

IAPA TODAY



The Newsletter for Idaho's Accounting & Tax Professionals

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www.iapacct.com

Hope Springs Eternal

By IAPA Executive Director Barb Neiwert

What a l-o-n-g winter it has been! Not only for those of you who had been waiting for April 15 to arrive, but for the rest of us who have patiently (sometimes, at least) been waiting for the snow to melt. Yesterday Hailey hit 68 degrees for the first time this year and the grass began to turn green. Best of all, the piles of snow will soon be a thing of the past. YES! Spring will surely come!

As is the case with every Spring, new beginnings are taking shape with your association.

We listened to you! The IAPA Board of Directors conducted a survey of seminar attendees to investigate which seminars you wanted most. Plans have been instigated to bring you some advanced CPE opportunities from Gear Up. Please take a look at the seminar schedule on Page 5.

This year the IAPA is presenting a One-Day **Business Entities** seminar in conjunction with a Two-Day **Estates and Trusts** seminar. Both seminars will be presented in Post Falls and Twin Falls. You can sign up for both, or just one. Take advantage of this important **two-day Estates & Trust** seminar, as it isn't often presented. *Your attendance will ensure our success in bringing more variety to our seminar scheduling.*

Additionally this year we are holding a **Professional Ethics** seminar in Idaho Falls and Boise. It will be held from 5-7 p.m. on the first day of the **1040** seminars will qualify for two credits of CPE toward your Ethics requirements. This is an **easy, fast way** for CPAs and EAs to satisfy the Ethics requirements.

Of additional note is our annual convention. This year the Washington

Association of Accountants is hosting a tri-state convention with the IAPA and the Oregon Association of Independent Accountants in Bellingham, WA. As part of the convention, Joe Santoro will present an 8-hour CPE course on Accounting, and there will also be a 4-hour class on Fraud. The IAPA Annual Meeting will be held at 1 p.m. on June 20. Please join us for the Annual Meeting, some good CPE, and some great networking with accountants from our neighboring states. The convention runs June 12-22. Register at www.waa.org today.

As always, please let us know what is going on with your business. Have you moved offices? Increased staff? Retired? Changed specialties? Drop a line or call.

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IAPA Membership Dues Rise

No one is quite certain how long the IAPA Membership Dues have been \$75, but we can all agree it's been a long time. A primary goal for the IAPA Board of Directors has been to maintain affordable pricing for our members.

But with continued cost increases across the board, last year the directors moved to increase dues slightly to \$85. This is still an excellent value, and gives not only you, but your employees, a \$50 discount at each of our seminars. You receive online credibility at our Web site, and you are part of a peer group that puts professionalism and accountability in high regard.

Renewal notices will be mailed out in early May and are due June 1. Why not invite a colleague to join? Thank you for your continued support!

New IAPA member benefit: Hertz rental discounts!

Planning a family vacation or an out-of-town business trip? If your plans include renting a car, then take advantage of new special membership savings and services from Hertz.

Now when you rent from Hertz, you can save money with special year-round savings through the Hertz Member Benefit Program. **IAPA members** receive a discount off Hertz Daily Member Benefit Rates, Hertz US Standard Rates, and Hertz Leisure Rates. You'll be quoted the

best rate for your rental needs at the time of your reservation.

As an IAPA member, you'll receive discounts off your rentals in the US and worldwide. The key to your savings is your Hertz Discount number: **CDP#1789692**

Just mention this number when making your reservation. Then present your Hertz Member Discount Card at the time of rental. It's that easy!

Further discounts have been set up for Hertz rentals for our seminars and conventions! So keep the miles off your own car and consider a rental.

A Hertz Member Savings card will be sent to you with your annual dues renewal in May. Until then, you can use the CDP# mentioned in this announcement. Just visit www.hertz.com or call 1-800-654-2210.

IRS Releases Final 2008 Form 990 for Tax-Exempt Organizations, Adjusts Filing Threshold to Provide Transition Relief

WASHINGTON — The IRS recently released for public comment the draft instructions to the 2008 Form 990, which is the return most tax-exempt organizations must file annually.

The instructions apply to the redesigned Form 990 that organizations will file for their 2008 tax years (returns filed in 2009). The final version of the redesigned Form 990 was unveiled in December 2007 (<http://www.irs.gov/newsroom/article/0,,id=176722,00.html>).

