

---

**California Society of Tax Consultants**  
**San Diego Chapter Newsletter • October 2006**

---

**October 19, 2006 Dinner Meeting**

<b>Date</b>	<b>Thursday</b> , October 19, 2006
<b>Where</b>	Handlery Hotel & Resort 950 Hotel Circle North Mission Valley, San Diego, CA
<b>Times</b>	5:00 p.m. Registration & Social 5:30 p.m. Speaker 6:30 p.m. Social/Dinner Setup 7:00 p.m. Dinner 7:30 p.m. Speaker continues
<b>Cost</b>	\$25 - Members with Reservations \$30 - All Others
<b>Menu</b>	<ul style="list-style-type: none"><li>• Roast Prime Rib of Beef</li><li>• Twice Baked Potato, Au Jus</li><li>• Spring Salad w/Pecans &amp; Tarragon</li><li>• Desert, Chef's choice</li><li>• <b>Vegetarian Meal Is Available</b></li></ul> <b>Requests must be made with reservation</b>

**RESERVATIONS**

Deadline is Noon, Wednesday, October 18th.  
On line at [www.cstcsandiego.org/is-res.htm](http://www.cstcsandiego.org/is-res.htm)  
or call 1-800-994-4782, or  
email Rose Carter at [racarter@sbcglobal.net](mailto:racarter@sbcglobal.net)

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

If you require a Vegetarian Meal, your request must  
be made when you make your reservation.

**No-Show Dinner Reservations Billing Policy**

See page 2.

**PREPAID PERMANENT RESERVATIONS**

**Permanent Reservation List Members**

If you will not be attending this meeting, please call  
so the chapter can save the cost of your dinner.



**HAPPY 31<sup>ST</sup> ANNIVERSARY TO US!!!**

**CSTC SAN DIEGO CHAPTER**

---

---

**EDUCATIONAL PRESENTATION**

Before & After Dinner

**CALIFORNIA UPDATE**

**Speaker**

Lynn Freer  
Spidell Publishing Co.

**CTEC 1000-CE-1964**

**(2 California Credit Hours)**

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 of the speaker.

## PRESIDENT'S MESSAGE

Dear Friends,

Well here we are, almost October 15<sup>th</sup>. In my office it feels like tax season all over again. I am sure all of you are looking forward to getting through the last deadline and, hopefully, slowing down at least a little bit. Of course, soon we get to start looking forward to next tax season again! Ah well, the life of deadlines.

We had two phenomenal speakers last month, Ginita Wall and Wendy Mazarella. I think that either one of them could have talked for both the before and after dinner period, and I hope that we will be able to have them back again soon!

This month is our Chapter Anniversary meeting with our annual visit from Lynn Freer. Lynn will give us our California update. This is always a fun and informative time. Lynn is a terrific speaker, and I hope to see a great turnout.

Looking forward, Wayne Otchis will be joining us in November. Wayne is another outstanding speaker, and has spoken to our group several times in the past. Those of you who have heard Wayne know that he is entertaining and informative.

Our speaker committee has done an excellent job this year, and I applaud them for the great lineup they put together. The quality of education that is put on by the San Diego Chapter is really top notch and we are truly lucky. Other chapters are continually asking what the secret to our success is, and it is really the hard work and dedication of those who make the chapter go. They are committed to giving you the best experience possible for the money. The next time you see a board or committee member, think about giving them a "thank you" for all of the hard work that they do for us.

There are a couple of deadlines coming up that you should be aware of this month. If you are going to order RIA books, the orders must be placed by October 9<sup>th</sup>. And, the Early Bird registration for Running Start must be made no later than the October dinner meeting.

Finally, just a quick reminder that the Holiday Dinner will be on Friday, December 8<sup>th</sup>. This is always a fun time to just get together and socialize. I hope that all of you will attend this year!

See you on October 19th.

*Tony*

Tony Applebaum  
Chapter President

## OUR CHAPTER NEEDS VOLUNTEERS

WE NEED VOLUNTEERS. Don't be shy, we all started where you will be.

