



San Diego Chapter
7827 Convoy Court #403 • San Diego, CA 92111-1218

California Society of Tax Consultants
San Diego Chapter Newsletter • August 2004

August, 2004 Dinner Meeting

Date	Thursday , August 19, 2004
Where	Handlery Hotel & Resort, Presidio Room 950 Hotel Circle North Mission Valley, San Diego, CA
Times	5:00 p.m. Registration & Social 5:30 p.m. Education Presentation 6:30 p.m. Social/Dinner Setup 7:00 p.m. Dinner 7:45 p.m. Education Presentation
Cost	\$25 - Members With Reservations \$30 - All Others
Menu	<ul style="list-style-type: none"> • Salad – Chef’s Choice • Roast Pork Loin w/Sweet Braised Cabbage • Garlic Mashed Potatoes • Fresh Seasonal Vegetables • Dessert – Chef’s Choice • Vegetarian Meal Is Available <p style="margin-left: 20px;">Requests must be made with the reservation</p>

RESERVATIONS

Deadline is Noon, Wednesday, August 18th

Call **1-800-994-4782** or online at
www.cstcsandiego.org.

Leave your name, number of reservations, and
your telephone number.

No-Show Dinner Reservations Billing Policy

An individual who has made a reservation for a dinner meeting and fails to cancel the reservation by noon the day prior to the dinner meeting will be billed the Chapter's cost of the dinner.

An individual will be allowed one (1) no-show at no charge per calendar year.

EDUCATIONAL PRESENTATION

***It looks as if we'll have a Smorgasbord
of California Tax Information/Updates
to Whet Our Appetites for
the Next Filing Season
(Before & After Dinner)***

Speaker

Steve Sims, Franchise Tax Board

Steve will discuss the preparation of California tax returns for Part-year and Non- residents, Native Americans, athletes and entertainers, and whether there are special rules or handling that may apply in each case.

There will also be information on legislative and electronic-filing updates for the 2004 filing season.

Are you familiar with ‘tax shelters’ and/or the ‘tax gap’? Steve will also have information on these two subjects that can only be of benefit to us in the tax profession.

**CTEC 1000-CE-1352
(2 hours State credit)**

This presentation has been designed to meet the requirements of the Director of Practice of the Internal Revenue Service, the California State Board of Accountancy, the International Board of Standards and Practices for Certified Financial Planners, Inc. The California Tax Education Council has recognized the California Society of Tax Consultants as an approved curriculum provider. Successful completion of this course may be reported to fulfill the (continuing education/qualifying education) requirement of the California Business & Professions, Code Sections 22250-22259. This does not constitute an endorsement by the California Tax Education Council, or any of the other above named agencies, as to the quality of the course or its contribution to the professional competence of the speaker.

PRESIDENT'S MESSAGE

Wow! Here we are, it's August already. It seems to me like these past few months have gone by more like weeks! Does it to you?

Our joint meeting with the Enrolled Agent chapter was absolutely super. If you missed it, you missed some good networking time and most of all, a fantastic speaker and topic. Joe Mandelbaun, EA shared with us his vast experience in the real estate industry and, more specifically, Tax Deferred Exchanges and the newest type of exchange, Tenants-In-Common exchanges. If you missed the presentation, you should ask one of your chapter friends to make a copy of the handout material – it is an excellent office resource.

Now that we are approaching the fall season, we are finding ourselves in the midst of nominations and elections. First, there are our national political party conventions. We also have upcoming nominations for our own organization – the California Society of Tax Consultants – at both the Society and Chapter levels.

CSTC – Chapter and/or Society - needs YOU! We need members who are willing to give some time and attention to keeping this great organization moving ahead. *One person CAN make a difference.* And, collectively, many 'one persons' can make a BIG difference. Our chapter needs you to volunteer for Board positions – Officers or Directors. Don't let fear stop you – fear that volunteering will take enormous amounts of time, fear that you can't do the job properly or just plain fear of volunteering. There are other members, on the Board or not, who are willing to help you and offer guidance.

