



**Idaho Association
of Public
Accountants**

IAPA TODAY

The Newsletter for Idaho's Accounting & Tax Professionals

Volume 5, Issue 1

April 2005

www.iapacct.com

Treasure Valley Chapter Under Construction!

by LaFonda Merrick, District II Director

Attention all District II Members!

If you live within District II—Treasure Valley, Mountain Home, McCall, Ontario—you have an opportunity to benefit from some additional educational opportunities and networking.

Chapters of the IAPA used to be enjoyed throughout the state, but have gone by the wayside. We would like to build these back up by starting a chapter for the Boise area. We are having our first organizational meeting for the District II Chapter on May 26.

Our goal is to provide educational opportunities for accountants and their staff. We would love to have each of you come to this dinner meeting to help decide what dates, times and places would work for our future meetings. We also need a little help to make things run smoothly.

We plan to have a monthly meeting that features an expert speaker addressing updates on many of the issues that you face. Speakers from the state tax commission, social security office, insurance board or even QuickBooks

are being lined up for presentations. These talks will earn you one CPE credit.

Plan to join us at 6 p.m. on Thursday, May 26, at the Tony Roma's Restaurant in Meridian at 790 S. Progress Avenue (895-8466). It's right next to Home Depot and an easy access off the freeway. There will be a full menu to order from for this no-host meal.



Give a quick RSVP to my office so we can reserve space in the banquet room. I look forward to seeing many of you there. We can make a big difference by educating ourselves and our staff with very little effort!

Give me a call at 467-3720 if you have any questions or to RSVP. You can also reach me at lmerrick@merricktaxservices.com.

I hope to see you there!

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Look for new additions to IAPA seminars!

In an effort to avoid all those grumbling stomachs that echo through the meeting rooms in the early morning hours of our seminars, your board of directors has taken drastic measures to nip it in the bud! We will include continental breakfasts for each of the seminars this year.

If you don't care for coffee or tea, a

variety of juices will be available, along with muffins and pastries. Each hotel will have it's own selection.

So plan to come early, but watch out—our executive director may catch you and put you to work.

Enjoy!

Senate Bill 832 – Taxpayer Protection & Assistance Act of 2005

Bill 832 Introduced in U.S. Senate

Legislation has been introduced in the U.S. Senate—S. 832—to regulate individuals (except Enrolled Agents, CPAs and attorneys currently regulated under Circular 230) who prepare, for a fee, federal tax returns, documents and other submissions. The bill was introduced by Senator Jeff Bingaman (D-NM) and cosponsored by Senate Finance Committee Chairman Charles Grassley (R-IA) and ranking member Max Baucus (D-MT).

If enacted, the bill would require the Treasury to develop and administer an eligibility examination to test the technical knowledge and competency of individuals who prepare federal tax returns (including individual, business income tax returns, and the earned income tax credit) and the knowledge of ethical standards for the preparation of such returns. The bill would require renewal of the eligibility to prepare returns every **three years**. The Treasury

would have one year from date of enactment to issue regulations to administer this provision.

The NSA, in conjunction with the Accreditation Council for Accountancy and Taxation (ACAT), is working to seek recognition of the taxation and ethics sections of the ABA exam as the eligibility examination and a waiver from the eligibility examination requirement for holders of ACAT credentials—Accredited Business Accountant (ABA), Accredited Tax Preparer (ATP), and Accredited Tax Advisor (ATA). The regulation of tax return preparers appears in section 4, page 7 of S. 832.

Kendal Egbert, NSA State Director for Idaho, said NSA is making a huge effort to have inclusions in the bill that would exclude accountants with ACAT credentials from falling within these testing regulations. This controversial bill will definitely have an impact on practitioners, he said.

ACAT & EA COURSES

To find out how to earn the licenses available through ACAT or to become an Enrolled Agent, visit www.softconference.com/NSA/LearningGateway/main.asp

Or contact **Linda Trent**, IAPA's representative on the ACAT Board of Directors, at 208-722-5210 or by email at office@trent-cpa.com.

"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.

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CHANGE OF ADDRESS: Please notify the editor of any change of address, phone number or email.

