

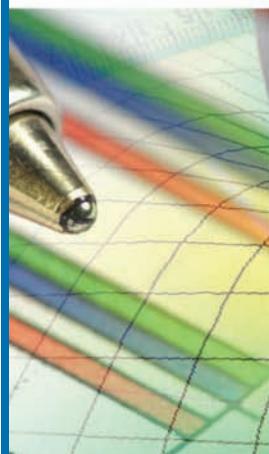
Fall 2009

the Pennsylvania Accountant

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Community Accounting
& Tax Professionals

The Magazine Of The Pennsylvania Society of Public Accountants

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A Message From The President



The autumn is in full swing and the Fall Classic is coming up soon. As I write this letter the Phillies are up two games to one and have a tough road ahead with the Dodgers. But those darn (you know what I wanted to say) Yankees look like they have bought themselves another World Series championship. Nevertheless think Red and Go Phillies!

This season has been particularly busy with the chapter visitations. But I have enjoyed meeting PSPA members from around the state. The welcome provided to me has been overwhelming and I want to thank the chapters I have visited for their overwhelming support. There is no doubt in my mind what makes PSPA a great organization. It's our members.

IRS is concluding their final meeting on the Return Preparer Review and they should begin discussions with their various components to finalize the

recommendations they will make to the President and Congress. We will keep our members apprised of the developments that will shortly be forthcoming. Stay tuned.

Our ad hoc committee will be meeting to make recommendations on how our By-Laws should change to accommodate the new Regulatory Model that Commissioner Shulman will be introducing.

In closing I want to wish all of our members and their families a happy and healthy holiday season. Be grateful for the many blessings that we have as Americans. And say a prayer for those who are experiencing some of life's challenges.

Respectfully Submitted,
Paul J. Cannataro, CPA



the Pennsylvania Accountant

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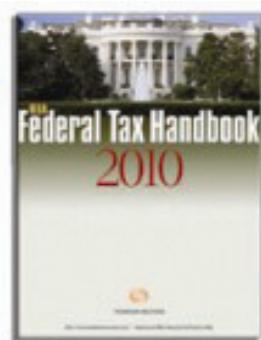
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PENNSYLVANIA TAX UPDATE

2009-2010 PA BUDGET - OVERVIEW OF TAX CHANGES

By Sharon R. Paxton

Governor Rendell signed appropriation and tax bills on Friday, October 9th. Unfortunately, although the budget reduces spending from 2008-2009 levels, it includes a substantial tax increase for Pennsylvania businesses. Adjustments to major corporate taxes will generate an additional \$300 million in fiscal year 2009-10 and \$460 million in 2010-11.

CAPITAL STOCK & FRANCHISE TAX PHASE-OUT DEFERRED

The Capital Stock and Franchise Tax ("CSFT") rate for calendar year 2009 and tax years beginning in 2009 is increased by 53% - from 1.89 mills to 2.89 mills (the 2008 rate). And, the phase-out of the tax is delayed - the 2.89 mill rate will apply for 2010 (previously scheduled at 0.89 mills) and 2011 (previously scheduled as the first post-phase-out year). Now, the rate will be reduced to 1.89 mills in 2012 and to 0.89 mills in 2013, with full elimination in 2014.

The rate change will be slightly offset by an increase in the valuation deduction, from \$150,000 to \$160,000, effective for taxable years beginning after December 31, 2009.

The rate increase will not be factored into estimated tax payments due prior to January 1, 2010.

While the CSFT rate change will have a broad impact on Pennsylvania businesses, some will enjoy at least a small benefit from other changes.

CNI NET LOSS CAP EXPANDED

In one of the few bright spots in Pennsylvania business taxes, the Corporate Net Income Tax ("CNI") Net Loss Carryforward cap is increased to the higher of \$3 million or 15% of Pennsylvania taxable income for taxable years beginning after December 31, 2008, and to the higher of \$3 million or 20% of Pennsylvania taxable income for taxable years beginning after December 31, 2009. The cap previously was \$3 million or

12.5% of taxable income.

CNI SALES FACTOR WEIGHTING INCREASED

In addition, the Corporate Net Income Tax apportionment formula will be modified. The weighting for the Sales Factor will be increased from 70% to 83% for taxable years beginning after December 31, 2008, and to 90% for taxable years beginning after December 31, 2009.

MANAGED CARE GROSS RECEIPTS TAX

Effective October 1, 2009, Managed Care Organizations that are party to a Medicaid managed care contract are subject to a tax of 59 mills on gross receipts from Medicaid managed care contracts. The tax will be terminated if determined to be in violation of federal law. Proceeds from the tax will augment the capitation appropriation of the Department of Public Welfare.

CIGARETTE & "LITTLE CIGARS" TAX

The Cigarette Tax is expanded to include "Little Cigars," and the tax rate is increased by 25 cents per pack, effective November 1, 2009. Special provisions apply to retailers and other persons in possession, on the effective date, of untaxed little cigars and cigarettes on which the additional tax has not been paid, to ensure that the new and additional taxes will be paid. Cigarette stamping agent commission rates are adjusted. Procedures are established for remittance and enforcement of tax due on unstamped cigarettes.

HELICOPTER SALE AND REPAIR EXEMPTION

Effective immediately, the sale and use of helicopter and similar rotorcraft are exempted from Pennsylvania sales and use tax. Repair parts and components, as well as installation in such craft, also are exempted.

PIT CHECKOFFS EXTENDED

Personal Income Tax refund checkoffs for Breast and Cervical Cancer Research and for Juvenile Diabetes Cure Research have been reenacted without sunset dates. Checkoffs for Wild Resource Conservation, Organ and Tissue Donation Awareness and Military Family Relief Assistance have been extended through 2013.

PIT WITHHOLDING REMITTANCE DEADLINES REVISED

New, accelerated deadlines have been established for employers withholding more than \$20,000 of Personal Income Tax annually. Beginning in June 2010, such employers will be required to remit the tax on the Wednesday following payday if payday falls on Wednesday-Friday, and to remit by the following Friday if payday is on Saturday-Tuesday. The thresholds for classification of filers have also been revised to annual amounts, instead of quarterly amounts.

FILM PRODUCTION TAX CREDIT

The amount available under the Film Production Tax Credit program is reduced from \$75 million to \$42 million for fiscal 2009-10, then increased to \$60 million in 2010-11.

R&D TAX CREDIT

The R&D Tax Credit provisions have been amended to eliminate the one-year holding period before a credit may be sold. However, the amounts available for award have been reduced by 50% for fiscal 2009-10 and 55% for 2010-11.

EDUCATIONAL IMPROVEMENT TAX CREDIT

The amount available under the Educational Improvement Tax Credit program is reduced from \$75 million to \$60 million in fiscal 2009-10, and to \$50 million in 2010-11. The statute

has been amended to clarify that where a pass-through entity transfers a tax credit to its shareholders, members or partners, an election may be made to use the credit in the year of contribution or the following year. The definition of "pass-through entity" now explicitly includes single member limited liability companies treated as disregarded entities for federal tax purposes. Credits continue to be granted on a "first-come, first-served basis" except that if applications received prior to October 1, 2009, exceeded the allocation, such applications will be granted pro-rata.