"Tax-exempt organizations provide tremendous benefits to the people and communities they serve, but their ability to do good work hinges upon the public's trust," said IRS Commissioner Doug Shulman. "The new Form 990 will foster this trust by greatly improving transparency and compliance in the tax-exempt sector. Public comment on the draft instructions will help the IRS to mini-

mize the reporting burden on tax-exempt organizations, which is another important goal." The IRS seeks public comment on the draft instructions to ensure that the final instructions meet the needs of the tax-exempt community. Public comment period will run to June 1.

The IRS also released a list of special "highlights" with the draft instructions, in the hope that public comments give particular attention to these details. The IRS will post comments on its Web site as it did with comments about the draft redesigned Form 990 last year.

The draft 2008 Form 990 instructions include a general overview that explains its purpose, an explanation of who must file particular schedules and line-by-line instructions. It also includes new tools to assist organizations in answering certain questions and facilitating uniform reporting.

"We were immensely gratified by the amount and quality of public comments we received on the Form 990 redesign," said Lois G. Lerner, director of the IRS Tax-Exempt Organizations division. "Public input resulted in a form that meets the needs of tax-exempt organizations, the public and tax administrators. We hope for similarly thoughtful and useful comments about the draft instructions."

The draft Form 990 instructions are on the tax-exempt organizations part of the IRS Web site. Comments on the instructions should be e-mailed to the IRS at Form990Revision@irs.gov. Please e-mail comments in a text (not picture) format. Comments may also be mailed to:

IRS, Draft 2008 Form 990 Instructions, SE:T:EO
1111 Constitution Ave., NW.
Washington, DC 20224

Don't have an answer? Get answers fast at:

www.answers.com
www.howstuffworks.com
www.askmenow.com
www.justanswer.com

April 2008

Economic Stimulus Act Provides Tax Benefits to Businesses by IRS

WASHINGTON — In addition to providing stimulus payments to individuals, the Economic Stimulus Act of 2008 provides incentives to businesses. These incentives include a special 50-percent depreciation allowance for 2008 purchases and an increase in the small business expensing limitation for tax years beginning in 2008.

50-Percent Special Depreciation Allowance

Depreciation is an income tax deduction that allows a taxpayer to recover the cost or other basis of certain property over several years. It is an annual allowance for the wear and tear, deterioration or obsolescence of the property.

Under the new law, a taxpayer is entitled to depreciate 50 percent of the adjusted basis of certain qualified property during the year that the property is placed in service. This is similar to the special depreciation allowance was previously available for certain property placed in service generally before Jan. 1, 2005, often

referred to as "bonus depreciation." To qualify for the 50 percent special depreciation allowance under the new law, the property must be placed in service after Dec. 31, 2007, but generally before Jan. 1, 2009. To reflect the new 50-percent special depreciation allowance, the IRS developed a new version of the depreciation and amortization form for fiscal year filers. The new form is designated as the 2007 Form 4562-FY.

New Depreciation Limits on Business Vehicles

The total depreciation deduction, including the section 179 deduction, a business can take for a passenger automobile, which is not a truck or van, used in the business and first placed in service in 2008 is \$2,960 – \$10,960 for automobiles for which the special depreciation allowance applies. The maximum deduction that can be taken for a truck or van used in a business and first placed in service 2008 is \$3,160 – \$11,160 for trucks or vans for which the special

depreciation allowance applies.

Section 179 Expensing

In general, a qualifying taxpayer can elect to treat the cost of certain property as an expense and deduct it in the year the property is placed in service instead of depreciating it over several years. This property is frequently referred to as section 179 property, after the relevant section in the Internal Revenue Code.

Under the new law, a qualifying business can expense up to \$250,000 of section 179 property purchased by the taxpayer in a tax year beginning in 2008. Absent this legislation, the 2008 expensing limit for section 179 property would have been \$128,000. The \$250,000 amount provided under the new law is reduced if the cost of all section 179 property placed in service by the taxpayer during the tax year exceeds \$800,000.

The new law does not alter the section 179 limitation imposed on sport utility vehicles, which have an expense limit of \$25,000.

Economic Stimulus Scams by IRS

The IRS warns taxpayers to be on the alert for e-mails and phone calls they may receive which claim to come from the IRS or other federal agencies and which mention their tax refund or economic stimulus payment.

These are almost certainly a scam whose purpose is to obtain personal and financial information — such as name, Social Security

number, bank account and credit card or even PIN numbers — from taxpayers which can be used by the scammers to commit identity theft.

The e-mails and calls usually state that the IRS needs the information to process a refund or stimulus payment or deposit it into the taxpayer's bank account. The e-mails often contain links or attachments to what appears to be the IRS Web site or an

IRS "refund application form." However genuine in appearance, these phonies are designed to elicit the information the scammers are looking for.