Now is the time to step forward and let us know you WILL help. Our nominating committee, headed by Nadine Allevato, is looking for members to run for Officer positions and Director positions. Please contact Nadine, ANY Board member or myself and let us know that you want to help. Thank you.

This month Steve Sims from the FTB is our dinner speaker. Steve has spoken to us before and is quite a humorous speaker. He has the scoop on all of the up-to-date information on what's happening at the FTB and will share that with us.

See you at the Dinner Meeting.

Val J. Daigle – *Chapter President*

SPONSORED GUESTS

San Diego Chapter members may bring a guest who qualifies as a prospective member of the Chapter. Qualifications may include CPAs, EAs, CRTPs, CFPs, Attorneys, etc. (i.e.: must be in the tax field).

Chapter members must specify, **WHEN MAKING DINNER MEETING RESERVATIONS**, that the guest is qualified. The guest will be asked to fill out an information card, which will be available upon check-in.

This guest may qualify for the **ONE-TIME FREE** dinner meeting.

This recruiting incentive will help prospective members to become familiar with our organization.

BOARD OF DIRECTORS MEETING

The next meeting of the Board of Directors is
Thursday, August 19, 2004, **2:30** p.m.
at the Handlery Hotel in Mission Valley.

FREE QUICKFINDERS

A FREE Individual Quickfinder will be given to each San Diego Chapter member who:

- Attends four San Diego Chapter dinner meetings between May and November 2004, **and**
- Registers and prepays prior to December 1, 2004 for the San Diego Running Start Seminar to be held in January 2005.

Simple to get ... so don't be left out!

NEW CHAPTER WEBSITE

The San Diego Chapter's website is now at
located at www.cstcsandiego.org.

2004 DINNER MEETING SCHEDULE

September 16 – Gina Laurisden, IRS:

Abusive Tax Avoidance
Jackie McElhaney:

571L, Business Property Tax

October 21 – Chapter's Birthday

California Update, Lynn Freer, Spidell Publishing Co.

November 18 – Wayne Otchis

December 10 - (Friday) **Holiday Party**

SOCIETY NOTES

As of 7/16, we have 233 members. Renewals were due July 1st, and as of 7/16 we had 55 members (24%) who had not yet renewed. Please be aware that if you don't renew by 8/15, there will be a late fee of \$15 added to your cost.

DUES

Membership Dues were Due July 1, 2004.

- Member Renewal - \$120.00
- New Members - \$145.00
- Late Charge - \$15 (Payments after 8/15/04)

Contact Nadine Allevato, 858-271-1199.

EDUCATION

Tax Bridge 2004 will be held December 2nd and 3rd in the Orange County area ... hotel TBA.

Summer Symposium 2005 will be held May 23-25, 2005 at Harrah's in Laughlin, NV (previously-held symposiums at Laughlin were a huge success). How about a chapter bus charter?

Summer Symposium 2004 Course Materials – there are numerous course material texts, from all sessions, available for purchase from the Society office. If interested, see the price list that will be available at the dinner meeting or contact a Board member.

Fundamentals Course will be held at the Society office in Orange. Classes will commence Sep. 9th and run through Nov. 25th, every Mon. & Thur. evening from 6pm to 9pm.

- **Fundamentals Course** - \$235.00
 - **Correspondence Course** - \$450.00
- Contact Bev Switzer at 714-634-0484 or www.cstcsociety.org.

BYLAW CHANGES

The following bylaws were passed by the Society Board of Directors to be placed on the ballot for membership vote:

4.02 Term of Office.

- President – a two-year term
- Vice Presidents – a one-year term
- Treasurer – a three-year term
- Secretary – a one-year term
- No member shall serve more than two consecutive terms

[Note: the Chapters may elect to retain their present one-year terms]

6.03 Board of Directors Meetings

1. Regular. The number, time and place of the regular meetings of the Board of Directors shall be set by the President, with the approval of the Board. A quorum for these meetings is fifty percent (50%) of the Board members. The outgoing President will appoint a member to install the newly elected Society Officers. This installation will be performed prior to the January Board of Directors meeting.

