

# IAPA TODAY



*The Newsletter for Idaho's Accounting & Tax Professionals*

*Volume 8 Issue 2 July 2008*

*www.iapacct.com*

## *New officers elected to IAPA Board*

*By Barbara Neiwert, Executive Director*

Green may be the buzz word of the year, but everything was truly green during the Tri-State Convention in Bellingham, Washington in June. Intense amounts of rainfall make for lush surroundings, and many of us from the arid regions of southern Idaho enjoyed the area's luscious landscape as the board of directors conducted their Annual Membership Meeting and Board Meeting.

New officers were installed at a banquet dinner on Saturday night, June 21. Elected members are:

- \* LaFonda Merrick, President
- \* Mike Chakarun, First Vice Pres.
- \* Jeniele Rowley, Second Vice Pres.
- \* Brian Haderlie, Sec./Treasurer
- \* Natalie Carlson, Director Dist. I

\* Sharla O'Krakel, Director Dist. II

\* Gary Teuscher, Director Dist. III

Outgoing president Lee Grigg will continue to serve on the board this year as Past President. To round out the board, Joan Jagels serves as the IAPA representative on the Idaho State Board of Accountancy, and

Wilma Christensen is the NSA State Director.

If you have any questions at all, feel free to contact any of these representatives, or the IAPA office directly. We are here to serve you and your interests.

Next year the IAPA will host a bi-state convention with the OAIA. It will be held June 18-22, 2009, at the DoubleTree Riverside Hotel in Boise. Bob Jennings will be onsite to conduct his Technology Seminar. For those of you have attended in the past, you know the value of this 12-hour course, and the importance of attending again to keep abreast of the ever-changing face of technology in the office place.

Enjoy the rest of the summer, but sign up for your CPE now! Call 888-208-4272 or sign up online at 222.iapacct.com.



*Newly installed President  
LaFonda Merrick, ABA, ATP*

### **Inside this issue:**

Convention highlights	2
Scholarships Announced	3
Tax relief for Armed Forces	4
General Calendar & News	7
???????	8

## *Mileage Rates Increase Yet Again*

Purpose	Rates 1/1 through 6/30/08	Rates 7/1 through 12/31/08
Business	50.5	58.5
Medical/ Moving	19	27
Charitable	14	14

# Convention Highlights



*Kendal Egbert, LPA, Twin Falls, networks with Brian Haderlie, CPA, Rexburg while taking an evening cruise of Bellingham Bay*



*Spouses are not forgotten at Convention! Patricia Chakarun enjoys the cruise*



*Jackets were necessary for the harbor cruise, but that didn't stop Gary and Sylvia Teuscher from thoroughly enjoying the ride!*



*Incoming president LaFonda Merrick presents out-going president Lee Grigg with a plaque of appreciation from the IAPA during the Installation Banquet Saturday night.*



*Newly in stalled officers, left to right: Gary Teuscher, Brian Haderlie, Mike Chakarun, LaFonda Merrick and Jeniele Rowley. Not pictured: Sharla O'Krakel*

## Scholarships awarded to six Idaho students

Once again the Awards Committee for the Betty Schmidt Memorial Scholarship Fund has awarded five \$1,000 scholarships to deserving students across Idaho.

This year's recipients include:

- \* **Cory Mills Bird**, Rexburg—BYU Idaho
- \* **Brian Ellis**, Rupert—ISU
- \* **Andrea Madsen**, Lewiston—Lewis-Clark State College
- \* **Gwendolyn Kaschmitter**, Grangeville—Lewis-Clark State College, and
- \* **Andriana Tapia**, Mountain Home—BSU

The IAPA also sponsored a \$1,000 scholarship that will be awarded to an Idaho accounting student by the National Society of Accountants. This year's NSA Scholarship recipient is **Adam Young** of Blackfoot who will be attending BYU-Idaho this fall.

Congratulations to you all!!!

A gracious THANK YOU to the following IAPA members for their continued support of these scholarships. Without your assistance, the Foundation would not be able to award as many scholarships to these outstanding students.

It's never too late to contribute—just call the IAPA office to find out how you can add to the Foundation's scholarship fund. And if you know a deserving student who will be a junior or senior in Accounting next year, or will be doing graduate work, let them know about our scholarship program. Applications are available online, at their colleges or by calling the IAPA office.