(Continued from page 3)

IRS Web Site – Spanish Gateway Page

<http://www.irs.gov/espanol/index.html>

FirstGov Web Site (Spanish)

<http://www.firstgov.gov/Espanol/index.shtml>

TAX FORUM INFORMATION –

2005 Nationwide Tax Forum Site (including registration, lodging, and course information)

http://www.taxforuminfo.com/index.php?module=content§ion_id=1

"BUSINESS BUILDER DAY" INFORMATION –

IRS Web Site "Idaho Workshops" Page (including information on the May 25, 2005 "Idaho Business Builder Day", sponsored by the Idaho Business League)

<http://www.irs.gov/businesses/small/article/0,,id=99067,00.html>

NON-GOVERNMENT SITES –

Idaho Business League Web Site (information on "Idaho Business Builder Day")

<http://www.idahobusinessleague.com/>

"Quatloos.com" is a product of the Financial & Tax Fraud Education Associates (a Non-Profit Corporation) – information on Tax Fraud and Tax Scams

<http://www.quatloos.com/>

IRS Liaison Committee shares updates by LaFonda Merrick, IAPA District II Director

The IRS Liaison Committee met in Boise on May 5. It was a very good exchange that provided lots of new information to share with you.

Some of the hot issues discussed were the Alternative Minimum Tax, the expiring provisions of the tax code, circular 230 plus a lively discussion on abusive tax schemes.

While the IRS really isn't willing to box them selves in by defining what an abusive tax scheme is, the feeling I got is that it is kind of like porn. You know it when you see it. They indicated the promoters are very creative and they don't want to have a written list of what is and what isn't, particularly when new ideas are developing every day. The good news for Idaho is that the majority of the schemes are hitting the coast. However, the IRS is very interested in hearing about any new schemes out there.

It looks as if the Offers in Compromise is finally finding a home in Tennessee. Offers as a whole are down, but it might be that the reason has more to do with the frustration from the taxpayer community than from people being able to pay their tax liability. Many taxpayers have had their offer bounced to three or four different service centers before it was finally addressed. The IRS as a whole is willing to look at an offer, but just like any other creditor, they want to have full payment if the taxpayer can pay it over time.

There is a new emphasis on hiring in

the compliance divisions of the IRS. The Service is looking at closing walk-in centers, and moving non-compliance personnel to compliance. W & I's new motto is "Service + Enforcement = Compliance." That pretty much says it all. They are encouraging taxpayers to call the toll-free numbers for assistance and to pay their liability by mail or electronically. Outside of tax season the walk-in personnel will be assigned an inventory of collection accounts.

In the field collections department, there is more of a focus on "in business taxpayers" who owe for trust fund liabilities. There will be quicker assessment of corporate officers so they can tie up their personal assets while trying to collect from the business. They also want field contact so the revenue agent can view the property and operations. This will give them a feel for how the business is doing financially.

A phrase I heard over and over again basically said, "more audits, more coverage." There will be a push to close audits and move on to more taxpayers. This will especially affect pass through entities. Expect LLC, S-Corp, Corporation and Trust returns will be targeted. Charitable entities won't escape notice either. Another focus will be licensed professionals who have not filed.

There are some bright spots on the horizon. Bob Finlan, Senior Tax Specialist SBSE TEC (Boise), is holding more feed back sessions. There was one on May 10 and more will be

scheduled. If you are interested in participating you can contact him at 208-387-2829, ext. 271. The feedback session gives the IRS an idea of what problems we are facing and helps them make policy changes where needed. Mr. Finlan is anxious that Idaho be represented. It also gives us a chance to represent our clients and the practitioner community as a whole.

We have available for a limited time the now obsolete Publication 3700 (CD) which was the Virtual Small Business Workshop. This is available at the IRS Web site. A new updated workshop on DVD is being planned. It should be available in mid 2005.

Finally, I have included some links to various Web sites that you may find helpful in getting more information. We don't yet have available the minutes to the meeting, but once I have them, it will include these and other links. If you are interested in getting a copy, let me know. Email me at lmerrick@merricktaxservices.com.