2. Special. The number, time and place of the special meetings of the Board of Directors may be called by the President or by written request of two (2) members of the Board. A quorum for these meetings is fifty percent (50%) of the board members. The special meeting may be held in person or by conference call. The purpose of the special meeting shall be stated in the call and no other business shall be transacted.

6.04 Meeting Notices

1. Regular. Notification of the regular Board meetings shall contain an agenda and be mailed or electronically transmitted (e-mail or fax) to the officers, immediate Past President, Directors and each Committee Chair at least fifteen (15) days prior to the meeting for Society, and seven (7) days prior to the meetings for the Chapters.

2. Special. Notification of the special Board meetings shall contain the name(s) of the party(ies) calling the meeting, the date, time, place and purpose of the meeting, and be mailed or electronically transmitted (e-mail or fax) to all Board members at least two (2) business days prior to the meeting.

Editor's note: Would you like this column to be a regular feature in the newsletter? Please forward your comments or suggestions to Naomi Badger, editor. Thank you, in advance!

**CALIF. TEACHER'S CREDIT
SUSPENDED FOR 2004 & 2005**

The 2004-2005 California Budget, Senate Bill 1100 has been signed by the Governor. Section 7 of SB 1100 suspended the California Teacher's Retention Credit for 2004 and 2005 by amending Section 17052.2 of the California Revenue and Taxation Code.

SUGGESTION - It is suggested that you review your client files and advise your clients who were counting on the credit for 2004 of this change. Revision of withholding certificate DE-4 may be needed to avoid owing taxes to California next April 15.

CALIFORNIA TAX INFO WEB SITE

You can find valuable help online at the California Taxes Information Center Web site.

This easy-to-use site, which provides information to individuals and businesses, is sponsored by EDD, the State Board of Equalization, Franchise Tax Board and the Internal Revenue Service.

Some particularly helpful sections that you might want to visit on the site at www.taxes.ca.gov include:

- Individual Taxes – provides help with filing your returns, planning your taxes and resolving problems
- Business Taxes – provides answers about payroll, property and sale & use taxes,
- Taxpayer rights, special circumstances and nonprofit organizations
- Tax Forms – provides quick access to your most commonly used individual and business tax forms
- Tax Calendar – provides important dates, filing requirements and useful information on tax issues to help you and your business succeed.

EDD California Employer, Second Quarter 2004

FALL WORKSHOPS

Members: The Early Bird Special Discount Price has been **extended to August 19th .**

GENERAL INTEREST CLASSES

Each class is 3 hours

- **SCHEDULE "C" REVIEW AND UPDATE**
- **FIDUCIARY TAX –BASIC/ INTERMEDIATE**
 - **MORTGAGE INTEREST IS IT DEDUCTIBLE?**
 - **ALTERNATIVE MINIMUM TAX**
- **COLLECTIONS - HELP YOUR CLIENTS**
- **MANAGING YOUR PRACTICE**

SPECIAL INTEREST CLASSES

Each class is 6 Hours

- **TAX TOOLS MAKING THE MOST OF IT**
- **CA. TAXES WHAT'S GOING ON?**
- **SALE OF A BUSINESS - 4797**

Classes Start September 22 and Continue Through October.

**Sign-Up Now for Great Education
At Early Bird Prices**

Registration forms are available at the San Diego Chapter's website at www.cstcsandiego.org/is-ed04fw.htm, the August Dinner Meeting and the Chapter Office.

CLASS FEES	Members	Non-Members & Members after August 19
General Interest (All 6 Classes)	\$185	\$240
General Interest (Individual Classes)	\$ 35 Each	\$ 45 Each
Special Interest (All 3 Classes)	\$300	\$375
Special Interest (Individual Classes)	\$125 Each	\$150 Each

EDUCATIONAL INCENTIVES

Name Badge Drawings for \$25 Education Certificates at each Dinner Meeting

At each San Diego chapter dinner meeting in 2004 two drawings will be held for \$25 certificates that will be good toward any San Diego Chapter education event. Getting into the drawing is simple. Just be sure to wear your name badge and you are entered!