- \* **Bill Allen**, LPA, Salmon
- \* **Wendy Anderson**, Spirit Lake
- \* **Terry Bayless**, CPA, Meridian
- \* **Andrea Beckett**, CPA, Moscow
- \* **Jerry Berggren**, CPA, Boise
- \* **Bette Jo Berryman**, LPA, Meridian
- \* **Charles Bloodgood**, Salmon

- \* **Roxanne Bunker**, CPA, Pocatello
- \* **Natalie Carlson**, Post Falls
- \* **Wilma Christensen**, EA, ATP, ABA, Harrison
- \* **Kate Coiner**, CPA, Twin Falls
- \* **Craig Evans**, Montpelier
- \* **Brian Haderlie**, CPA, Rexburg
- \* **Pamela Geile**, Meridian
- \* **Lawrence Isom**, EA, ABA, CFP Wilder
- \* **Joan Jagels**, CPA, Twin Falls
- \* **Jane Kuetemeyer**, CPA, Hayden
- \* **Jan Luckcock**, EA, Twin Falls
- \* **Christy McPherson**, CPA, Hailey
- \* **LaFonda Merrick**, ABA, ATP, Nampa
- \* **John Millington**, CPA, Middleton
- \* **Janet Neel**, CPA, Twin Falls
- \* **Reisse Perin**, CPA, Boise
- \* **Jeniele Rowley**, ABA, ATP, Nampa
- \* **Larry Stewart**, LPA, Nampa
- \* **Gary Teuscher**, CPA, Montpelier
- \* **Terri Zurcher**, EA, Middleton

## New Idaho laws impact businesses, individuals *from State of Idaho Tax Update*

The 2008 Idaho Legislature passed tax laws on everything from dental fillings to personal property. Here are some of the highlights.

**Withholding returns consolidated.** Employers will report their W-2 wage and tax statements and annual withholding reconciliation on a single return instead of two separates returns. The combined report is due on the last day of February. Effective: January 1, 2009.

**Grocery credit to increase.** The income tax credit that offsets the sales tax on groceries is increasing in tax year 2008 to \$50 for Idaho residents with taxable income of \$1,000 or less and \$30 for all other Idahoans. Seniors age 65 and up will get

an additional \$20 on top of the credit increase. The credit will go up \$10 each tax year until it reaches \$100. Effective: January 1, 2008.

**Idaho law conforms to Economic Stimulus Act of 2008.** New provisions to the federal Act increase the amount of depreciable assets that can be expensed under IRC Section 179 to \$250,000 for tax years beginning in 2008. Also, IRC Section 168 (k) allows a 50 percent bonus depreciation for qualified property purchased and placed in service during 2008. Amounts deducts as bonus depreciation don't qualify for the Idaho investment tax credit. Effective: January 1, 2008.

**Businesses get partial personal**

**property tax exemption.** Exemptions of up to \$100,000 in each county. It goes into effective when revenue to the general fund increases by five percent or more.

**Exempt items from sales tax: dental fillings & property tax on leased items.** Personal property tax charges added to the rents paid by someone who leases tangible personal property aren't subject o sales tax as long as the lease period is at least one year and the property tax is separately stated. Dental filling are also exempt. Effective: July 1, 2008.

**Retailers with substantial nexus must collect sales tax.** A retailer with substantial nexus in Idaho must

*(Continued on page 4)*

## *NSA applauds move to benefit U.S. Armed Forces*

Congress has passed a \$1.2 billion tax-relief bill benefiting members of the U.S. Armed Forces (active and reserve) and their families.

"Providing tax breaks for the hard-working men and women of the military who sacrifice so much for our nation is the right thing to do," says National Society of Accountants (NSA) Executive Vice President John Ams. "If the President signs it into law, NSA member accountants will be fully briefed on the provisions and will be ready to help members of the military take advantage of this tax relief." Entitled the "Heroes Earnings Assistance and Relief Tax Act of 2008 (The "HEART Act"), the legislation includes:

**Economic Stimulus Payments** – Up to 10,000 military personnel are married to spouses who do not have a valid Social Security number. Under current law, they will not receive an economic stimulus payment if they file a joint return. The new legislation allows these couples to file jointly and receive an economic stimulus payment so long as one spouse has a valid Social Security number.

**Combat Pay as Earned Income** – The law would make permanent a temporary provision that has allowed military personnel to treat tax-free combat pay as earned income solely for purposes of maximizing their Earned Income Credit.

**Flexible Spending Accounts** – The legislation would allow reservists called to active duty penalty-free access to unused amounts from flexible spending arrangement sponsored by their employer. These FSA withdrawals are permitted for any purpose, not just for medical or child

care expenses. The provision applies to withdrawals made after the date of enactment.