If we don't get some more new volunteers to step into some of these committees and learn from these "veterans", we will all soon suffer. We simply do not have enough new members stepping in to help.

Without volunteers, we will not be a successful chapter. Members who have been on committees but have had some time off are also encouraged to volunteer.

Please contact any Board member and let us help you help us.

---

---

## BOARD OF DIRECTORS MEETING

The next meeting of the Board of Directors is **Thursday October 19, 2006, 4:00 p.m.** at the Handlery Hotel in Mission Valley.

All members are welcome to attend. If you would like to attend, please contact Tony Applebaum at (619) 237-7290 or e-mail: [tony@appletaxgroup.com](mailto:tony@appletaxgroup.com).

---

---

## 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.

---

---

## BOOKS FOR FILING SEASON Special Prices

### RIA MASTER TAX GUIDES

The order form for RIA Master Tax Guides is available at the chapter's web site and at the chapter office. Orders must be received by October 9, 2006.

### QUICKFINDER® & THE TAX BOOK®

The order form for Quickfinder Handbooks and The Tax Book is available at our website at [www.cstcsandiego.org](http://www.cstcsandiego.org), and from Tom Groel, (619) 698-9191, or email [tomtaxman@gmail.com](mailto:tomtaxman@gmail.com). Orders must be received by December 1, 2006.

## EDUCATIONAL INCENTIVES

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

At each San Diego chapter dinner meeting in 2006 five 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 2006 the San Diego Chapter will reimburse each member \$100 if they meet all of the following criteria:

- A The member must attend one of the following:
- San Diego Chapter's Running Start Seminar held in January 2007,
  - Two Sessions of San Diego Chapter's Mini Symposium Special Interest Classes, or
  - San Diego Chapter's two-day Mini Symposium Case Study Classes

**and**

- B The member must attend at least four (4) San Diego Chapter Dinner meetings between May and November 2006

**and**

- C The member must attend one of the following:
- Society Summer Symposium – May 2006
  - 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 8, 2006 to receive your rebate!

---

### CSEA SEMINAR

The San Diego chapter of CSEA and Clientwhy's has scheduled a two day, 16 hour, 1040 Review and Update in November 2006.

The registration form is posted on the San Diego Chapter of CSTC web site at [www.cstcsandiego.org](http://www.cstcsandiego.org) at the Education link.

---

### MEMBER OF THE YEAR

Member of the year nominations are now being accepted. Please contact Randy Dahlin with your who and why at (619) 697-3000 or email [RWDahlin@aol.com](mailto:RWDahlin@aol.com).

## NOMINATIONS

The Nominating Committee has announced the following nominations for 2007

President	Rose Carter
1 <sup>st</sup> Vice President	Stephen Comer
2 <sup>nd</sup> Vice President	Stephanie Matticks
Secretary	Linda Farmer
Treasurer	Duane Lewis
Director	Nadine Allevato
Director	Val Daigle
Director	Shirley Henry-Bisantz
Director	Mary Jo Hughes
Director	Kevin McCully
Director	Greta Ward

---

### TELEPHONE TAX REFUND

The IRS will refund to you the excise taxes on long-distance service billed after February 28, 2003 and before August 1, 2006.

The standard amounts are based on the total number of exemptions claimed on the 2005 Federal Income tax return:

\$30 for a single person; \$40 for two exemptions

\$50 for three exemptions and \$60 for four or more exemptions.

There will be a new line on the Form 1040 for this credit and a new form 1040EZ-T for short form and non-filers.

---

### NOTICE OF DEFICIENCY AND AUDIT RECONSIDERATIONS

In the past, the IRS has allowed an "Audit Reconsideration" after a taxpayer has received a Notice of Deficiency and before a Tax Court Petition is filed. An Audit Reconsideration is not a right – it is not contained in the Internal Revenue Code but rather is a privilege granted by the IRS.

An Audit Reconsideration is usually requested when the taxpayer has not been afforded an opportunity to present all facts, documentation or substantiation in an examination. This can occur because they failed to obtain timely representation, did not receive or respond to requests for information or just plain procrastinated. New procedures only allow an Audit Reconsideration if requested within the first 45 days of the date of the Notice of Deficiency.