\$100 Education Reimbursement

For 2004 the San Diego Chapter will reimburse each member \$100 if they meet *all* of the following criteria in 2004:

- 1) The member must attend *one* of the following:
 - San Diego Chapter's Running Start Seminar held in January 2005,
 - All General Interest Fall Workshop Classes (see page 6), or
 - Two (2) of the Special Interest Fall Workshop Classes

AND

- 2) The member must attend at least four (4) San Diego Chapter Dinner meetings between May and November 2004; AND

The member must attend *one* of the following:

- Society Summer Symposium – May 2004
- Society Fall Classroom Series
- Society Winter Tax Bridge

If you meet all of the criteria, contact the Chapter Office for an Education Rebate Form. Submit the form by December 10, 2004 to receive your rebate.

CLASSIFIEDS

Editor's Note: Please use "CSTC Ad" as the subject when you e-mail your ads to me. This will alert me that it is legitimate e-mail (not SPAM). Thank You!
Ads are also posted on the Chapter's website as they are received.

WANTED TO BUY Registered tax preparer with established practice for 20+ years and 2003 recipient of the IRS Exemplary ERO award desires to expand tax clientele. If you are thinking of retiring or selling, please contact Mary Lou Cassell at (858 525-8252) or email Mary_Lou_Cassell@intuit.com.

More Ads on Page 7.

CHANGE OF ADDRESS

If you move, please advise both the San Diego Chapter and the Society office of your new address, phone and e-mail address.

- San Diego Chapter:
7827 Convoy Ct #403, San Diego, CA 92111
Tel (858) 278-7954 • Fax (858) 278-9327
Website: www.cstcsandiego.org.
- CSTC Society Office:
2050 W Chapman Ave #114 Orange, CA 92868
Tel (714) 634-0484 • Fax (714) 634-4975
Website: www.cstcsociety.org.

SAN DIEGO CHAPTER NEWSLETTER

Newsletter via Email

Supply your e-mail address to save the chapter the cost of printing and postage. You will receive an e-mail notice when the newsletter is posted to our web site and other important updated tax information. Send your e-mail address to larry@taxnewsandtips.com.

Advertising

Members: There is no charge to members who wish to advertise for positions available in their practice, equipment for sale, or similar subjects.

Non-Members: There is a \$15 charge for each advertisement in the newsletter. Ads are limited to six lines and are subject to available space and the discretion of the editors.

The San Diego chapter newsletter is published monthly in January, and May through December.

Advertising at San Diego Chapter Events: Requests to distribute flyers, brochures or to promote a business at any San Diego chapter event must be approved by the Board of Directors prior to the day of the event. (*You may also fax the information to me at 619-698-9735.*)

Deadlines

The deadline for articles and ads is the 25th of the preceding month. If an ad is to be run more than one month, please advise the editor via email at badgern@sbcglobal.net or phone 619-698-0508.

CSTC - San Diego Chapter

OFFICERS

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BOARD OF DIRECTORS

Past President – Memberships & RIA Books

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Fall Workshops, Education & Speakers

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CHAPTER OFFICE

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BREAKFAST MEETINGS

Join CSTC members for breakfast
to discuss tax issues.

Members buy their own breakfasts.

San Diego – Second and Last Fridays each month at
7:30 a.m., at Coco's Restaurant, El Cajon Blvd. at
Oregon St. Contact Val Daigle at 619-435-131 or email
val@westax.com.

El Cajon — Wednesdays, 7:30 a.m., Denny's
Restaurant, Fletcher Pkwy at Navajo Rd.
Contact Larry Mahaffy at (619) 669-1630

South Bay — Tuesdays, 8:00 a.m., Love's Restaurant,
I-805 at E Street in Chula Vista.
Contact Shirley Horst at (619) 422-1403.

Fiduciary Tax Group — Second Thursday of each
month, 7:30 am, Coco' Restaurant, San Diego.

New Location Contact Jan Brown at (619) 464-1041.

Business Entities Group — First Thursday of each
month, 7:30 am Coco' Restaurant, San Diego.