**Disabled Veterans** – If a veteran qualifies for retroactive disability compensation, the taxable retiree pay that he or she received would be designated as nontaxable disability compensation and the veteran is eligible for a refund of taxes paid. Generally, refund claims are limited to the prior three years. This legislation would create an exception to the IRS statute of limitations for these disabled veterans.

**Qualified Plan Survivor Benefits** – The bill would enhance survivor benefits of military personnel covered by employer-sponsored qualified plans. Qualified plans would need to be amended to entitle survivors to any additional benefits under the plan as if the participant had returned to work and then died.

**Roth IRAs and Coverdell ESAs** – Roth IRAs are subject to annual contribution dollar limits. The legislation would allow individuals receiving military death benefits to disregard the Roth IRA dollar amount limitations and start a Roth IRA with the full amount of these death benefits. The same treatment would generally apply to contributions of military death benefits to Coverdell Educational Savings Accounts (ESAs).

**Differential Pay** – Differential pay consists of payments made voluntarily by an employer to represent the difference between the employee's regular salary and his or her military pay. This bill amends the definition of differential wage payments to treat them as wages for withholding, IRA contribution, and in-service qualified retirement plan distribution

purposes. The wage-withholding provision would apply to payments made after 2008; the other changes apply for tax years after 2008.

**Employer Tax Credit** – Small employers (fewer than 50 employees) would be eligible for a temporary differential pay tax credit under the legislation. The credit equals 20 percent of the sum of the eligible differential wage payments (up to \$20,000) for each of the qualified employees on active military duty during the tax year. The credit may be taken for amounts paid after the date of enactment and before 2010. The amount taken as a credit by the employer may not also be taken as deductible compensation.

**Veterans Bonuses and Payments** – Some states pay bonuses ("veterans bonuses") to military personnel serving in a combat zone or to military personnel who have returned from a combat zone. This bill clarifies that these state bonuses and similar payments would be excludable from the recipient's gross income.

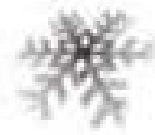
**Mortgage Bonds** – To help veterans buy homes, Congress already authorized Alaska, California, Oregon, Texas, and Wisconsin to issue qualified veterans' mortgage bonds under which interest payments are tax exempt. This legislation would increase the bond limitation amounts for Alaska, Oregon and Wisconsin to \$100 million, and for bonds issued in California or Texas, removes certain dates for the completion of military service before 1977 and reduces the eligibility period from 30 to 25 years after separation from service. The first-time homebuyer requirement is also dropped. Most changes would apply retroactively to bonds issued after December 31, 2007.

*(Continued from page 3)*  
collect tax from its customers. "Substantial Nexus" means having a franchisee or licensee operating under the retailer's trade name or

owned by the same entity or corporation in Idaho. Effective; July 1, 2008.

**Tobacco products use tax imposed.** Those who buy tobacco

products must pay a use tax on products bought from unlicensed sellers, such as Internet and catalog sellers. Effective: July 1, 2008.



# VIRTUAL MANAGED SOLUTIONS

Your Source for Unique Technology Solutions

Did you know one hard drive crashes every 15 seconds? As a result 40% of businesses fail to recover after this happens. **VMSUS** understands when disaster strikes, the most critical asset that every company should have protected from sudden loss is their data. Prevent data loss by scheduling an automatic back up today. No matter what happens to your hardware you can be sure to be up and running no matter how sudden or how severe your damage or loss is, *if* you use **VMSUS** off site back up. Let **VMSUS** give you the security of knowing all your business and personal data is secure with our backup solutions.

**VMSUS** can also be your one-stop solution to solving your computer needs. We provide Remote IT support at prices lower than our competitors. Whether you are having firewall issues, trying to map a drive, moving or backing up files, we can help with one phone call. We are your direct line to saving time and money.



Have a website? **VMSUS** will make sure it is up and running at all times!! We will host your website and allow your customers and potential clients to have access to your website at all times using international diversity. This means if the internet goes out in Maine, it will be picked up in Canada instantly.

## VMSUS Pricing Sheet:

Unlimited Remote Support Per Computer:

1 Computer \$199  
 2 Computers \$398  
 3 Computers \$500  
 4 Computers \$650  
 5 Computers \$800  
 6 Computers \$925  
 7 Computers \$1050  
 8 Computers \$1175  
 9 + add \$100 per computer  
 \*\*For servers & networks call to set up appointment with a System Engineer.