The IRS does not send taxpayers e-mails about their tax accounts. Additionally, the way to get a tax refund or stimulus payment, or to arrange for a direct deposit, is to file a tax return.

Political Activity Compliance Initiative (PACI) Continues

The PACI once again will be in effect for the 2008 election season. The PACI program seeks to educate sec-

tion 501(c)(3) organizations, such as charities and churches, about the federal law concerning political campaign activity and to enforce the law in this area. By law, organizations exempt from tax under Internal Revenue Code section 501(c)(3) may

not "participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office."

Spring dates set for ABA exams

Consider your future success in terms of your future credentials.

What can a prestigious credential be worth to you? Plenty, when you think about what it can do for your future success. Especially when that credential is the nationally renowned Accredited Business Accountant® (ABA) credential.

By earning the ABA, you can give yourself a competitive advantage –

whether it's boosting business, fast-tracking a career or increasing income. In fact, a recent NSA survey revealed that the ABA is worth as much as \$14,000 in increased annual income to a full-time practitioner.

So, what are you waiting for? Get started on your way to realizing more opportunities, promoting your abilities and adding value by standing apart from the crowd.

For free information on study options to prepare and a registration form for the exam, visit www.acatcredentials.org/aba_exam.html

SPRING ABA EXAM SET

FOR

MAY 23 through JUNE 14

Social Security allows third party verification

Social Security is working on a new online service that will allow third parties, such as banks, private employers and financial institutions, to verify Social Security numbers with the consent of the individual.

Social Security is required by law to provide these verifications. However, the current paper-based process is both inefficient and time-consuming because it is done by local Social Security offices on a case-by-case basis.

The online initiative is called CBSV – Consent-Based Social Security Number Verification. Before Social Security would verify a Social Security number, the individual number holder would have to provide consent and the company would have to pay for the access.

CBSV is expected to be up and running by October 2008, but third parties who want to participate need to sign up now. The enrollment period has been extended to June 30.

Visit www.socialsecurity.gov/bsv/cbsvMarketing.html for more information.

Your savings are passed on to IAPA

Gear Up G580

G580 is the code to use when ordering any products from Gear Up/Thomson/PPC.

This association discount will provide you with a 10-20 percent savings on all the QuickFinder handbooks, self-study courses, products, Accountant City, and Independent Tax Practitioners Network. **You must order by phone or fax** to receive the discounts.

CCH

CCH also has a savings plan set up for IAPA members. Go to <http://onlinestore.cch.com/default.asp?ProductID=4815> to receive a **30%** discount on CCH products.

The Art of the Thank-you Note!

In this age of email, voicemail and instant messaging, the handwritten thank-you note has been all but forgotten. But it is still one of the very best ways to say thank you—whether for a dinner, special gift or kind word.

And in the business world, the written thank-you note is truly a way to stand out.



Register online
www.iapacct.com

IAPA Directory is Online

Last year the IAPA Board of Directors moved to discontinue hard-copy publication of our Annual Directory.

The reasoning was twofold: cost savings due to increased printing and postage rates, and the contact information for our members is contained on the IAPA Web site at www.iapacct.com.

The Web site gives us the opportunity to provide up-to-date information. Take a minute to check it out to see if your information is correct, and if not, give Barb Neiwert a call. And if you ever need a mailing address for one of our members, call -888-208-4272.

2008 Seminar Schedule

-2008-

1-888-208-IAPA

Sept. 10-11 **Gear Up Estates & Trusts**
8 am—4pm
Post Falls, Templins

Sept. 12 **Gear Up One-Day Business Entities**
8 am-4 pm
Post Falls, Templins

Sept. 17-18 **Gear Up Estates & Trusts**
8 am—4 pm
Twin Falls, Red Lion Canyon Springs

Sept. 19 **Gear Up One-Day Business Entities**
8 am—4 pm
Twin Falls, Red Lion Canyon Springs

Oct. 23-24 **Gear Up 1040**
8 am-4:30 pm
Idaho Falls, Shilo

Oct. 23 **Gear Up Ethics**
5 pm—7 pm
Idaho Falls, Shilo

Oct. 30-31 **Gear Up 1040**
8 am-4:30 pm

Oct. 30

Boise, DoubleTree
Riverside Hotel
Gear Up Ethics
5 pm to 7 pm
Boise, DoubleTree
Riverside Hotel