OTHER TAX CREDITS

The total amount available in 2009-10 under the Call Center, EIP, REAP, Job Creation, Neighborhood Assistance and First Class Cities Economic Development District Tax Credits are reduced by 50%. The Alternative Energy Investment Credit is suspended.

TAX AMNESTY PLANNED FOR 2010

The fiscal 2009-10 Pennsylvania budget package includes a Tax Amnesty to be conducted from April 26, 2010, through June 18, 2010. The amnesty will apply to state taxes (and related interest and penalties) delinquent as of June 30, 2009. Taxpayers who, during the amnesty period, report and pay eligible delinquent taxes and 50% of applicable interest will be relieved of penalties and the other 50% of applicable interest. In the case of liabilities for which no return has been filed or liabilities that have been underreported on a filed return, if the taxpayer has not been contacted by the Revenue Department, liability for similar taxes due prior to July 1, 2004, will be forgiven. Only the Pennsylvania portion of IFTA fuel taxes will be eligible for amnesty. Payment must be by certified check, money order, EFT, credit card, cash or its equivalent.

In addition to filing a tax amnesty return, participants will be required to file complete tax returns for all unfiled taxes, and to file complete amended returns for all underreported

eligible taxes. Participants who become delinquent beyond certain parameters within two years after the end of the amnesty period will lose their penalty and interest forgiveness under amnesty. Participants will waive all rights to file a petition for refund or otherwise contest taxes reported under amnesty.

Any taxpayer failing to report and pay an eligible tax during the amnesty period will be subject to a special, additional 5% penalty. The 5% penalty will not apply where a taxpayer has entered into a deferred payment plan or filed an administrative or judicial appeal during the amnesty period.

The Department of Revenue will publish amnesty guidelines and sample forms by December 8, 2009.

PHILADELPHIA SALES TAX INCREASE

Effective October 8, 2009, Act 44 of 2009 authorized the City of Philadelphia to impose an additional 1% sales and use tax, increasing the total state and local tax to 8% within the City. This increased tax rate is effective until June 30, 2014.

MEDICAL SCANNING SYSTEMS RULED "REAL ESTATE" FOR PA SALES TAX PURPOSES – REALTY/ PERSONALTY TEST CLARIFIED

On July 29, 2009, a three-judge panel of the Commonwealth Court, with one dissent, issued a decision in *Northeastern Pennsylvania Imaging Center v. Commonwealth*, No. 635 F.R. 2007, clarifying the "realty v. personalty" test for Pennsylvania sales and use tax purposes. The court applied the principles established in *In re Appeal of Sheetz*, in which the court ruled that canopies placed over gasoline pumps became part of the real estate for local property tax purposes, and ruled that MRI and PET/CT scanning systems became part of the real estate upon installation. Therefore, the imaging center was entitled to a refund of sales tax paid on its purchase of these systems, which were installed pursuant to construction contracts. In an unreported opinion issued on August 5, a majority of a three-judge

panel reached the same result in a companion case including a leased MRI scanning system on leased premises (*Medical Associates of the Lehigh Valley, P.C. v. Commonwealth*, No. 50 F.R. 2006). On August 19, 2009, the Commonwealth filed exceptions to the panel decisions in both of these cases. The Court recently denied the exceptions filed by the Commonwealth, and a further appeal by the Commonwealth to the Pennsylvania Supreme Court is expected shortly.

This is the first time that a Pennsylvania court has applied the *Sheetz* test for sales tax purposes. Under the *Sheetz* test, in determining whether items that are affixed to real estate but can be removed without material injury to themselves or to the real estate should be treated as realty or personalty, the following three factors must be considered: (1) the manner in which the item is physically attached or installed, (2) the extent to which the item is essential to the permanent use of a building or other improvement, and (3) the objective intention of the parties regarding permanence. Importantly, the Court rejected the Commonwealth's contention that an item must be essential to all possible uses of a building to be essential to the permanent use of the building. The Court also reiterated that absolute permanence is not required for a fixture to become part of the real estate. Rather, it is sufficient if the item will remain in place so long as the property continues to be used for its current purpose or until the item wears out or becomes obsolete.

LEGISLATIVE REMEDY SOUGHT TO CLARIFY BUSINESS PRIVILEGE TAX LIABILITIES OF CONSTRUCTION CONTRACTORS AND OTHER SERVICE PROVIDERS DOING BUSINESS IN MULTIPLE LOCAL TAX JURISDICTIONS

Recent court decisions have created confusion concerning the scope of a municipality's authority to impose a business privilege tax ("BPT") on construction contractors and other

service providers doing business in multiple local tax jurisdictions. Senate Bill 601 introduced by senator Pat Browne would amend the Local Tax Enabling Act to provide that a BPT on the “privilege” of doing business within a local taxing jurisdiction may be imposed only on taxpayers with a “base of operations” in that taxing jurisdiction. Senate Bill 601 would also define a “base of operations” as “an actual, physical and permanent place of business from which a taxpayer manages, directs and controls its business activities” and clarify that “permanent” means “a building or other structure owned or rented or used by the taxpayer that is permanently attached to the ground via a fixed foundation or similar construction and which cannot be removed without demolition or dismantling.” Various interest groups are supporting this proposed legislation.

As discussed in more detail below, in late 2007, the Pennsylvania Supreme Court issued a decision in *V.L. Rendina, Inc. v. City of Harrisburg and Harrisburg School District* (“Rendina”), 938 A.2d 988 (Pa. 2007), which rejected and eliminated the “bright-line” test established by a line of Commonwealth Court decisions that had required the presence of a local “base of operations” to support a tax imposed on the “privilege of doing

business” within a taxing jurisdiction. *See, e.g., Township of Lower Merion v. QED, Inc.*, 738 A.2d 1066 (Pa. Cmwlth. 1999), *appeal denied*, 775 A.2d 811 (Pa. 2001). Earlier court decisions had also established that a construction job trailer was not generally viewed as a “base of operations.” *See, e.g., Northwood Construction Co. v. Township of Upper Moreland*, 856 A.2d 789 (Pa. 2004); *G.A & F.C. Wagman, Inc. v. Manchester Township*, 535 A.2d 702 (Pa. Cmwlth. 1988). Under the *Rendina* decision, it appears that a “privilege-based” BPT may be imposed on a company that conducts significant activities within a taxing jurisdiction whether or not it regularly maintains an office or other place of business there. Exactly how much “activity” is required in a local taxing jurisdiction to support imposition of a “privilege-based” BPT is not clear.

RENDINA DECISION

In *Rendina*, the Pennsylvania Supreme Court upheld the City of Harrisburg’s right to impose its BPT on a contractor performing construction work, but not maintaining a traditional business office, in the city. Three justices joined in the opinion of the court, one concurred, one dissented, and two did not participate.