New Location Contact Jan Brown at (619) 464-1041.

NEW FORMS AVAILABLE FOR E-FILE

The IRS announced that on February 23, 2004, corporate and tax-exempt organization returns were enabled for electronic filing on a new platform using a new architecture. The Modernized e-File (MeF) Program will be implemented in phases. Release 1 allows the filing of 53 forms and schedules for the Corporate Forms 1120/1120S returns, and includes for tax-exempt organizations Forms 990, 990EZ, 1120 POL, and the extension Form 8868. Release 2 is slated for delivery in July 2004 that will add the additional 43 forms and schedules needed by large corporations. A Fed/State Program is scheduled for January 2006.

Additional information on the MeF program can be found on the IRA website at www.irs.gov/efile/article/0,,id=103797,00.html. E-mails may be sent to 1120@irs.gov (for more Corporate information) and tege-ee-efile@irs.gov (for tax exempt organization information).

CLASSIFIEDS

(Continued from page 5)

WANTED: EA seeking tax and/or bookkeeping practice to purchase. Contact Tony Applebaum or Christy Almond at 619-237-7290.

WANTED: EA wants to increase client base and expand practice geographically – offices in Coronado and UTC area. If you are thinking of selling or retiring, please contact Val Daigle at 619-435-3131 or at val@westax.com.

WANTED: SD Chapter member looking to increase client base at Mission Valley office. If you are thinking of retiring or selling some/all of your clients, please call Terry Smith at 619-283-8055.

FOR SALE: Lanier 6540 Analog Copier (40 copies per minute) with Automatic Document Feeder, High Capacity Paper Bin (750 pages), Two Additional Paper Drawers, 20-bin Sorter. Well maintained and Lanier inspection and refurbishment of parts was completed recently. Reasonable offers accepted. Call Val Daigle at 619-435-3131.

NEED WORK OUT OF TAX SEASON: 23 years tax experience (S/E dba Unique Tax Service), 20 years bookkeeping and extensive payroll experience. Resume available upon request. Call San Diego Chapter member Janette Meader at 619-688-6510 or 858-571-7062.

WANTED: EA looking to increase payroll client base. Bookkeeping & tax clients can be added to the deal, but mainly interested in payroll. If you are thinking of retiring or just tired of the demands of payroll, call Edward Lindgren 858-560-4146, ext. 4.

LOOKING FOR WORK: I have 5+ years experience as an EA and I worked more than 20 yrs in IRS Collections. If I can help, please call John Yeats at 619-449-0318 or at jyeats3@cox.net.

OFFICE SPACE AVAILABLE: Great location in Santee! Includes year round receptionist, security, phone w/T-1 line, utilities, plenty of parking and some supplies. Call Lauren King at 619-449-9975.

Wouldn't It Be Interesting IF:

Tax return preparation was priced at a flat rate as auto dealers price their auto repairs.

Below are the times for various phases of income tax preparation per IRS estimates.

These are for FEDERAL returns ONLY - State return times are not included.

A typical tax return preparation fee would be computed like as follows.

FLAT RATE MANUAL FOR TAX PREPARATION

Form or Schedule	Time to learn the law or the form (hours)	Form Preparation (hours)	Copying, Assembling, and Mailing (hours)	Total Time (hours)	Flat Rate Fee (@ \$100/hr)
Form 1040	3.85	6.30	0.57	10.72	\$1,072.00
Sch A	0.65	1.56	0.33	2.54	\$254.00
Sch B	0.13	0.42	0.33	0.88	\$88.33
Sch C	1.85	2.32	0.68	4.85	\$485.00
Sch D	2.78	3.13	0.33	6.24	\$624.00
Sch E	1.22	1.22	0.57	3.01	\$301.00
Sch EIC	0.02	0.22	0.33	0.57	\$57.00
Sch H	0.50	0.88	0.57	1.95	\$195.00
Sch SE	0.43	0.33	0.33	1.09	\$109.00
			Total	31.85	\$3,185.33

NOTE: All times above are per the IRS' estimates in 2003 Package X.