Tri-State Convention

Register at www.waa.org

June 18-22

Bellingham, WA
Best Western
Lakeway Inn

NSA National Convention

Register at www.nsacct.com

Aug 27-30

Kansas City, MO
Hyatt Regency
Crown Center

2008 IRS Tax Forums

Register at www.taxforuminfo.com

July 1-3

Atlanta, GA
Hilton

July 22-24

Chicago, IL
Hyatt Regency
Orlando, FL
World Center

August 5-7

August 19-21

Las Vegas, NV
Rio All Suites Hotel

August 26-28

New York, NY
Hilton New York

September 9-11

San Diego, CA
Town and Country

Idaho Temporary Sales Permits required for bazaars & swap meets

If you or your group aren't active retailers but are planning a one-time fundraiser or bazaar, you need a temporary seller's permit to collect sales tax. You can get one by calling or visiting any Idaho Tax Commission office. A temporary permit is good for only one sale or function, so you must get a new one whenever you have another event. You can get three temporary permits in a 12-month period.

If you're selling at a swap meet, flea market, gun show, fair, or other similar event, you must also have a seller's permit. The promoter will ask you to complete Form ST-124, Idaho Sales Tax Declaration, Promoter-Sponsored Event. If you don't have a seller's permit, you'll get a temporary permit from the promoter when you complete the ST-124.

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"IAPA Today;" is the official publication of the Idaho Association of Public Accountants. Editor: Barbara Neiwert, P.O. Box 1106, Halley, Idaho 83333, toll free 1-888-208-4272. Opinions expressed herein are those of the individual writer and not necessarily those of the Association or editor. Advancement of the profession of public accountancy is the principal aim of the publication.

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2008 AMT Law Remains Uncertain *from NSA*

Congress avoided a potential election-year debacle by “patching” the Alternative Minimum Tax (AMT) for the 2007 tax year just before the holidays. The last-minute legislation allows an estimated 20 million taxpayers to avoid the dreaded AMT tax when they file their 2007 returns. The AMT was never intended to apply to middle-class taxpayers. Some Americans will pay the tax, but the AMT exemption amounts were raised significantly.

For example, before the patch, the AMT exemption for married couples filing jointly was \$45,000 – now the exemption is raised to \$66,250. Similar increases apply to other types of tax filers. But watch out for 2008. Just like the proverbial finger in the dike, the AMT patch applies only to 2007 tax returns, and is one of several key tax breaks that expire after 2007, leaving taxpayers exposed to some unpleasant surprises when 2008 tax returns come due.

“Even as people begin scrambling to wade through the complex tax code to complete their 2007 returns, they need to think about how several tax law changes will affect them in 2008,” says

Andrew T. Morehead, CFP, ATP, ECS, president of the NSA. “Most of these expiring provisions haven’t been publicized. But since 2008 is an election year, opportunities may exist to persuade Congress to extend some of them.”

Key changes include:

- **AMT Patch Only Good for 2007** – For the 2008 tax year, the AMT exemption amount drops back to \$45,000 for married couples filing jointly, with large drops for other types of tax filers as well. These levels again threaten to catch millions more taxpayers. Unless Congress votes again to change the law, taxpayers will face the same punishing tax that was just avoided at the last minute for 2007.
- **No More State and Local Sales Tax Deductions** – This popular tax break expired at the end of 2007. For the past few years, taxpayers have had the option of deducting either state and local income taxes or state and local general sales taxes. In 2008, the option to deduct state and local general sales taxes expires.
- **Kiddie Tax Will Apply to Older Kids** – Through 2007, the so-called “kiddie tax”

required children under 18 to pay tax at his or her parents' highest marginal tax rate on unearned income in excess of \$1,700. But watch out for 2008, when the applicable age rises and the kiddie tax will apply to a child under the age of 19 and full-time students under age 24.

- **“Classroom” Deduction Comes to an End** – Full-time teachers, instructors, counselors and other educators could deduct up to \$250 worth of books, supplies, software, and other qualifying materials through 2007. But this deduction expires for 2008.
- **“Qualified Conservation” Deductions Ended in 2007** – The enhanced deduction for contributions of real property interests dedicated exclusively for conservation purposes ended in 2007. This includes many tax deductions for energy savings measures.
- **Tuition and Fees Deduction Expires** – Through 2007, taxpayers could deduct qualifying tuition and fees required for the student’s enrollment or attendance at a post-secondary school. The tuition and fees deduction, depending on adjusted gross income, reduced taxable income by as much as \$4,000. However, this provision expires for 2008.