From 1999 to 2001, Rendina constructed a major office building in Harrisburg. The company maintained

the usual jobsite trailer but did not have any other office in the city. Rendina paid the city’s BPT and then filed a refund claim. The city’s appeals board and the Dauphin County Court of Common

Pleas held that the job trailer was a “field office” which constituted sufficient presence to support imposition of the tax.

On appeal, the parties treated the tax as one imposed on the privilege of conducting business in the city, as opposed to a tax on business “transacted” in the city. Following a line of cases requiring the presence of a “base of operations” before a company could be subjected to a “privilege-based” tax, *see, e.g., QED, supra*, the parties focused their arguments on whether or not the job trailer should be considered a “base of operations” in the city. A divided panel of the Commonwealth Court reversed and struck the tax, holding that *Rendina*’s jobsite trailer was not a “base of operations.” The city then appealed to the Pennsylvania Supreme Court.

Somewhat surprisingly, the Pennsylvania Supreme Court completely side-stepped the question of whether the job trailer constituted a “base of operations.” In fact, the court suggested that whether a company has a “base of operations” in the taxing municipality is relevant only when the municipality seeks to tax income from activities outside the municipality. In *Gilberti v. City of Pittsburgh*, 511 A.2d 1321 (Pa. 1986), the court ruled that revenues from activities outside the city could not have been taxed by the City of Pittsburgh if its tax had been imposed on business “transactions” within the city. However, Pittsburgh’s tax was imposed on the privilege of doing business from a location within the city. Since the services provided by Gilberti were directed and controlled from Gilberti’s office or “base of operations” in the city, the court held that revenues from those services were fairly related to the exercise of the privilege of doing business in the city and could be taxed.

The *Rendina* court refused to require the inverse of *Gilberti* - to preclude a privilege-based tax in the absence of a “base of operations” in the municipality. The court noted that the Local Tax Enabling Act (“LTEA”) broadly authorizes local taxing



bodies to impose taxes on “persons, transactions, occupations, privileges, subjects and personal property within the limits of such political subdivisions” 53 P.S. § 6924.301.1. And, the City of Harrisburg’s tax ordinance and regulations defined “business” broadly, so as to encompass local construction activities. In this light, the court held that Rendina’s presence in the City of Harrisburg for “a major long-term construction project” represented an exercise of the privilege of doing business afforded by the city. Furthermore, the court indicated that Rendina’s activities were subject to tax “regardless of whether the job site trailer was used as a ‘base of operations’ ..., or whether the three-year construction project can, in some sense, be viewed as constituting a single lengthy ‘transaction.’”

Justice Baer, in a concurring opinion, indicated that the Majority Opinion unnecessarily blurred the lines between the local taxation of “privileges” and of “transactions.” He would adhere to the requirement of a “base of operations” to support imposition of a privilege-based tax, and would not view a jobsite trailer as a “base of operations.” However, he also opined that, under the LTEA, a local government was permitted to adopt a “hybrid tax” on both the exercise of a privilege to do business and on transactions within the taxing jurisdiction. In his opinion, Harrisburg had adopted a “hybrid tax.”

Justice Cappy dissented, indicating that he agreed with the reasoning of the Commonwealth Court majority, that the contractor’s job trailer did not constitute a “base of operations” within the taxing jurisdiction and that the tax could not be upheld in the absence of a “base of operations.”

A&L DECISION

On June 4, 2009, in the first post-*Rendina* BPT decision issued by an appellate court addressing the applicability of BPT to a construction contractor, a three-judge panel of the Commonwealth Court, in *A & L, Inc. v. Township of Rostraver*, No. 1651

C.D. 2008 (unreported opinion), affirmed the trial court’s finding that a construction company had failed to meet its burden of proving that it maintained business offices at locations outside of the taxing district in which its headquarters was located, to which some of its income was attributable for business privilege tax purposes. The applicable taxing ordinances contained an exemption for receipts attributable to an office or place of business regularly maintained outside the limits of the taxing district. The court held that this exemption applies to offices serving as a “base of operations” in another taxing district and to revenues subject to BPT in another jurisdiction. There was no evidence that BPT had been imposed on the disputed receipts by another local taxing district. In addition, the court stated that the taxpayer had not demonstrated that any of its “offices” in other jurisdictions constituted a base of operations. The taxpayer argued that the court did not apply the correct standard in determining whether its various field offices qualified for the “office exemption.” The taxpayer’s application for reargument was denied on July 30, 2009. The taxpayer filed a Petition for Allowance of Appeal with the Pennsylvania Supreme Court on August 28, 2009. The Supreme Court has not yet acted on that Petition.

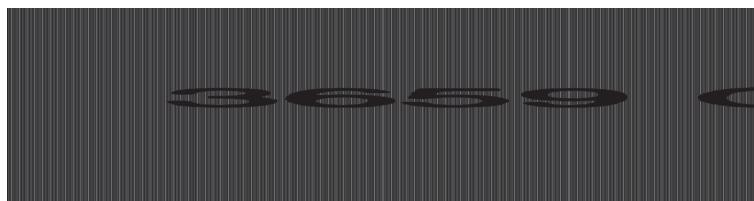
GENERAL BPT PRINCIPLES

Each “business privilege tax” ordinance or resolution must be construed to give effect to its specific terms. For example, BPT ordinances contain varying definitions of the term “business.” In addition, in contrast to a traditional “privilege-based” tax, some local taxing jurisdictions have adopted taxes that are labeled as a “business privilege tax,” but which impose tax only on the “volume of business transacted” within the taxing jurisdiction and not on a taxpayer’s entire gross receipts. Although these “principles” are subject to the specific terms of a particular BPT ordinance or resolution, case law developments, including the *Rendina* decision, suggest

the following general principles now apply to local business privilege taxes in Pennsylvania (subject to potential modification by Senate Bill 601):

1. Pursuant to *Rendina*, a “privilege-based” tax may be imposed on revenues from significant activities carried on within the taxing jurisdiction, whether or not the taxpayer has an office or other “base of operations” in the jurisdiction. It seems unlikely that tax may be imposed for an isolated activity.
2. Pursuant to *Gilberti* and its progeny, a properly-drafted ordinance or resolution may impose a “privilege-based” tax on intrastate gross receipts attributable to activities carried on outside the jurisdiction but managed and controlled from a “base of operations” within the jurisdiction.
3. Under a “transaction-based” tax, the taxing jurisdiction may not tax revenues from business transacted outside the jurisdiction. See *J&K Trash Removal, Inc. v. City of Chester*, 842 A.2d 983 (Pa. Cmwlth. 2004), *appeal denied*, 867 A.2d 524 (Pa. 2005). However, the *Rendina* majority’s reluctance to draw clean lines and the willingness of the concurrence to view a tax as both a “privilege-based” and “transaction-based” tax may encourage municipalities and school districts to argue that their tax ordinances and resolutions are both “privilege-based” and “transaction-based.” We will be faced with sorting out often imprecise or conflicting language in tax ordinances and resolutions.
4. A Pennsylvania municipality or school district must fairly apportion receipts derived from interstate operations, even when the taxpayer’s only permanent place of business is located within the municipality.