Backup with Packages:

FREE up to 1 GB with 3-9 computer Pkg.  
 \$50 annually up to 1 GB (Free with purchase of support for 10 computers or more)  
 \$100 annually up to 5 GB

Windows Liver OneCare Installed:

\$50 for 1-3 PCs annually  
 \$100 for 4-6 PCs annually  
 \$150 for 7-9 PCs annually

Domain Name: \$15 annually

Web Hosting: \$50 annually

Backup Space purchased separately:  
 Space Available/Monthly/Annual/Setup Fee

1GB	\$10	\$100	\$50
2 GB	\$18	\$180	\$50
5 GB	\$35	\$350	\$50
10 GB	\$55	\$550	\$50
25 GB	\$120	\$1200	\$30
50 GB	\$175	\$1750	\$20
100 GB	\$350	\$3500	FREE

**VMSUS** is your solution to all of your business needs in IT support.

Call us to find out how we can help your company at  
 877-VMS-US90  
 or visit us at [www.vmsus90.com](http://www.vmsus90.com)

**Virtual Managed Solutions**  
 480 Main Street Suite B5  
 Presque Isle, Maine 04769  
[www.vmsus90.com](http://www.vmsus90.com)  
[info@virtualmanagementsolutions.com](mailto:info@virtualmanagementsolutions.com)

*New this year: One-Day Business Entities & Two-Day Estates & Trusts  
Don't miss out on this vital Estates & Trusts Class in 2008*

**Gear Up Estates & Trust**

*16 hours of CPE credits—8 a.m. to 4 p.m. daily*

- Post Falls Sept. 10-11
- Twin Falls Sept. 17-18

Early Bird Deadline: Friday, August 22  
 Early Bird Deadline: Tuesday, September 2

**Gear Up Business Entities**

*8 hours of CPE credits—8 a.m. to 4 p.m. daily*

- Post Falls Sept. 12
- Twin Falls Sept. 19

Early Bird Deadline: Friday, August 22  
 Early Bird Deadline: Tuesday September 2

**Gear Up 1040 Individual Tax**

*16 hours of CPE credits—8 a.m. to 4:30 p.m. daily*

- Idaho Falls Oct. 23-24
- Boise Oct. 30-31

Early Bird Deadline: Friday, October 3  
 Early Bird Deadline: Friday, October 10

**Gear Up Professional Ethics**

*2 hours of CPE credits—5 p.m. to 7 p.m.*

- Idaho Falls Oct. 23
- Boise Oct. 30

Early Bird Deadline: Friday, October 3  
 Early Bird Deadline: Friday, October 10

**Registration for each Estates & Trust or 1040 seminar is:**

\$320 for IAPA members and their employees; \$370 for non-members

**Registration for each one-day Business Entities seminar is:**

\$160 for IAPA members and their employees; \$190 for non-members

**Registration for Ethics is: \$50 for IAPA members & employees; \$60 for non-members**

**Add a Late Fee of \$25** for registrations postmarked, faxed, or taken by phone or online *after* the Early Bird Dates.

**Complete one form for each person attending.**

Name \_\_\_\_\_ Licensed???  LPA  CPA  EA  Other \_\_\_\_\_

Mailing Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Daytime Phone \_\_\_\_\_ E-mail \_\_\_\_\_

**Payment Information: Total Due: \$\_\_\_\_\_** Enclosed is my  Check or  Visa or  MasterCard

Card # \_\_\_\_\_ Exp. Date \_\_\_\_\_

Cardholder's Name & Signature \_\_\_\_\_

**REQUIRED:** Your mailing address of your credit card statements: \_\_\_\_\_

***IAPA Cancellation Policy:***

1. Cancellations received at least 14 calendar days prior to the seminar date: Full refund less \$25 processing fee.
2. Cancellations received 5-13 days prior: 50% refund.
3. Cancellations less than 5 days prior: NO Refund.

**IAPA USE ONLY:**

Date Rec'd \_\_\_\_\_  
 Amt. \_\_\_\_\_  
 CK# \_\_\_\_\_  
 CC Auth \_\_\_\_\_  
 Online \_\_\_\_\_  
 Access \_\_\_\_\_  
 Conf \_\_\_\_\_



### New members welcomed!

A hearty welcome to our newest members!

**Elizabeth Gonzalez**, Nampa  
**Mark Holmstead**, CPA, Twin Falls  
**Darin Kearsley**, Driggs  
**Scott Neiwert**, Boise

Get the word out—membership with the IAPA is the best value around—\$50 seminar discounts for you and employees, web site, news, & more!