## SAN DIEGO CHAPTER

### OFFICERS

#### President

**Tony Applebaum**

(619) 237-7290

E-mail: tony@appletaxgroup.com

#### 1<sup>ST</sup> V.P. – Education & Speakers

**Rose Carter – Running Start Seminar**

(619) 698-0508

E-mail: racarter@sbcglobal.net

#### 2<sup>ND</sup> V. P. – Dinner Meetings and Arrangements

**Steve Comer**

(619) 698-0202

E-mail: scomer@tfs-lm.com

#### Secretary

**Stephanie Matticks**

(619) 697-2950

E-mail: stephanie007@sbcglobal.net

#### Treasurer – Finance/Budget

**Duane Lewis**

(619) 698-9191

E-mail: duanetaxman@gmail.com

### BOARD OF DIRECTORS

#### Past President –

*Government Affairs/IRS Liaison and Elections*

**Val Daigle**

(619) 435-3131

E-mail: val@westax.com

#### Memberships

**Nadine Allevato**

(858) 271-1199 or (858) 549-9500

E-mail: nadine8@san.rr.com

#### Newsletter Editor

**Terry Smith**

(619) 283-8055

E-mail: realtaxes@aol.com

#### Hall of Fame

**Shirley Henry-Bisantz**

(602) 224-9038

E-mail: shirley@kachinaranch.com

#### Director

**Mari Jo Hughes**

(619) 397-5360

E-mail: johughes@pacbell.net

#### Director

**Jim Quinlan**

(858) 673-7161

E-mail: quinlan@sbcglobal.net

#### Fall Workshops

**Greta Ward**

(619) 644-1752

E-mail: abacus1@juno.com

### CHAPTER OFFICE

7827 Convoy Ct. #403, San Diego, CA 92111-1218

(858) 278-7954 • Fax (858) 278-9327

#### Web Site

**Larry McClellan**

(858) 278-1164 • e-mail: larry@taxnewsandtips.com

## 2006 DINNER MEETING SCHEDULE

**November 16** – Wayne Otchis,

Topic: *2006 Current Changes*

**December 8 (Friday)** – Holiday Party

---

---

### 2006 DINNER PRICES

- Members with Reservations - \$25.00
- All Others - \$30.00

Make check payable to CSTC or  
pay by Visa or Mastercard (only)

---

---



### BREAKFAST MEETINGS

Join CSTC members for breakfast to discuss tax issues.  
Members buy their own breakfasts.

**San Diego Chapter** — The 2nd and Last Friday of each month at 7:30 a.m. at Coco's Restaurant, 5955 Balboa Ave, in the Clairemont area. Contact Val Daigle, email val@westax.com or call him at 619-435-3131.

**East County Chapter** — Wednesdays at 8:00 a.m., at Denny's Restaurant, 2691 Navajo Rd., El Cajon. Contact Maryann Shefveld at 619-464-1260.

**South Bay Chapter** — Tuesdays at 8:00 a.m., at Love's Restaurant, I-805 at E Street in Chula Vista. Contact Donita Chacon at (619) 470-9293.

**Fiduciary Tax Group** — Second Thursday of each month at 7:30 am, at Coco's Restaurant, 5550 Lake Murray Blvd, La Mesa. Contact Jan Brown at (619) 464-1041.

**Business Entities Group** — First Thursday of each month at 7:30 am, at Coco's Restaurant, 5550 Lake Murray Blvd, La Mesa. Contact Jan Brown at (619) 464-1041.

## 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  
Web Site: [www.cstcsandiego.org](http://www.cstcsandiego.org).
- **CSTC SOCIETY OFFICE:**  
2050 W Chapman Ave # 114  
Orange, CA 92868-2648  
Tel (714) 634-0484 • Fax (714) 634-4975  
Web Site: [www.cstcsociety.org](http://www.cstcsociety.org).  
E-mail: [cstcsociety@sbcglobal.net](mailto:cstcsociety@sbcglobal.net)

---

## SAN DIEGO CHAPTER NEWSLETTER

### Newsletter via Email

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](mailto:larry@taxnewsandtips.com). If you change you email address please notify Larry.