Sharon R. Paxton is a member of McNees Wallace & Nurick LLC’s State and Local Tax Group.



Firm:	Contact:
Address:	
City: State:	Zip:
Phone: Fax:	Email:

Annual Fees: \$ _____ YIE: _____

Number of accountants (with years of experience):

F/Time: _____ P/Time*: _____

5+ years: _____

4 years: _____

3 years: _____

2 years: _____

1 year: _____

<1 year: _____

Total: _____

*Average of 25 hours per week or less

In the past three years, how many firm members attended a loss control seminar _____

On what date was the firm established _____

Within the past 5 years:

Has the firm provided services to a client that is engaged in the issuance, offering, registration or sale of securities or bonds; or provided clients with forecasts or projections for inclusion in sales literature, etc., of any securities or bonds?
YES NO

Has any member of the firm provided services or acted as a director/officer/committee member for any financial institution? YES NO

Has any member of the firm had an accounting license or authority to practice accounting revoked, or been subject to disciplinary action, fine reprimand, or criminal penalty related to performance of professional services? YES NO

Renewal: ___/___/___ Insurer: _____ Limit: \$ _____ Deductible: \$ _____ Premium: \$ _____
What is the retroactive date on your current policy ___/___/___ None N/A

Approximately percentage of income received from the following activities for the last annual period:

Activity	%
Audit: Public Companies**	
Audit: Other	
Review	
Compilation	
Bookkeeping	
Tax	
Business Valuation	
Computer Consulting	
Litigation Support	

Activity	%
Litigation Support	
Management Advisory Services	
Assurance Services	
Financial Planning	
Asset Management	
Sale of Mutual Funds	
SEC/Sarbanes Oxley Related Services**	
Other*	
Total	100%

**Calls for a supplement

CLAIMS HISTORY (within the past five years):

Date claim(s) Reported One: ___/___/19 _____

Two: ___/___/19 _____

Three: ___/___/19 _____

Amount Paid, including

\$ _____

\$ _____

Defense Expenses (if closed)

\$ _____

\$ _____

Reserve amount (if open)

\$ _____

\$ _____

NSA State Director's Message



NSA State Director
of the Year

Report on NSA Annual Meeting held in San Diego

NSA held their 64th Annual Meeting in San Diego, CA on August 12-15, 2009. Elected as President was

Robert L. Cross of

Northglenn, CO. **Donny J. Woods** of Nashville, AR was elected as First Vice President. In a contested election for Second Vice President, former District Governor **Sharon Cook** was successful in her bid for election. **Steven J. Hanson** of Cokato, MN was re-elected as Secretary/Treasurer. In addition, elections were held for all District Governors in the "odd" numbered districts and all State Directors in the "even" numbered districts. There was only one contested election for Governor of District IX. Joyce Funkhouser-Lingelbach from Oregon was successful in her bid, and will be the new Governor. All other positions were unopposed.

Proposed Bylaw Changes

In addition to election of officers, there were four major bylaw changes proposed.

1) Proposed Bylaw Amendment to allow all Active and Life Members of NSA to participate in and vote on all matters at the Annual Meeting

PROPOSED BYLAW CHANGE APPROVED

2) Proposed Bylaw to Allow Board Members to receive a salary or fees from NSA with Board Approval

PROPOSED BYLAW CHANGE APPROVED

3) Proposed Bylaw to Change the NSA Name

PROPOSED BYLAW DEFEATED

4) Proposed Bylaw To Allow Online Voting for NSA Officers, District Governors, State Directors and Bylaw Amendments

PROPOSED BYLAW TABLED UNTIL NEXT YEAR

NSA Awards Banquet

During the awards portion of the event, PSPA was awarded a plaque for successfully "Monitoring the State Board of Accountancy". In addition, Mary Lew Kehm won an award for the "Best Single Article in an ASO's publication".

More News Related to Tax Preparer Registration

In October, NSA Executive Director John Ams reported his attendance at several IRS Tax Preparer Forums held in September. In October, Executive Director Ams issued an NSAlert regarding Tax Preparer Regulation. As part of the NSAlert, John referenced remarks presented by OPR Director Karen Hawkins at the fall meeting of the American Bar Association. According to her remarks, the introduction of tax preparation software for commercial preparers has made it possible for people who never would have considered it before to start their own tax preparation businesses. She was particularly critical of those "who use this software and rely on it as if it does everything for them." She noted that the software makers have expressed the view that their product does not make anyone a tax expert. Hawkins said she thinks it is legitimate to consider having individuals take some sort of test to gain authorization to prepare tax returns. Questions that have arisen on this issue include whether certain groups or individuals should be exempt from an exam or if they can be "grandfathered" into the system, she said. Individuals currently subject to Circular 230 believe they should not have to take an additional test to qualify to register as paid

preparers, Hawkins mentioned by way of example. However, Hawkins, who is a licensed lawyer in California, said that lawyers and CPAs have yet to convince her that there is anything inherent in attaining their licenses that makes them qualified or competent tax return preparers. "I am not convinced that they should be exempted from testing by the mere fact that they are licensed by their state bar or by their state accountancy board," she said.

In addition, many unenrolled and unlicensed preparers who have been preparing returns for a long time support the grandfathering concept, as they do not think they should have to take a test this late in their careers, she said. These individuals often do not enroll or become licensed because they just want to prepare returns and do not want to represent taxpayers in front of the IRS, Hawkins said. She noted that groups like NSA, H & R Block and the ABA have expressed the view there should be some kind of examination process to test an individual's minimum tax competency, with some exceptions for those who have already taken a competency exam that IRS deems sufficient. The consensus at the Tax Preparer Forums held by IRS, most recently on September 30 in Chicago, is that "minimum competency" is knowledge of the tax law as found in Publication 17. Clearly, since any ACAT examination is more difficult than the Pub. 17-based test contemplated above, we have asked the IRS to exempt from any testing requirement ACAT credential holders who have passed a valid ACAT examination.

Even the potential requirement for continuing education has caused some controversy, according to Hawkins. She noted that some individuals, primarily CPAs and attorneys, are required to

NSA State Director's Message

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CORNER

PROFESSIONALS

New Video Series Helps Exempt Organizations Understand Redesigned Form 990 Requirements

The Internal Revenue Service has launched a new case study and video program to help exempt organizations and their tax preparers better understand the newly revised Form 990 series which must be filed for the 2008 tax year.

The Form 990 series, redesigned for the first time in nearly 30 years, requires more disclosure and transparency by exempt organizations. With some exceptions, organizations that are exempt for federal taxation are required to file the Form 990 information return. The additional information will give the IRS and the public a better view of how the exempt organizations work, especially in terms of expenditures and executive salaries.