### 2008 Seminar Schedule

**-2008-**  
**1-888-208-IAPA**

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

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

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  
 Boise, DoubleTree  
 Riverside Hotel

### 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](http://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.

Oct. 30 **Gear Up Ethics**  
 5 pm to 7 pm  
 Boise, DoubleTree  
 Riverside Hotel

Bi-State Convention 2009  
 June 18-22 Boise, Idaho  
 DoubleTree  
 Riverside Hotel

NSA National Convention  
 Register at [www.nsacct.com](http://www.nsacct.com)

Aug 27-30 Kansas City, MO  
 Hyatt Regency  
 Crown Center

2008 IRS Tax Forums  
 Register at [www.taxforuminfo.com](http://www.taxforuminfo.com)

August 5-7 Orlando, FL  
 World Center

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

And don't forget:  
 A chicken crossing the road?  
 Poultry in motion

*(I know—it's r-e-a-l-l-y bad!)*

### Social Security Retirement Tool

The SSA has introduced an online financial and retirement planning tool called the Retirement Estimator. This allows individuals to get an immediate and personalized estimate of their potential Social Security retirement benefits.

This convenient tool is tied to SS earnings records, so there is no need to manually enter your years of earnings information. It is interactive, allowing users to compare different retirement options by changing the stop-work dates or expected earnings. Only the benefits estimates are provided online to ensure no personal information is revealed, making it secure.

You can find the Retirement Estimator at [www.socialsecurity.gov/estimator](http://www.socialsecurity.gov/estimator) or by checking the IAPA web site at [www.iapacct.com](http://www.iapacct.com) and clicking on the Links tab at the far top right. And while you're there, check out all the other information on our site!

*"IAPA Today;" is the official publication of the Idaho Association of Public Accountants. Editor: Barbara Neiwert, P.O. Box 1106, Hailey, 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.*

#### **BOARD OF DIRECTORS:**

**President: LaFonda Merrick, ABA, ATP Nampa;**  
**1st Vice President: Mike Chakarun, MBA, CPA, New Meadows;**  
**2nd Vice President: Jeniele Rowley, ABA, ATP, Nampa;**  
**Secretary-Treasurer: Brian Haderlie, CPA, Rexburg;**  
**Past President: Lee Grigg, ABA, Nampa;**  
**District I Director: Natalie Carlson, Post Falls;**  
**District II Director: Sharla O'Krakel, Nampa**  
**District III Director: Gary Teuscher, CPA, Montpelier;**  
**State Director NSA: Wilma Christensen, EA, ABA, ATP, ATA, Harrison;**  
**ISBA Representative: Joan Jagels, CPA, Twin Falls;**  
**Executive Director & Editor: Barbara Neiwert, Hailey.**  
**CHANGE OF ADDRESS: Please notify the editor of any change of address, phone number or email.**



PO Box 1106  
Hailey, Idaho 83333-1106



## Bits and Pieces

### Revised Form I-9 now in effect

All employers are required to verify the employment eligibility and identity of employees hired to work in the US. This is accomplished by completing Form I-9, *Employment Eligibility Verification*. All employees, citizen and noncitizen, hired or rehired after November 6, 1986 must complete a Form I-9.

A revised version of Form I-9 was issued last year, and its use is mandatory as of December 27, 2008. The most significant change in the revised form was the removal of five documents from List A, the list of documents that establish both identity and employment eligibility.

Employers that do not use the revised form may be subject to penalties.

For more information, visit the US Citizenship and Immigration Service web site [www.uscis.gov](http://www.uscis.gov).

### Online Payment Agreement

The IRS introduced several new features to the interactive [Online Payment Agreement application](#), which will make it easier for taxpayers and their authorized representatives to make changes to existing installment agreements. The system will permit:

- Individuals to revise their payment due dates and/or amounts on existing agreements.
- Individuals to revise existing extensions to regular installment agreements and direct debit installment agreements.
- Individuals to revise existing regular installment agreements to a payroll deduction installment agreement or a direct debit installment agreement.
- Practitioners with valid authorizations to use the signature date found on their approved Form 2848, Power of Attorney and Declaration of Representative, or the caller ID as an alternate way to authenticate when request-

ing agreements for clients.

- More than 75 percent of those eligible for an installment agreement can establish one using the online application. Since launching in October 2006, more than 30,000 taxpayers have successfully used it to set up a [payment agreement](#).

Eligible taxpayers who owe \$25,000 or less in combined tax, penalties and interest can self-qualify, apply and receive immediate notification of approval for installment agreements – including pre-assessed agreements on tax year 2007 Form 1040 liabilities and paperless direct debit agreements.

Paying taxes on time and in full avoids unnecessary penalties and interest. However, taxpayers who cannot pay in full may request a payment agreement. To be eligible, a taxpayer must first file all required tax returns and be current with estimated tax payments, if applicable.