



From the Education Desk...

Glen Mitchell, EA
Vice President



TWO FOR ONE SEMINAR KICKS OFF THE FALL TAX EDUCATION SEASON!

The end of summer is fast approaching. Solar eclipses notwithstanding, soon enough it will be the Tax Filing Season 2018! Your Michigan Chapter 2 for 1 seminar is THE great way to sharpen your saw and help you maintain your skills as a tax professional.

Our fall 2 for 1 seminar on September 22, 2017, features NATP National Speaker Tom O'Saben, EA. He will present an informative and interesting program on determining and correcting basis. Tom will also provide important and timely information home sales, understanding real estate sales documents and related issues.

We have scheduled an IRS Employee to present IRS information on Electronic filing, PTIN and EFIN security and related issues. At press time we were not sure who from IRS would be presenting, but will post that information on our chapter web site, www.minatp.org when available.

Registration for our 2 for 1 seminar has to be done by phone or fax. Both parties attending for 2 for 1 special pricing must register and pay at the same time. The registration forms are on the chapter web site (click on the education tab at top of the page). Reminder: send both registration forms for each tax professionals attending at the same time, or call National NATP to register. (Basically, the net cost for the 16 hours of education is a little over \$10.00 per hour).

This is also the time of the year to plan for your reference book needs. Once again, your Michigan Chapter will offer Quickfinder® and TheTax Book® publications at significant savings. Flyers are on our chapter website and will be available at all upcoming seminars.

Finally, your chapter will again present our popular and always informative Purely Michigan Tax seminars at 8 locations. Be informative and "in the now" about the latest Michigan tax changes, procedures and rulings. The flyer and registration information are also on your chapter web site.

(not authored by Glen Mitchell)

YOUR 2017-2018 BOARD OF DIRECTORS

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THIS AND THAT...

- Tax preparers are becoming targets of identity thieves. Recent news articles, including one in the *Detroit Free Press*, may have a tendency to present preparers in an unfavorable light.
- Individuals owing more \$50,000 in federal taxes who have not made payment arrangements may have their passports revoked. IRS is expected to notify the State Department of delinquents where a levy has been issued, notice of federal tax lien has been filed and administrative remedies have been exhausted.

UPDATE ON PREPARER REGISTRATION & PTINS

IRS recently lost a lawsuit over PTIN fees. IRS began charging a fee for PTIN's new and renewal in 2010. over \$175 Million Dollars have been collected (by some reports) by IRS in PTIN fees. The court ruled that IRS can required PTIN's, but cannot charge a fee and must refund fees it has collected.

Currently the IRS web site is allowing PTIN renewal without a fee being required. IRS is expected to appeal this ruling.

We recommend you not hold your breath waiting for a PTIN fee refund.

PRESIDENT'S MESSAGE

Anna Mayer, EA, AFSP, CSA

"Good questions outrank easy answers"- Paul Samuelson

In our tax world there are many good questions but few quick and easy answers. My most common answer to a client's tax question is, "It Depends." But there is light at the end of that tunnel.

Outstanding resources available to tax professionals to help answer those not-so-easy questions, namely NATP and your Michigan Chapter of NATP of which you are automatically a member as a member of NATP.

Twenty members of the MI Chapter attended the 2017 NATP National Conference in Washington, D.C. in August. Attendees could choose from well over 40 classes from basic to advanced levels. It was a great opportunity to network with other tax pros and to take in some local history and sea food (had my first taste of crab legs and loved them). In addition to National education events the MI Chapter offers seminars from May to early January geared specifically to meet the needs of our members. Work on your business and work in your business. Just don't forget that educating yourself is what truly helps you stand out when that client calls with a 'quick and easy' question.

Newsletter**Committee**

Gayle Compton
Ruth Green
Sue Cullen
Byron Kuxhaus
Anna Mayer
Matt McKeivitz
Brian Meredith
Marilyn Meredith
Alan Miller
Glen Mitchell
Sherry Nelson
Linda Reising
Cyndy Salinas
Lori Stafford
Jill Schneider
Marge and Doc
Taylor
Ray Wojciechowski

Reference Books

QuickFinder and TaxBook order forms are now available. Order from your chapter and save \$\$!

All attendees at our January 2017 Last Chance Seminar received a Deluxe TaxBook. The Education Committee's desire was to help tax professionals use this valuable reference during tax season. This year order your reference books at great savings using the order forms through the Chapter. The Chapter is able to give a multi-book discounted price to all and shipping to you is included. Orders to the Chapter can be made by mail, email, or fax. The deadline to order through the Chapter is November 16, 2017.

You can also order directly from the companies using the special code on our order form when ordering. When either method of ordering is used, the Chapter receives a rebate for each book, which helps keep the costs down for our many education events.