To help illustrate key points and answer important questions about the new Form 990, the IRS' Exempt Organizations Division developed "The New Form 990: Getting Started," a case study about a hypothetical organization – Exempt Organization for Disaster Relief (EODR).

The hypothetical case study includes a set of facts describing organizational and financial aspects of EODR, and a completed Form 990 based on those facts. A video series walks you through key reporting issues common to most organizations required to file Form 990.

Before starting the videos, people should read the hypothetical EODR case study and review the example Form 990. The series of videos, each between five and ten minutes long, cover a key area of the Form 990, using facts from the case study.

The videos are listed in an order based on the sequencing list found on page 5 of the Form 990 instructions. However, they can be viewed in any order. Included in the video series are:

Overview

This video is a good place to start

for people who have questions about the redesigned Form 990. It looks at some of the key things to consider about the Form 990 and the various schedules that exempt organizations may need to complete, particularly Schedule R.

Revenue and Expenses

This segment covers two of the financial statement portions: Part VIII, Statement of Revenue, and Part IX, Statement of Functional Expenses. It looks at how to fill out the required columns of information for revenue and expenses.

Balance Sheet, Supplemental Financial Statements, and Schedule D

This video reviews Part X of the Form 990, the Balance Sheet, and Part XI, which covers Financial Statements and Reporting. It explains some differences between the redesigned and previous version of Form 990. It also focuses on parts of Schedule D, Supplemental Financial Statements.

Program Services, Other IRS Filings and Tax Compliance

This video focuses on Part III, which allows an organization to "tell its story" and describe its program services, and Part V, which covers other IRS filings and areas of tax compliance. Part V will alert organizations if they have other filing obligations besides the Form 990 and will help them to determine if they engage in activities that raise tax compliance concerns.

Compensation

This segment reviews the Form 990 compensation reporting in Part VII. It explains who needs to be listed in Part VII and explains the three types of compensation to report. It also highlights Schedule J, the compensation continuation schedule.

Governance

This segment describes how to complete Part VI of the redesigned Form 990, which requests information about the organization's governing

body, management, policies and procedures and disclosure practices. It also focuses on Schedule L, which requests information on transactions with interested persons, such as directors, officers, key employees and their family members.

Summary, Schedules, Signatures

This segment covers Parts I, II and IV of the Form 990—Summary, Signature Block and Checklist of Required Schedules. It also provides an overview of several new schedules to the Form 990.

"The New Form 990: Getting Started" is only one of the online resources the IRS offers for 990 filers. There is a five-part interactive course at www.stayexempt.irs.gov and a series of 990 filing tips, plus the 990 form, schedules and instructions at www.irs.gov/charities.

New IRS Retirement Plan Navigator Aims to Help Small Businesses

The Internal Revenue Service has created a new Web-based tool to help small business owners determine which tax-favored pension plan best suits their needs and how to keep their plans in compliance.

The IRS Retirement Plan Navigator is intended to provide employers with an easy-to-use guide that focuses on three areas: choosing a plan, maintaining a plan and correcting a plan.

By using the navigator, employers may find that choosing and maintaining a pension plan is not as daunting as they thought. Some plan types are less costly and easier to establish than others.

The navigator does not suggest which plan may be best for a specific employer but it does lay out the options to allow them to choose one that best fits their situations. The navigator includes a side-by-side comparison of pension plans and their requirements.

The navigator provides a checklist and suggested resources for maintaining compliance. Pension

laws change frequently. Employers can minimize problems by doing a once-a-year review to ensure they maintain compliance.

The IRS also recognizes that mistakes can be made unintentionally, and many errors can be corrected without notifying the agency. The navigator offers suggested options to employers seeking to correct errors and bring their plans back into compliance.

Although the Retirement Plan Navigator is aimed at small business owners, it also can help mid-size businesses review their options as well. Individuals who want to better understand their employer's plan may also find it of use.

The Web-based guide will be kept up to date as pension laws and regulations change.

Microsoft's HealthVault to Assist in Disability Process

Social Security has entered into an agreement with Microsoft to test the use of Microsoft's *HealthVault* service in the disability process. *HealthVault* is a free online service people can use to gather, store, and manage their families' health information. They can share the information with doctors and healthcare providers.

"The use of personal health records holds great promise for ensuring that the medical information we collect from someone applying for disability benefits is accurate and complete," said Michael J. Astrue, Commissioner of Social Security. "Combined with other advancements in health information technology, our use of *HealthVault* should result in faster decisions for disability applicants."

Learn more about this new partnership by reading the press release at www.socialsecurity.gov/pressoffice/pr/ms

2009-47 (IRB 2009-42) - Change to: Travel Rules Updated

2009-47 (IRB 2009-42) updates the rules for employer who are reimbursed for lodging, meals, and incidental expenses, or meals and incidental expenses only, while traveling away from home, to substantiate the expenses by per diem allowance in lieu of actual expenses. The revenue procedure also provides an optional method for employees and self-employed individuals

who are not reimbursed to use in computing the deductible costs they pay or incur for business meal and incidental expenses, or for incidental expenses only if they pay or incur no meal expenses, while traveling away from home. Use of a method described in this revenue procedure is not mandatory, and a taxpayer may use actual allowable expenses if the taxpayer maintains adequate records or other sufficient evidence for proper substantiation. The new high-low rates are \$258 for high cost areas and \$163 for all others.

The IRS has issued Publication 4128, Tax Impact of Job Loss

The publication discusses the taxability of various employer and government payments, getting your W-2 from a bankrupt employer, tax consequences of taking money from your retirement plan.

Overstatement of Basis

The IRS has issued temporary (replacing an existing final regulation (T.D. 9466) and proposed (REG-10804-08) regulations defining an omission from gross income for purposes of the six-year minimum period for assessment of tax attributable to partnership items and the six-year period for assessing tax. The temporary regulations resolve a continuing issue as to whether an overstatement of basis in a sold asset results in an omission from gross income. The regulations will affect any taxpayer who overstates basis in a sold asset creating an omission from gross income exceeding twenty-five percent of the income stated in the return.

The IRS has released an updated version of Publication 393, Employment Tax Forms

The package includes sample Forms W-2 and W-3 and instructions for the 2009 tax year.

Clarification to Energy Property Purchases

Announcement 2009-69 (IRB 2009-40) includes changes to Revenue Procedure 2007-65. Specifically, the announcement expands the rights of developers and owners to enter into agreements for the purchase of the wind energy property owned by the partnership to permit

a purchase price determined prior to exercise if the parties reasonably believe that the price will not be less than the fair market value of the energy property at the time the right may be exercised, clarifies how section 469 applies to credits generated by wind energy facilities, clarifies that the revenue procedure only provides safe harbor requirements and makes conforming changes to the revenue procedure to reflect these three changes.

Enrollment of Actuaries

REG-159704-03 contains proposed amendments to 20 CFR part 901 relating to the enrollment of actuaries under section 3042 of the Employee Retirement Income Security Act of 1974 (ERISA)

The proposed amendments would update the eligibility requirements for performing actuarial services for ERISA-covered employee pension benefit plans, including the continuing education requirements, and the standards for performing such actuarial services. The proposed amendments would affect employee pension benefit plans and the actuaries providing actuarial services to those plans.