Many of the presenters at the meeting are available for speeches. I hope to include some in our Chapter II meetings in the future. If you have a specific topic you would like to hear about at the chapter meetings, let me know. I also had a good chat with Claudia Johnson, taxpayer service manager, from the Idaho State Tax Commission and she is anxious to help our chapter education also. I look forward to a good learning season after our traditional tax season.

SCHEMES, FRAUD, IDENTITY THEFT – IRS Web Site Abusive Tax Avoidance Schemes

<http://www.irs.gov/compliance/enforcement/article/0,,id=130598,00.html>

Identity Theft – US Department of Justice

<http://www.usdoj.gov/criminal/fraud/idtheft.html>

IRS Criminal Investigation Site

<http://www.treas.gov/irs/ci/index.htm>

US Dept of Justice, Tax Division Press Releases

<http://www.usdoj.gov/tax/taxpress2005.htm>

Federal Trade Commission – Identity Theft Page

<http://www.consumer.gov/idtheft/>

SPANISH LANGUAGE RESOURCES –

Federal Trade Commission Site – Spanish

<http://www.ftc.gov/bcp/online/edcams/ojo/s-index.htm>

(Continued on page 2)

*This year's seminar schedule has something for everyone!
And remember: With IAPA membership you save \$50 per seminar.
Invite someone you know to join the IAPA today.*

NEW: Continental
Breakfast Each Day!

Registration Form
IAPA-Sponsored Seminars
(Circle one or more—One form per attendee)

Bob Jennings' Technology Seminar
16 CPE—Early Bird Deadline May 20

June 9-10 **Boise, Red Lion Downtowner** 208-344-7691
8:30 a.m. to 5 p.m.

Gear Up Business Entities Seminar
16 CPE

Sept 8-9 **Post Falls, Red Lion Templin's Resort** 773-1611 Early Bird Aug. 17
Oct. 5-6 **Twin Falls, Red Lion Canyon Springs Hotel**, 734-5000 Early Bird Sept. 2
8 a.m. to 4 p.m.

Gear Up Individual 1040 Tax Seminars
16 CPE

Oct. 24-25 **Boise, DoubleTree Riverside**, 344-1871 Early Bird Sept. 30
Oct. 31-Nov. 1 **Idaho Falls, Shilo Inn**, 523-0088 Early Bird Oct. 7
8:30 a.m. to 5 p.m.

Early-Bird Rates All Seminars:
\$300 IAPA Members and their employees; \$350 Non-Members

After Early-Bird Deadlines: \$325 IAPA Members and their employees; \$375 Non-Members

Common Seminar Registration:

Circle the seminar above that you would like to attend.

For those who may have a tendency to get "chilled," a sweater and/or light coat is advisable during the seminars.

Name _____ License _____
Address _____
City _____ State _____ Zip _____
Phone _____ Email _____
Mail to: IAPA, PO Box 1106, Hailey, ID 83333
or
Fax (208)788-9530
1-888-208-IAPA

Optional: Visa or MasterCard
Card # _____
Expiration Date _____
Cardholder's
Name _____
Address on Card _____
Signature _____

IRS grants New Jersey PAs practice rights under Circular 230

The IRS has determined that New Jersey public accountants (PAs) may practice before the Internal Revenue Service under provisions of Circular 230.

The IRS stated that New Jersey PAs have practice rights equivalent to those of CPAs in that state and should receive similar practice privileges.

IRS is reviewing accountancy statutes in other states to determine if PAs in those states have practice rights equivalent to CPAs in order to gain recognition under Circular 230.

Sales tax deduction guidelines

The IRS has issued Notice 2005-31 to provide guidance to taxpayers regarding the election to deduct state and local general sales taxes in lieu of state and local income taxes under § 165(b)(5) of the Internal Revenue Code for taxpayers who elect to itemize deductions.

Some of the areas covered by the Notice are definition of motor vehicle and how to use the optional tables in special circumstances, such as taxpayers who file joint returns but live in separate states or married taxpayers who file separate returns.