Sherry Nelson

2017-2018 COMMITTEE CHAIRS

AWARDS	JERRY COON/MARILYN MEREDITH
BUDGET/FINANCIAL REVIEW	JON GARLICK/SYLVA COLLINS (jgarlick@aol.com)
BY LAWS	BYRON KUXHAUS (boktax@wowway.com)
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NEWSLETTER	BYRON KUXHAUS/MARILYN MEREDITH
MEMBERSHIP	SUSAN CULLEN/ROGER (scullen@yahoo.com)
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RESERARCH MATERIALS	SHERRY NELSON/ROGER VOSS (kandsnelson@aol.com) (rhvtax@aol.com)
SUPPLIES	VICKI BLACK/VAL ANDERSON (vblacksj@hotmail.com) (andersontax@comcast.net)
NATIONAL HOST	MARILYN MEREDITH

Education committee meets three or four times a year, and plans educational programs and seminars. Newsletter Committee meets three, or four, times a year, usually in Port Huron.

WELCOME TO OUR NEW (AND RENEWING) MEMBERS!

Tejas R Amin	Port Huron, MI	Towfeeq Hassan Muhsen	Dearborn, MI
Vicki Bennett	Berrien Springs, MI	Delores Myers	Richland, MI
Kyler A Biegalsk	Trenton, MI	Antar Nasser	Coldwater, MI
Limon H Cheung	Livonia, MI	Susan Marie Nixon-Felder	Battle Creek, MI
Ashley Dietzel	Bay City, MI	Faith M Rankin	Eaton Rapids, MI
Dorothy J Giles	Pontiac, MI	John S Rankin	Eaton Rapids, MI
Amy Kailing	Big Rapids, MI	Kayla M Rodgers	Fowlerville, MI
William J Kiewiet	Portage, MI	L. Fletcher Starnes	Bloomfield Hills, MI
Richard P Martin	Stevensville, MI	Jane Stevens	North Branch, MI
Amy Metevier-Glover	Grand Ledge, MI	Angela Wallace	Bingham Farms, MI

September 22, 2017	TWO FOR ONE SEMINAR*	Bath, Michigan
October 23, 2017*	PURELY MICHIGAN TAX**	Bay City, Michigan
October 25, 2017*	PURELY MICHIGAN TAX**	Lansing, Michigan
November 6, 2017*	PURELY MICHIGAN TAX**	Livonia, Michigan
November 8, 2017*	PURELY MICHIGAN TAX**	Grand Rapids, Michigan
November 14, 2017	PURELY MICHIGAN TAX	Novi, Michigan
November 16, 2017	PURELY MICHIGAN TAX	Clinton Twp., Michigan
December 5, 2017	LAST CHANCE ETHICS***	Lansing, Michigan
December 5, 2017	PURELY MICHIGAN TAX	Lansing, Michigan
December 6, 2017	PURELY MICHIGAN TAX	Grayling, Michigan
January 5, 2018	LAST CHANCE TAX SEMINAR	Lansing, Michigan
January 5, 2018	INTRODUCTION TO TAX & BASIC OFFICE PROCEDURES	Lansing, Michigan
May 17-18, 2018	MICHIGAN CHAPTER CONVENTION	Port Huron, Michigan

***MUST REGISTER BY CALLING/FAX/MAIL NATIONAL NATP**

****Evening of NATP Essential 1040 Seminar ***PENDING APPROVAL (Dates /LOCATIONS subject to change)**

Register online! Please see flyers for further information.
www.minatp.org
REGISTRATION FOR PURELY MICHIGAN TAX SEMINARS NOT YET AVAILABLE: AN EMAIL WILL BE SENT.



WWW.MINATP.ORG
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MICHIGAN CHAPTER-NATP
Address Service Requested

PRACTICE NOTES

MI-NATP
AUGUST
2017
W-1
WEB EXTRA

Tax professional Cyndi Salinis wants to remind all of us of the potential tax savings to be had by making a charitable donation directly from an Individual Retirement Arrangement (IRA). Often this strategy is aimed at required minimum distributions (RMD) but any amount up to \$100,000 **per taxpayer** per year can be donated using this strategy. In this article, Cyndi will use RMD for the IRA distribution amount.

First appearing in the tax code in 2006, the provision has been made permanent.

Transferring your IRS Required Minimum Distribution (RMD) to a charity of your choice is a way to get a great tax break for the donation even if the taxpayer does not itemize deductions. To qualify, the RMD donation must be directly from the IRA and made directly to the charity by the IRA custodian/trustee.

No entry is made on form 1040, Schedule A, charitable Contributions, and the RMD or other distribution amount up to \$100,000 per taxpayer per year does NOT get reported as income (and thus it is not in the taxpayer's AGI) on their individual tax return. This strategy is available to taxpayers with any filing status who are required to have a minimum distribution.

Taxpayers likely will save on Michigan income taxes as Michigan (and many other states) start with Federal Adjusted Gross Income AGI.

WORKSHEETS & PROBLEM SOLVERS

NATP members can solve many calculation issues, such as NOL carry backs/carry forwards, S corp. shareholder or partner basis by using the worksheets found on the NATP national web site (www.natptax.com) Click on the tax knowledge center link, then Federal Tax Information to your left, scroll down to worksheets and tax information.

Also, by clicking on tax knowledge center link then tax office tools link you will find information on code section 7216, and Gramm-Leach Bliley Act of 1999 and employer handbook.

