of numerous networking opportunities with other tax professionals from around the country. The next National Conference and Expo will be held from **August 15th – 18th, 2011** at the Hyatt Regency St. Louis at the Arch, 315 Chestnut Street, St. Louis, MO 63102. Michigan members who have attended in the past say the National Conference is jam packed with high quality presentations. **More information on this and all other NATP-National programs are available on the website at [www.natptax.com](http://www.natptax.com)!**

**TREATMENT OF CASUAL GAMBLER'S INCOME FROM SLOT MACHINE PLAY**  
**CHIEF COUNSEL ADVICE 2008-001**

There is no ascension to wealth until the casual gambler cashes out from each session.

**Gambling Example:**

Session 1 gambler takes in \$500 and leaves with \$1,100 = \$600 income to line 21

Session 2 gambler takes in \$500 and leaves with \$100 = “0” income

Session 3 gambler takes in \$500 and leaves with \$1 = “0” income

Session 4 gambler takes in \$500, wins \$5,000 with W-2G and leaves with \$1,200 = \$700 income to line 21

Session 5 gambler takes in \$ 3,000 and leaves with \$300 = “0” income.

Line 21 reports \$600 from Session 1 and \$5,000 from session 4 with a loss of \$4,300 to net the \$700 = \$1,300 income on line 21 as taxable income.

If Gambler itemizes his deductions, he deducts \$1,300 losses on Schedule A line 28 (losses really \$3,599 but limited to reported winnings of \$1,300).

**Attend the “LAST CHANCE” Seminar for more information and clarification.**

**MICHIGAN CHAPTER-NATP WELCOMES OUR NEW MEMBERS!**

Martha Barcume	Troy Barcume	Grace Burton	Tamara Camp	Elina Harris
Jon Hayes	Emina Jakupovic	Therese Jean	Christine Kaczkowski	Brad Keuning
Shirley Lehman	Maria Lopez	Sandra Morgan	Kimberly Nowik	Kate Paulson
Thomas Pobjewski	Brian Roark	Barbara Scharich	Michael Skobrak	Theodore Slicer
Colleen Wummel	Venkat Yanumula			



### Roger Voss is Michigan Chapter's Volunteer of the Year



At the September 2 for 1 Seminar held at the Causeway Bay Hotel and Convention Center in Lansing, the Michigan Chapter honored Roger Voss as the Chapter's "Volunteer of the Year". In addition to serving on the Board of Directors, Roger is in charge of printing and delivering all of the CPE certificates we receive at the seminars throughout the year. I hesitate to say exactly how many years Roger has faithfully discharged this duty but it was at least two presidents ago that he started. Having CPE certificates at each meeting is something that we all take for granted. The seminar finishes and we pick up our certificate. But from my past experience as the Education Chairman, this is quite a time consuming task that has to be done perfectly for each attendee. Jerry Coon is an easy name to get right, but Ray Wojciechowski takes a bit more concentration! Roger performs this task flawlessly or graciously corrects certificates and mails them out promptly. When you see Roger, take a second to thank him for the effort he puts forth on our behalf.



Jerry Coon, Board Member



### REFERENCE BOOK ORDERS

We are accepting orders for the Quickfinder or TheTaxBook via fax at 616-534-3960. The order forms for both are available at [www.mi-natp.org](http://www.mi-natp.org). We have the best individual book net price available to our members. FAX YOUR ORDER TO US TODAY!

**IMPORTANT - due to a technical problem, if you faxed an order to MI-NATP for either Quickfinder or the TaxBook between 10/14 through 10/20 it has been irretrievably lost. Please re-fax that order!**

**If you are not sure if your order was lost please call Val at 616-534-0909.**

### GET UP TO SPEED AT OUR MICHIGAN PIGGYBACK SEMINARS

This year's Michigan Chapter Piggybacks features **6 major topics of interest** to all Michigan tax professionals: Michigan Update (facts and figures), Veteran's Credit & Exemption, City Income Tax Update, Correct Handling of Capital Gains on MI-1040D, the potential impact of Michigan Business Tax on your business taxpayers, and a new segment: update on Michigan Revenue Administrative Bulletins and Michigan Tax Case law. It is a fast moving 3-hour class following the National NATP *Essential 1040* Seminar on November 1, 3, and 5; PLUS two extra encore classes on December 2 in Lansing and December 3 in Troy. Our topics and materials are NOT the same as presented by State of Michigan Treasury speakers at the U of M Tax Institute or MSU Tax School. Take advantage of this extraordinary value: just \$55.00 for 3 hours of CPE plus great year-round reference materials.

**Check out the chapter web site [www.mi-natp.com](http://www.mi-natp.com) for registration details or use the attached flyer.**

### MICHIGAN CHAPTER WEBSITE

Several times in this Newsletter we have mentioned MI-NATP's website. It is the BEST source for the current Chapter happenings. Many functions and links to additional information are available. TAKE IT FOR A TEST DRIVE! The address is simple to remember, [www.mi-natp.org](http://www.mi-natp.org). Let us know what you think!

#### Newsletter Committee

Jim Barry  
Jon Garlick  
Elina Harris  
Kristina Hornaday-Alberts  
Brian Meredith  
Erlinda Meredith  
Marilyn Meredith  
Glen Mitchell  
Kandy Murray  
Bill Pratt  
Lisa Smith  
Karen West  
Ray Wojciechowski  
Heather Worden

### CHARITY REPORT

Please know that you answered the call of many by providing resources to feed those who did not have the means to feed themselves. Our Chapter charity this year remains "Food Bank Council of Michigan". It has reached across our entire State to help all in need. As you can understand with the state of Michigan's economy, the poor's requirements for the necessities of life continues to grow. If you have any questions or would like to donate time, food or money; they can be reached at 517-485-1202 or on-line at [www.fbcmich.org](http://www.fbcmich.org).

**Michigan Chapter has collected \$2,335.65 in this fiscal year.**  
Thank you for your generous out pouring for this very worthwhile cause.

Sharon E Barry E. A., Your Charity Chair

# MICHIGAN - NATP EDUCATIONAL OPPORTUNITIES

November 1-2, 2010	1040 Workshop	Bay City
*November 1, 2010	MI Piggyback	Bay City
November 3-4, 2010	1040 Workshop	East Lansing
*November 3, 2010	MI Piggyback	East Lansing
November 5-6, 2010	1040 Workshop	Dearborn
*November 5, 2010	MI Piggyback	Dearborn
*December 2, 2010	MI Piggyback—Encore	Lansing
*December 3, 2010	MI Piggyback—Encore	Troy
*January 7, 2011	"Last Chance" Seminar	Lansing
*January 7, 2011	Basic Tax & Office Procedures	Lansing
May 19-20, 2011	MI-NATP Annual Convention	Port Huron
August 15-18, 2011	NATP National Conference	St. Louis, MO
September 23, 2011	2 For 1 Seminar	Lansing
January 6, 2012	"Last Chance" Seminar	Lansing
January 6, 2012	Basic Tax & Office Procedures	Lansing

\*See attached flyer for more information

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

Address Service Requested  
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 NATIONAL ASSOCIATION OF TAX PROFESSIONALS  
**MICHIGAN CHAPTER - NATP**