The Notice states that taxpayers may deduct actual state and local general sales taxes paid on the purchase of the following items: motor vehicles, boats, aircraft, homes (including mobile and prefabricated homes), and materials to build a home.

Life insurance and annuity contracts

The Treasury Department and the IRS finalized a regulation that would limit the use of life insurance and annuity contracts as a way to avoid current taxation of investment earnings.

The regulation, together with other guidance previously issued, will prevent taxpayers from turning other-

wise taxable investments in hedge funds and other entities into tax-deferred or tax-free investments by purchasing the investments through a life insurance or annuity contract.

The regulations are effective as of March 1, 2005. However, arrangements in existence on March 1, 2005, will be considered to be ade-

quately diversified if:
(i) those arrangements were adequately diversified within the meaning of section 817(h) prior to March 1, 2005, and
(ii) by December 31, 2005, the arrangements are brought into compliance with the final regulations.



What have you learned today?

I've learned.... That life is like a roll of toilet paper. The closer it gets to the end, the faster it goes.

I've learned.... That it's those small daily happenings that make life so spectacular.

I've learned.... That life is tough, but I'm tougher.

I've learned... That opportunities are never lost; someone will take the ones you miss.

I've learned.... That when you harbor bitterness, happiness will dock elsewhere.

I've learned.... That everyone wants to live on top of the mountain, but all the happiness and growth occurs while you're climbing it.

I've learned.... That the Lord didn't do it all in one day. What makes me think I can?

NSA members net discount at IRS Tax Forums

NSA is pleased to continue its partnership with the IRS to offer NSA members a special savings - \$20 off the pre-registration fees for the 2005 IRS Tax Forums.

You can register online at the NSA Member Discount Rate of \$99! The NSA Member Discount Code is NSA00505. Use this code to save \$20 off the IRS pre-registration fees in any of the six locations. The NSA member discount is not available after the pre-registration deadlines. Go to www.taxforuminfo.com to register.

2005 IRS Nationwide Tax Forum Schedule:

June 28-30 in San Francisco, CA
Pre-registration deadline: June 14
 July 12-14 in Houston, TX
Pre-registration deadline: June 28
 July 26-28 in Atlanta, GA
Pre-registration deadline: July 12
 August 9-11 in New York, NY
Pre-registration deadline: July 26
 August 23-25 in Las Vegas, NV
 (right before the NSA Convention in Las Vegas)
Pre-registration deadline: August 9
 August 30-September 1 in Chicago, IL
Pre-registration deadline: August 16

**Call Kendal Egbert at
 208-733-6063
 for a membership
 application today!**

Why you need to belong to IAPA and NSA

IAPA

- ✓ Professional Stature and Recognition
- ✓ Membership Certificate
- ✓ Code of Ethics
- ✓ Promotional Brochure
- ✓ Liaison with Internal Revenue Service
- ✓ Representative on Idaho State Board of Accountancy
- ✓ Legislative Representation in Boise
- ✓ State Board of Accountancy Monitor
- ✓ Statewide Public Relations Program
- ✓ Discounted Rates for: Tax Seminars
- ✓ Discounted Rates for: Accounting Seminars
- ✓ Discounted Rates for: Technology Seminars
- ✓ Discounted Rates for: Financial & Estate Planning Seminars
- ✓ Tradeshows at Seminars
- ✓ Speakers at Local Chapter Meetings (District II)
- ✓ Leadership Training
- ✓ Leadership Opportunities
- ✓ Annual Statewide Convention
- ✓ College Scholarship Program
- ✓ Quarterly Newsletter
- ✓ IAPA Web Site
- ✓ IAPA Membership Directory
- ✓ Camaraderie With Fellow IAPA Members
- ✓ Networking and Idea Exchange
- ✓ Dues only 20 cents per day!!!