WELCOME OUR NEW BOARD MEMBER; SHEILA WEIGOLD!

Sheila Weigold was elected to your Michigan Chapter Board of Directors at our annual May 2017 Convention.

Sheila has prepared hundreds of tax returns in her 20 years of experience. For the last 12 years she has worked with AIM Tax and Financial in Bridgeport, Michigan. Sheila is preparing for the Special Enrollment Examination (EA).

We congratulate Sheila, and also Jill Schneider from Grandville who also stood for election.

WHAT ARE WE MISSING?

MI-NATP

AUGUST

2017

W-2

WEB

Your Michigan Chapter of NATP has about 900 members. Our email and paper mailing lists include about 2700 non members who have attended MI-NATP events, such as our popular “2 for 1” seminar and/or Purely Michigan Tax Seminars.

Our seminar/course evaluations always have space for suggestions of future topics: your Board of Directors and Education Committee seriously review those as they plan seminars for the coming year. **However, those suggestions are from those in attendance.** Thus this question: If you are reading this far, **AND ESPECIALLY IF YOU HAVE NOT ATTENDED A MI-NATP FULL DAY SEMINAR IN THE LAST TWO YEARS OR SO**, and you have an idea or topics you want presented as part of a tax seminar, or suggestions or questions about how we operate, email us with your suggestions or comments.

For example:

- What topics should we present that would encourage you to attend?
- What Michigan locations should we consider for future seminars? Which location do you prefer for our annual convention or individual seminars?
- Who are the speakers you would want to hear present on tax topics of interest?
- What is your primary reason to attend our seminars?
- Is there a ‘price point’ beyond which you would not attend a MI-NATP seminar?
- Would you participate in web-based Michigan NATP seminars or programs?
- How do you get most of your CE: in person events, self study or online events?
- Are there special Michigan topics you want to see? Perhaps items like sales and use tax issues, unemployment taxes, homestead property tax issues, and the like?
- What tax topic, or office procedure topic, **would you** like to present to fellow tax professionals?
- Should the Chapter offer a “mini” tax prep course, maybe 3-5 days, for new preparers?
- Should we have a social hour after our full one day seminars?
- Is there a need for a mentoring program for ‘new’ tax preparers?
- Should we have special programs for younger members and attendees, such as balancing work life, family and filing season?
- Other things on your mind.

*Persons submitting suggestions submitted via email to mastertaxguy@gmail.com will be entered into a drawing for one of up to 4 \$25.00 speedway gift cards to be selected by random drawing at the end of the 2 for 1 seminar September 22, 2017. One suggestion per person and must be submitted by Midnight, Thursday, September 7, 2017. Decisions of drawer are final. No substitutions. Must be a paid attendee of “2 for 1 seminar” and present to receive a gift card. No alternate gift/prize. If fewer than 4 entries, number of prizes reduced to number of suggestions/entries. This is sponsored individually by the newsletter chairman and not NATP or Michigan Chapter just to see if anyone actually reads the newsletter. Michigan Board members, National NATP employees/speakers/board members and their families and employees not eligible. Do not have to be a NATP member.

Two of our members encounter weird situations this past filing season each involving new clients. Both arose after April 18, 2017.

In the first situation, the taxpayer's 2016 tax information documents (you know, w-2's, 1099's and so forth) with the same TIN on all such documents. The taxpayer was a US Citizen with a foreign address, so the return was mailed. After a delay in obtaining the expected refund, and being unable to get information from the IRS "Where's my Refund" web site, the preparer learned the taxpayer had been using as his TIN/Social Security his CANADIAN social insurance number (also 9 digits!). With the client back in the office, the preparer contacted the IRS International desk, utilizing only 30 minutes of billable time, and was able to have IRS correct their information. The client should get their refund in about by the end of August.

The second situation is a classic example of "we do good work".

A new client came in, a police officer, with IRS correspondence on his self-prepared 2016 return. He efiled using commercial over-the-counter software. For 2016, he had not yet received his expected IRS refund.

For the past several years he had always prepared his own efiled returns. His income included W-2 wages, social security and pension income. Each year's return, however was a little different.

For example, one year he self prepared form 1040-EZ and put all income on line 1. The next year, he moved up to form 1040A, and again put all income on line 1. Then, in the following year, he also had some self employment income. He prepared a form 1040, putting all income on line 7.

For 2016, the taxpayer again lumped all the income on line 7, but "forgot" his pension income. He claimed a large refund based on withholding from his pension, Social Security and wages.

On his Michigan returns, he did not get the benefit of Michigan's pension subtractions.

The preparer spent an entire day "unscrambling this omelet" created by the taxpayer. As a result, amended returns for Michigan and Federal were filed. Among other things, the preparer determined the simplified general rule should have been used, saving the taxpayer substantial federal tax. His Michigan amended returns will result in the largest refund due to the omitted pension subtraction.

The client agreed he would not longer be a tax preparer. The preparer agreed to stop being a police officer and pre-scheduled his 2018 tax season appointment.