Revenue Filing Out of State Liens

The PA Department of Revenue has begun filing liens against out of state businesses that owe Pennsylvania tax liabilities of at least \$5,000.

The goal of the lien effort is to encourage out-of-state businesses operating in the commonwealth to comply with Pennsylvania tax laws. The program will make businesses accountable in their home state for tax liabilities assessed in Pennsylvania.

The Department of Revenue uses the original liens filed in Pennsylvania against a company to export and domesticate the liens in the business taxpayer's state of domicile. Prior to filing a lien, however, the department notifies each taxpayer of its intent to lien and provides one final opportunity for the taxpayer to satisfy its tax obligations.

New Service Allows Inheritance Tax Extension Requests to Be Submitted Via Email

Taxpayers and professionals are encouraged to use the PA Department of

Revenue's Inheritance Tax Divisions new e-mail address RE-InheritanceTaxExt@state.pa.us to file for extension requests. Questions may be directed to the division at 717-787-8327.

IRS Announces Pension Plan Limitations for 2010

The Internal Revenue Service announced cost-of-living adjustments applicable to dollar limitations for pension plans and other items for Tax Year 2010.

Section 415 of the Internal Revenue Code provides for dollar limitations on benefits and contributions under qualified retirement plans. Section 415(d) requires that the Commissioner annually adjust these limits for cost-of-living increases. Other limitations applicable to deferred compensation plans are also affected by these adjustments under Section 415. Under Section 415(d), the adjustments are to be made pursuant to adjustment procedures which are similar to those used to adjust benefit amounts under Section 215(i)(2)(A) of the Social Security Act.

The limitations that are adjusted by reference to Section 415(d) will remain unchanged for 2010. This is because the cost-of-living index for the quarter ended September 30, 2009, is less than the cost-of-living index for the quarter ended September 30, 2008, and, following the procedures under the Social Security Act for adjusting benefit amounts, any decline in the applicable index cannot result in a reduced limitation. For example, the limitation under Section 402(g)(1) on the exclusion for elective deferrals described in Section 402(g)(3) will be \$16,500 for 2010, which is the same amount as for 2009. This limitation affects elective deferrals to Section 401(k) plans and to the Federal Government's Thrift Savings Plan, among other plans.

Effective January 1, 2010, the limitation on the annual benefit under a defined benefit plan under Section 415(b)(1)(A) remains unchanged at \$195,000. For participants who separated from service before January 1, 2010, the limitation for defined benefit plans under Section 415(b)(1)(B) is computed by multiplying the participant's compensation limitation, as adjusted through 2009, by 1.0000.

The limitation for defined

contribution plans under Section 415(c)(1)(A) remains unchanged for 2010 at \$49,000.

The Code provides that various other dollar amounts are to be adjusted at the same time and in the same manner as the dollar limitation of Section 415(b)(1)(A). After taking into account the applicable rounding rules, the amounts for 2010 are as follows:

The limitation under Section 402(g)(1) on the exclusion for elective deferrals described in Section 402(g)(3) remains unchanged at \$16,500.

The annual compensation limit under Sections 401(a)(17), 404(l), 408(k)(3)(C), and 408(k)(6)(D)(ii) remains unchanged at \$245,000.

The dollar limitation under Section 416(i)(1)(A)(i) concerning the definition of key employee in a top-heavy plan remains unchanged at \$160,000.

The dollar amount under Section 409(o)(1)(C)(ii) for determining the maximum account balance in an employee stock ownership plan subject to a 5-year distribution period remains unchanged at \$985,000, while the dollar amount used to determine the lengthening of the 5-year distribution period remains unchanged at \$195,000. The limitation used in the definition of highly compensated employee under Section 414(q)(1)(B) remains unchanged at \$110,000.

The dollar limitation under Section 414(v)(2)(B)(i) for catch-up contributions to an applicable employer plan other than a plan described in Section 401(k)(11) or Section 408(p) for individuals aged 50 or over remains unchanged at \$5,500. The dollar limitation under Section 414(v)(2)(B)(ii) for catch-up contributions to an applicable employer plan described in Section 401(k)(11) or Section 408(p) for individuals aged 50 or over remains unchanged at \$2,500.

The annual compensation limitation under Section 401(a)(17) for eligible participants in certain governmental plans that, under the plan as in effect on July 1, 1993, allowed cost-of-living adjustments to the compensation limitation under the plan under Section 401(a)(17) to be taken into account, remains unchanged at \$360,000.

The compensation amount under Section 408(k)(2)(C) regarding simplified employee pensions (SEPs)

remains unchanged at \$550.

The limitation under Section 408(p)(2)(E) regarding SIMPLE retirement accounts remains unchanged at \$11,500.

The limitation on deferrals under Section 457(e)(15) concerning deferred compensation plans of state and local governments and tax-exempt organizations remains unchanged at \$16,500.

The compensation amounts under Section 1.61-21(f)(5)(i) of the Income Tax Regulations concerning the definition of "control employee" for fringe benefit valuation purposes remains unchanged at \$95,000. The compensation amount under Section 1.61-21(f)(5)(iii) remains unchanged at \$195,000.

The Code also provides that several pension-related amounts are to be adjusted using the cost-of-living adjustment under Section 1(f)(3). After taking the applicable rounding rules into account, the amounts for 2010 are as follows:

The adjusted gross income limitation under Section 25B(b)(1)(A) for determining the retirement savings contribution credit for married taxpayers filing a joint return is increased from \$33,000 to \$33,500; the limitation under Section 25B(b)(1)(B) remains unchanged at \$36,000; and the limitation under Sections 25B(b)(1)(C) and 25B(b)(1)(D), remains unchanged at \$55,500.

The adjusted gross income limitation under Section 25B(b)(1)(A) for determining the retirement savings contribution credit for taxpayers filing as head of household is increased from \$24,750 to \$25,125; the limitation under Section 25B(b)(1)(B) remains unchanged at \$27,000; and the limitation under Sections 25B(b)(1)(C) and 25B(b)(1)(D), remains unchanged at \$41,625.

The adjusted gross income limitation under Section 25B(b)(1)(A) for determining the retirement savings contribution credit for all other taxpayers is increased from \$16,500 to \$16,750; the limitation under Section 25B(b)(1)(B) remains unchanged at \$18,000; and the limitation under Sections 25B(b)(1)(C) and 25B(b)(1)(D), remains unchanged at \$27,750.

The deductible amount under §

Professional's Corner

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Professional's Corner

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219(b)(5)(A) for an individual making qualified retirement contributions remains unchanged at \$5,000.