NSA

- ✓ Professional Stature and Recognition
- ✓ Membership Certificate
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- ✓ Tax Research Service
- ✓ Client Brochures
- ✓ Practice Management Forms & Aides
- ✓ Liaison with IRS & SBA
- ✓ Legislative Advisories—National Laws & Regulation
- ✓ NASBA Monitor
- ✓ Legislative Strategies & National Issues Conference
- ✓ National Public Relations Program
- ✓ Tax and Accounting Seminars
- ✓ Practice Management Seminars
- ✓ Home Study Programs
- ✓ ACAT Accreditation
- ✓ Discounted Peer Review
- ✓ Leadership Training & Networking Conferences
- ✓ Annual National Convention
- ✓ Monthly NSA Practitioner Newsletter
- ✓ Monthly National Public Accountant Magazine
- ✓ NSA Software News
- ✓ NSA Income & Fees Survey
- ✓ NSA Web Site
- ✓ Scholarship Program
- ✓ Discounts on Various Publications and Products
- ✓ Dues only 49 cents per day!!!

Bits 'n Pieces

New Members Welcomed

Three accountants have joined our ranks this spring. Please welcome:

Wayne Barney, Boise,
Andrea Buckalew, CPA, Pocatello,
Kirk Kirkpatrick, LPA, Rathdrum.

Sign up a member; join the fun!

With the recent increase in seminar rates, plus the addition of a fifth seminar to this year's schedule, now is the perfect time to invite a colleague to become a member of the IAPA.

Your \$75 membership fee has remained unchanged for too many years to remember. Membership not only means belonging to a top-notch association that works to serve public accounting professionals, but it saves you money. You save \$50 per seminar for not only yourself, but any employees that attend. Can't beat that value!

Invite a colleague to join. For an application, call Barb at 1-888-208-4272.

Past President Makes List

IAPA member and past president



Bette Jo Berryman has been named one of the Top 100 Most Influential Practitioners for 2005. The distinction came from Tax Season 2005 edition of *For*

Practitioners....By Practitioners. Ms. Berryman was honored for as a practitioner in the small to mid sized business category of the Top 100.

The lead-in paragraph of the article indicated that "...we limited our scope to only those who work in public practice and, by their service, help others succeed in this profession. To refine an exhaustive list to 100, we researched other selections...to find the most influential, fascinating practitioners around. This year's selections

are members of the profession who are intent on continuing to rebuild the public's trust. Learning how they are successful and what make them extraordinary is evident in their passion and unselfish devotion of their time and to serve others."

Congratulations, Bette Jo!

Licensee renewals online

The Idaho State Board of Accountancy would like to remind all LPAs and CPAs that it's license renewal time! New this year is the ability to renew online conveniently with a VISA, MasterCard or Discover card at www.state.id.us/boa. Renew by July 1, 2005, avoid late fees of \$100.

Tax Talk Today

IRS is requesting membership nominations for the Information Reporting Program Advisory Committee (IRPAC). The deadline for submitting applications is June 30, 2005.

Established in 1991, the 23-member IRPAC provides recommendations to IRS leadership on a wide range of information reporting and administration issues. The committee presents a report to the Commissioner of the IRS each year at a public meeting. Email for an application at *public_liaison@irs.gov

Letters to The Editor . . .

If you have a comment, suggestion or perhaps an opinion you would like to share, send to "Letters to the Editor."

Only signed copy will be printed and at Editor's discretion. Copy may be edited for space requirements and does not represent an opinion of IAPA or the Editor. It represents only the opinion of the letter's author.



Upcoming IAPA Classes

1-888-208-IAPA

- | | |
|-----------------|---|
| June 9-10 | Bob Jennings
Technology Seminar
Boise |
| June 22-25 | IAPA/OAIA
Convention &
Annual Board
Meeting 6/23
Florence, OR |
| Aug. 25-27 | NSA 60th Annual
Convention
Las Vegas, NV |
| Sept. 8-9 | Gear Up Business
Entities , Post Falls |
| Oct. 5-6 | Gear Up Business
Entities , Twin Falls |
| Oct. 24-25, | Gear Up 1040
Boise |
| Oct. 31-Nov. 1, | Gear Up 1040
Idaho Falls |

**Idaho Association of
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Sit in on this seminar and see how easy it can be.

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Red Lion Downtowner

Boise, Idaho

8:30 a.m. to 5 p.m.

Continental Breakfast and Lunch

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Registration on Page 4