### Advertising

*Submit your articles and ads to Terry Smith (619) 283-8055 or email to [Realtaxes@aol.com](mailto:Realtaxes@aol.com). Include in emails the Subject "CSTC – AD" or it won't be opened.*

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. Limited to six lines. Subject to available space and the discretion of the editors.

Advertising at San Diego Chapter Events: Requests to distribute flyers, brochures or promote a business at any San Diego chapter event must be approved by the Board of Directors prior to the day of the event.

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

*The deadline for articles and ads is the 25<sup>th</sup> of the preceding month.*

Ads are posted on the chapter's web site as they are received. Submit your ad if you are looking for a tax preparation position, need help in your office, or have or looking for office space, or have equipment for sale.

## CLASSIFIEDS

**ENROLLED AGENT** needed for expanding La Mesa tax and accounting office. Salary commensurate to experience. Fax resume to (619) 462-9800.

**POSITION AVAILABLE:** Fast-paced, high volume La Mesa office seeks tax professional with a minimum 3 years experience. Excellent opportunity with growth potential. Resume and cover letter to fax (619) 698-9767 or email to [smc500@cox.net](mailto:smc500@cox.net).

**POSITION AVAILABLE:** Part-time office manager for tax season. Help wanted with general office, telephones and scheduling appointments. Tax preparation or Quick books experience would be a plus. Contact Terry Davis @ (858) 277-1040 or email [terrydavis@sbcglobal.net](mailto:terrydavis@sbcglobal.net).

**POSITION AVAILABLE:** Tax professional (EA preferred). Full-time Jan-Apr, part time May-Dec. Experience required. Send resume to G.R. Ward at FAX (619) 475-8347 or email [benward@cox.net](mailto:benward@cox.net).

**WANTED-TAX PRACTICE.** I am interested in purchasing a practice or part. Call Kevin @ (619) 507-7529.

### WANT TO DOWNSIZE OR SEMI-RETIRE?

I would like to expand my Mission Valley practice (located across from Qualcomm Stadium). Call Terry at (619) 283-8055.

**TAX PRACTICE WANTED.** Multipractitioner office in La Mesa desires to purchase tax practice or portion of someone's practice, if downsizing. We are also looking for an assistant preparer/data entry person. Contact Steve Comer or Michael Grossman at (619) 698-0202.

**BOOKKEEPING & PAYROLL:** CSTC member and QuickBooks ProAdvisor can help your clients prepare for tax time now. Why wait until January? Please call Debbie Ashlock at (619) 523-0240 or visit [www.wnllgroup.com](http://www.wnllgroup.com).

**IMMEDIATE OPENING FOR A TAX PREPARER,** in a small friendly East County office. Must have at least 2+ years tax preparation experience and Accounting Skills. Compensation to commensurate with experience. Duties include preparing tax returns for individuals, corporations and accounting. To apply please fax a resume to 619/444-2675.

## EDUCATION

### 1040 RUNNING START JANUARY 2007

Federal-6 hrs State-2 hrs

North County Saturday January 6, 2007

Contact: Joanne Schroeder

(760) 740-0582 x 104

East County Tuesday January 9, 2007

Contact: Joe Foti

(619) 465-4739

San Diego Wednesday January 10, 2007

San Diego Thursday January 11, 2007

Contact: Randy Dahlin

(619) 697-3000

Price (lunch included)

\$160.00 Members to December 18, 2006

\$175.00 Non-members to December 18, 2006

\$175.00 Members after December 18, 2006

\$195.00 Non-members after December 18, 2006

\$200.00 All walk ins

### **BULLETIN BULLETIN BULLETIN**

EARLY BIRD REGISTRATION FORMS  
FOR THE 1040 RUNNING START SEMINAR  
WILL BE AVAILABLE ONLY AT  
THE OCTOBER DINNER MEETING.