The applicable dollar amount under Section 219(g)(3)(B)(i) for determining the deductible amount of an IRA contribution for taxpayers who are active participants filing a joint return or as a qualifying widow(er) remains unchanged at \$89,000. The applicable dollar amount under Section 219(g)(3)(B)(ii) for all other taxpayers (other than married taxpayers filing separate returns) is increased from \$55,000 to \$56,000. The applicable dollar amount under Section 219(g)(7)(A) for a taxpayer who is not an active participant but whose spouse is an active participant is increased from \$166,000 to \$167,000. The adjusted gross income limitation under Section 408A(c)(3)(C)(ii)(I) for determining the maximum Roth IRA contribution for married taxpayers filing a joint return or for taxpayers filing as a qualifying widow(er) is increased from \$166,000 to \$167,000. The adjusted gross income limitation under Section 408A(c)(3)(C)(ii)(II) for all other taxpayers (other than married taxpayers filing separate returns) remains unchanged at \$105,000.

Philadelphia Local Sales and Use Tax Rate Increase Went into Effect October 8, 2009

The City of Philadelphia raised its local sales and use tax rate from 1 percent to 2 percent, except for the Philadelphia local hotel occupancy tax which will remain at 1 percent. This is in addition to the state sales, use and hotel occupancy tax rate which remains at 6 percent.

Under Act 44 of 2009, signed into law on September 18, 2009, this tax rate change is effective from October 8, 2009 to June 30, 2014.

PA Revenue Department to Reduce Printing and Mailing in 2010

Pennsylvania taxpayers and practitioners will see fewer materials printed and mailed from the PA Department of Revenue this coming year.

The following changes will be made for tax year 2009 and 2010 forms, booklets and coupon packets:

Corporation Tax Package X (instructions, tax reports and schedules) will no longer be printed and mailed.

Personal Income Tax Package X (instructions, returns and schedules) will no longer be printed and mailed – a letter/order form will be mailed in its place.

PA-V (Payment Voucher for Individual Income Tax Returns) will only be printed and mailed to those taxpayers who used a 2008 PA-V to submit their payment to the department.

2010 PA-40ES (Individual, Fiduciary and Partnerships/PA S Corporation Estimated Payment Coupons) estimated coupon packets for taxpayers who used coupons prepared by their practitioner's software in 2009 will no longer be mailed.

PA Schedule C-F Reconciliation (Adjusting Federal Business Expenses for PA Tax Purposes) is being discontinued.

PA Schedule A/B (Interest Income/Dividend Income) duplicate copy is being removed from PA-40 booklet.

PA Schedule E [Rents and Royalty Income (Loss)] duplicate copy is being removed from PA-40 booklet.

PA Schedule J/T (Income from Estates or Trusts/Gambling and Lottery Winnings) duplicate copy is being removed from PA-40 booklet.

PA-20S/PA-65 (PA S Corporation/Partnership Information Return) will no longer be printed and mailed. All the above mentioned forms will be available on the department's Web site, www.revenue.state.pa.us.

No Social Security COLA in 2010

Because consumer prices were down over the past year, Social Security and Supplemental Security Income benefits will not automatically increase in 2010. This will be the first year without an automatic Cost-of Living Adjustment (COLA) since they went into effect in 1975.

Social Security has created a prominent link on their home page at www.socialsecurity.gov/cola to a portal site with useful information about the COLA, as well as frequently asked questions (FAQs).

Various Inflation Adjustments Remain Unchanged

The IRS has announced (Rev. Proc.

2009-50) that because of very mild inflation, tax rate brackets and various tax benefits indexed for inflation will remain unchanged or change only slightly in 2010.

By law, the dollar amounts for a variety of tax provisions must be revised each year to keep pace with inflation. As a result, more than three dozen tax benefits are subject to inflation adjustments each year, but because recent inflation factors have been minimal, many of these benefits will remain unchanged or change only slightly for 2010. Key provisions affecting 2010 returns, filed by most taxpayers in early 2011, include the following:

The value of each personal and dependency exemption available to most taxpayers is \$3,650, unchanged from 2009.

The new standard deduction for heads of household is \$8,400, up from \$8,350 in 2009. For other taxpayers, the standard deduction remains unchanged at \$11,400 for married couples filing a joint return and \$5,700 for singles and married individuals filing separately. Nearly two out of three taxpayers take the standard deduction rather than itemizing deductions, such as mortgage interest, charitable contributions, and state and local taxes.

Various tax bracket thresholds will see minor adjustments. For example, for a married couple filing a joint return the taxable income threshold separating the 15 percent bracket from the 25 percent bracket is \$68,000, up from \$67,900 in 2009.

The annual gift tax exclusion remains unchanged at \$13,000.

IRS Issues Erroneous Requests for Form 941 Schedule B

The IRS has announced that due to a scanning error some small businesses have received notices asking them to submit Form 941 Schedule B although they filed the form with their return. If you received one of the erroneous notices please resubmit the appropriate Schedule B along with the notice to the IRS as soon as possible to avoid additional erroneous notices.

First-Time Homebuyer's Credit Extended

President Obama signed the Worker,

Homeownership and Business Tax Act of 2009. The provision of most interest is the extension of the \$8,000 home buyer tax credit until April 30, 2010 for purchases under contract and June 30, 2010 for sale closing. The benefits have expanded to include a \$6,500 credit for all home buyers and a higher income phase-out amount. The bill includes some new restrictions, mostly aimed at preventing fraud. The bill also includes an expansion of the carryback of operating losses for 2008 or 2009 (removing the size restriction). The bill increases the failure-to-file penalties for S corporations and partnerships and delays the effective date for the worldwide interest allocation benefit.

Military Spouses Residency Relief Act

On Veterans Day, President Obama signed the Military Spouses Residency Relief Act (S. 475), which will affect how the income and property of some spouses of military personnel are taxed. The Act amends the Servicemember Civil Relief Act (hereinafter, "SCRA") to provide that a spouse shall neither lose nor acquire domicile or residence in a state when the spouse is present in the state solely to be with the servicemember in compliance with the servicemember's military orders if the residence or domicile is the same for both the servicemember and spouse.

New York Posts Tax Preparer Registration Information

The New York State Department of Taxation and Finance has posted information on its Web site about its new tax return preparer registration requirements at: <http://www.tax.state.ny.us/tp/tpreg.htm>

Only New York-licensed CPAs and attorneys are exempt from this law. You can see a list of who else is exempt at <http://www.tax.state.ny.us/tp/tpregmore.htm>

There will be online registration available soon, according to the site. A bill (A9028) to repeal the law was passed in the Assembly during the summer, but after it was referred to the Senate Rules Committee, no action has been taken.

PSPA will continue to update the membership of future developments.

IRS Provides Additional Clarification (Frequently Asked Questions) Regarding 7216

The following questions (number 21-25) have recently been posted by the IRS. Questions 1-20 were formerly posted on the IRS website and can be obtained by going to: www.irs.gov.

Q21. On the Consent to Use, do both the taxpayer and spouse have to sign before a practitioner can begin the return and discuss a bank product with them? Many times, one spouse comes by, does the return and then the other comes by and signs later.

A.21. If it's a joint return, yes.