**YOU MUST ATTEND THE  
OCTOBER DINNER MEETING TO QUALIFY.**

---

---

### 2006 MINI-SEMINAR

South Bay Chapter of CSTC Presents

**Sale of Rental • Avoiding Recapture Depreciation  
Recovery of Suspended Losses**

Instructor: Chuck Woodson, EA

Wednesday, November 15, 2006 8:00 AM to 12 Noon

Price: CSTC & Non-Members \$30.00

Contact: Nury Saenz, EA (619) 425-4804 or  
Fax (619) 425-4864

## IRS TO BREAK EVEN IN COLLECTIONS?

IRS Accepts Settlement Offer in Largest Transfer Pricing Dispute

September 11, 2006

**WASHINGTON:** The Internal Revenue Service announced today that it has successfully resolved a transfer pricing dispute with Glaxo SmithKline Holdings Inc & Subsidiaries. Under the settlement agreement, GSK will pay the IRS approximately **\$3.4 Billion**, and will abandon its claim seeking a refund of **\$1.8 Billion** in overpaid income taxes, as part of an agreement to resolve the party's long-running dispute for the tax years 1989 through 2005.

GSK's **\$3.4 Billion** payment to the IRS (including interest) is the largest single payment made to the IRS to resolve a tax dispute, bringing the company current with respect to its transfer pricing of the "heritage" products through 2005.

---

---

## TAX FRAUD PROMOTERS

Since 2001, the Justice Department's Tax Division has obtained injunctions against more than 200 tax preparers and tax fraud promoters. For detailed information about the Justice Department's efforts against tax-scam promoters go to [www.irs.gov](http://www.irs.gov) and click on e-news for professionals.

---

## YOU ASKED

Attendance at our meetings and classes have been as follows:

June dinner meeting	85
July dinner meeting	105
August dinner meeting	97
September dinner meeting	105
September Mini Symposium	106 (42 & 64-2 day)

Register early for the October 19<sup>th</sup> meeting. We always have large attendance because of the chapter's anniversary and Lynn Freer with her California Update.

Come join us for Education, Camaraderie and oh yah Food!

## USE OF THE COUNTY PROPERTY ASSESSMENT FOR DEPRECIATION PURPOSES

The following is a copy of the letter to IRS from San Diego County Assessor Gregory J. Smith regarding the use of the county property assessment for depreciation purposes.

**Gregory J. Smith**  
COUNTY OF SAN DIEGO  
ASSESSOR / RECORDER / COUNTY CLERK

Assessor's Office  
1600 Pacific Highway, Room 103  
San Diego, CA 92101-2480  
Tel. (619) 236-3771. Fax (619) 557-4056

[www.sdarcc.com](http://www.sdarcc.com)

RECORDER/COUNTY CLERK'S OFFICE  
1600 Pacific Highway, Room 260  
P.O. Box 121750. San Diego, CA 92112-1750  
Tel. (619) 237-0502. Fax (619) 557-4155

July 24, 2006

Area Director  
Internal Revenue Service  
24000 Avila Road  
Laguna Niguel, CA 92677

Dear Area Director:

We often receive complaints from property owners who are concerned about the practice of your office using our ratio of land to improvement value for depreciation purposes.

Under Proposition 13, real property can only be reappraised upon a change in ownership or new construction. As a result of this, many of our appraisals do not reassess the entire property, but only a portion thereof. As an illustration assume you have two identical adjacent lots. One of the lots has been owned by a taxpayer for several years, and now a new house is constructed. We can only reappraise for the new construction. The land will retain its old base value. The adjacent lot is sold and then an identical new house is built on it. We would reappraise the land and new construction at market value. In this scenario, you have two identical adjacent homes, with not only different total values, but also substantially different land to improvement ratios as a result of Proposition 13.

For these reasons, we recommend that you do not rely on our ratio of land to improvement values, but rather review each case individually with the taxpayer. If you have any questions, please do not hesitate to contact me directly at (619) 531-5507.

Sincerely,

GREGORY SMITH  
County Assessor/Recorder/Clerk  
GJS:ecl

**Note:** A copy of a April 25, 1980 letter from the County Assessor has been posted to the chapter's web site at [www.cstcsandiego.org](http://www.cstcsandiego.org). While the letter is 26 years old it is similar to the above July 26, 2006 letter.