Q22. Is a tax practitioner required to obtain a disclosure consent for financial planning advice when the practitioner is both the tax preparer and the financial advisor for the client?

A.22. In this case the preparer is required to obtain a signed consent to use tax return information if the financial planning advice will be based on information obtained in connection with the preparation of a tax return. A separate signed consent form to disclose tax return information would be required in order for the taxpayer to authorize the preparer to share tax return information with another person for a purpose other than tax return preparation, e.g., to obtain financial advice, products or services. Refer to Treasury Regulation section 301.7216-3(b) regarding timing requirements and limitations for soliciting consents.
http://www.irs.gov/irb/2008-05_IRB/ar07.html

Q23. Is a practitioner required to get written disclosure consent from their client to disclose tax return information if the client's tax return information is to be used for financial planning purposes by the practitioner who prepared the return?

A.23. In this case the preparer is required to obtain a signed consent to use tax return information if the financial planning analysis will be based on information obtained in connection with the preparation of a tax return. A separate signed consent form to disclose tax return information would be required in order for the taxpayer to authorize the preparer to share tax return information with another person for a purpose other than tax return preparation, e.g., to obtain financial advice, products or services. Refer to Treasury Regulation section 301.7216-3(b) regarding timing requirements and limitations for soliciting consents.
http://www.irs.gov/irb/2008-05_IRB/ar07.html

Q24. What happens when a practitioner sells their tax practice to another practitioner? How is the disclosure of the client's tax information to the purchasing practitioner handled?

A.24. Refer to Treasury Regulation section 301.7216-2(o). Disclosures are permitted without taxpayer consent. The purchaser of the practice is subject to the section 7216 statute and regulations.

Q25. If a client wants to have the practitioner forward a copy of their tax return to a bank for mortgage purposes how is this going to be done if the client did not sign a disclosure statement before the tax returns was prepared. For example: return is prepared in March. No disclosure consent was signed. Client gets new job in June and has to move. They need a copy of the return for the bank to get a mortgage for their new home. Is the only option for the practitioner to send the copy of the tax return to the client who will then give it to the bank?

A.25 Refer to Treasury Regulation sections 301.7216-3(b) and 3(c)(2).* Preparers may not solicit consents after a completed return is provided to the taxpayer for signature. The same restriction does not apply to taxpayers. Taxpayers may ask their preparer to use or disclose their tax return information at any time. In this case the preparer is required to secure a signed consent form from the taxpayer before disclosing the tax return to the bank. Taxpayers may also obtain a copy of their return from the preparer and supply it to the bank without signing a consent form.

the Pennsylvania Accountant

NSA State Director's Message

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have a specified number of hours on continuing education, but that CPE is not necessarily required to be tax-related, raising the question of what to require for those who are currently licensed and must participate in continuing education anyway. IRS does not want to increase burden on anyone concerning continuing education, "although I would say that I don't think it would do anybody any harm to have to take maybe a couple extra hours a year that was on current developments and hot topics in tax law," Hawkins said. She gave the distinct impression that there would be a requirement for tax-related CPE for those who are not otherwise required to have any CPE.

Scholarship News

Since 1969, the National Society of Accountants (NSA) Scholarship Foundation has provided nearly \$1 million to deserving undergraduate and graduate students who are committed to pursuing a career in accounting, helping to develop more qualified young accountants. This year, 28 students will receive scholarships ranging from \$500 - \$2,000. These recipients were selected from more than 750 applicants on the basis of an overall outstanding academic record, demonstrated leadership and participation in school and community activities, honors, work experience, stated goals and aspirations, and financial need. This year's recipients sponsored by PSPA are as follows:

Jennifer Viens from Harrison City, PA (Penn Township) was the recipient of the PSPA sponsored scholarship. She attends the State University of New York at Binghamton.

Nathan Weaver from Harleysville, PA (Buxmont PSPA Sponsored) was the recipient of the Robert Zaleski Scholarship. He attends Messiah College.

PSPA once again contributed

\$1,000 to NSA's Scholarship program. NSA's Scholarship Foundation is now accepting applications for its 2010 program. Applications must be postmarked by March 10, 2010 and sent to Scholarship Management Services, a division of Scholarship America, which manages the application process. Additional information can be found online at: www.nsacct.org/foundation.asp

Education Programs

Following is a rundown of webinars scheduled so far to be held from November 2009 – January 2010:

- Sign Your Work with Excellence
(Creating a New Image for Your Practice)
Dec. 17, 2009, 2:30 p.m. EDT
CPE Credit: 1 Hour/Business Management and Organization
- Doing the Right Thing, Even When the Right Thing is Unpopular
January 21, 2010, 2:30 p.m. EDT
CPE Credit: 1 Hour/Regulatory Ethics

Newest Member Benefit

NSA members will now get access to free Tax Research and updates using NSA's newest member benefit, CCH IntelliConnect. The free service is now online on the member only webpage at www.nsacct.org.

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Society of Accountants is currently offering 4 Bonuses for active and associate first year applicants joining at \$189/year:

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- **Bonus 3:** FREE SUBSCRIPTION TO CCH's WHAT'S NEW IN TAX—DAILY TAX & ACCOUNTING NEWS!
- **Bonus 4:** \$25,000 GROUP TERM LIFE INSURANCE AT NO COST FOR 1 YEAR!

Please feel free to contact me with any questions via email at rbraschcpa@verizon.net

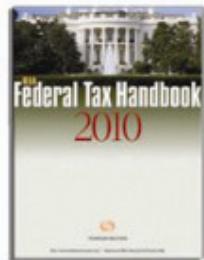
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NSA State Director -
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If you are thinking of retiring, scaling back or your clients are just plain grating on your last nerve, I am interested in aquiring your practice... (while I still have some nerve left). Contact me at John@johnandrascpa.com if interested.

BUSINESS OPPORTUNITY OR MERGER

Licensed tax professional in Yardley PA seeking to associate with like-minded practitioner. Inquiries to P.O. Box 417 Yardley, PA 19067

ACCOUNTING PRACTICE WANTED

CPA Firm located in Plymouth Meeting wishes to purchase an accounting practice. Good opportunity for retirement minded practitioners wishing to retire in one to two years. Please contact Fred Katz at 610-238-5311.

BUSINESS OPPORTUNITY - DAUPHIN OR LEBANON COUNTY AREA

CPA interested in purchasing a tax/accounting practice in Dauphin or Lebanon County Area. Interested parties should fax a letter of interest to the PSPA Executive Office at 717-737-6847. Please reference #0307 in your letter.

ACCOUNTING PRACTICE WANTED

Lehigh Valley CPA Firm is seeking to purchase an accounting practice for retirement minded practitioners wishing to retire in the next year or two. Interested parties should fax a letter of interest to the PSPA Executive Office at 717-737-6847. Please reference #230 in your letter.

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Editor's Note:

If you would like to submit an article for publication please contact the PSPA Executive Office at 1-800-270-3352 or (717) 737-4439 for submission deadlines and for a copy of the author guidelines.