

**California Society of Tax Consultants
San Diego Chapter Newsletter • September 2009**

Dinner Meeting

Date Thursday, September 17, 2009

Where Handlery Hotel & Resort
950 Hotel Circle North
Mission Valley, San Diego, CA

Times 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



Cost \$25 - Members with Reservations
\$30 - All Others

Menu

- Blackened Mahi Mahi
- Cilantro Pesto Rice
- Dessert, Chef's choice
- Choice of Coffee, Tea, Iced Tea
- **Vegetarian Meal Is Available**

Requests must be made with reservation

RESERVATIONS

Deadline is Noon, Wednesday, September 16th 2009

On-line at www.cstcsandiego.org/is-res.htm,
or call 619 698-0508, or

Email Rose Carter at 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.

Confirmation of your on-line dinner reservation will
be emailed to you. If you do not receive a confirmation
please call (619) 698-0508.

No-Show Dinner Reservations Billing Policy,
see page 3.

EDUCATIONAL PRESENTATION

Topic
***Year End Tax Planning
& Pension/Retirement Plan Updates***

Speaker

**Keith
Baumgarn
QPA, CLU**



**CTEC 1000-CE-2850
(2 FEDERAL 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 speaker.

**RUNNING START SEMINAR
EARLY BIRD SAVINGS**

Dates for Running Start 2010 will be Thursday,
January 7th and Friday, January 8th, 2010.

The Early Bird price will remain the same as last
year, \$130. **Early Bird Forms will be available only
at the San Diego Chapter meeting in September and
October, and are due by Oct 31st.**

Remember, the free Quickfinder member benefit requires
an Early Bird Running Start Registration.

PRESIDENT'S MESSAGE

Dear Friends & Colleagues,

It is September already. Where has this year gone to? Before we know it our noses will be to the grindstone again, and we will be using all the new information we have gathered to prepare tax returns for our clients.

I am sure there are quite a few members busy with extensions at this time. We do not seem to have a break anymore. Maybe November and December will be kind to us and get our overtaxed (excuse the pun) brains a well deserved rest.

Again I am going to thank **Terry Smith** and **Larry McClellan** for making this newsletter possible and keeping me on my toes. Terry, thank you for all the useful articles you publish to make our newsletter interesting and educational.

The **August Dinner Meeting** was very well attended. **The State Board of Equalization** gave us an insight into how they work (also some points that we may not be aware of). And **Mark Zatt** was extremely interesting.

A thank you to Stephanie Matticks for choosing great topics for our Dinner Meetings.

For anyone that missed **Lisa Ihm's Seminar** in August on Foreclosures, it was excellent. There is so much to know and Lisa does a terrific job teaching us. Should anyone who was unable to attend this seminar and wishes to get some excellent knowledge North County Chapter will be putting this on. Lisa will also be doing a seminar in El Centro on this topic. We are trying to start a Chapter in Imperial County as they are overlooked in the education field.

We had three dinner guests in August and one signed up for Membership. If you bring a tax professional as a guest, they get the opportunity to eat for free and sign up to become Members of an outstanding organization. **Remember our goal is 2012 members by 2012.**

This is my usual monthly request for members **to volunteer for board and committees**. Please contact me if you are interested in volunteering

GRETA

Greta Ward, Chapter President

IN MEMORIAL



JOHN C. DATUIN
June 10, 1939 - August 14, 2009

John is survived by his wife of 40 years, Myrna, his three children, and nine grandchildren,

He was a member of Toast Masters, Knights of Columbus and the San Diego chapter of CSTC since 1998. John was an accountant by profession but later took on the role of becoming an independent insurance broker and tax preparer for many years.



RICHARD H. WILLIAMS
1935 – June 14, 2009

Richard was a long time member of the San Diego Chapter. He was an Enrolled Agent and owner of Aetna Bookkeeping and Tax Service in Pacific Beach for over 20 years.

LEROY L HERZIG
May 8, 1916 – August 26, 2009

Prior to his retirement Leroy Herzig had been a member of CSTC for over 24 years, from 1978 to 2002.

He is survived by his daughters Helen and Heidi and sons Bruce and Robert.

Services will be held at First Baptist Church of Lemon Grove on Wednesday, September 2nd, at 11 a.m. Donations may be made to the Disabled American Veterans, PO Box 1431, Cincinnati, Ohio 42525.

CSTC TAX BRIDGE TO 2010

Federal & California Update will be held on December 3 & 4, 2009 in Anaheim, CA. Register by October 3rd for discounted price. Details at www.cstcsociety.org.



2009 MEETING DATES

October 15
San Diego Chapter's 34th Anniversary
California Update
 Lynn Freer, EA

November 19
Did You Know? Unusual Tax Issues
 Lisa Ihm, EA

December 10
Holiday Party

2009 ATTENDANCE

May Dinner Meeting	81	(2008-87)
June Dinner Meeting	80	(2008-95)
Pre-Paid Dinners	49	(2008-44)
July Dinner Meeting	137	(2008-83)
August Dinner Meeting	96	(2008-109)
September Dinner Meeting		(2008-87)
October Mini Symposium		(2008-58)
October Dinner Meeting		(2008-142)
November Dinner Meeting		(2008-77)
December Dinner Meeting		(2008-77)
Running Start Thursday	119	(2008-104)
Running Start Friday	92	(2008-101)
IRS Tax Forum Town & Country	1471	

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.

CHAPTER WEBSITE

Visit the San Diego Chapter's website at www.cstcsandiego.org for breaking tax news, educational events, Internet resources for use in your tax practice and other tax related information.

Let us know if you have any suggestions for the website. Email your ideas to Larry McClellan at cstcsd@san.rr.com.

WEB BROWSERS

A Web Browser is a software application for retrieving and presenting resources on the World Wide Web. The most used Web Browsers are:

- Windows Internet Explorer
www.microsoft.com/windows/internet-explorer/default.aspx
- Mozilla Firefox
<http://www.mozilla.com/en-US/>
- Apple Safari
<http://www.apple.com/safari/download/>
- Google Chrome
<http://www.google.com/chrome/intl/en/p/google.html>
- Opera
 - <http://www.opera.com/download/>

The World Wide Web Consortium (W3C) is an international consortium which works to develop Web standards for both the programming of the Web Sites and the Web Browsers. If all browser manufacturers and all Web programmers followed the W3C standards all Web pages would look and behave the same in every browser. But this has not been realized.

Windows Internet Explorer while being the most widely used web browser since 1999 has not been compliant with the W3C standards. Its percentage share has declined in the face of renewed competition from other web browsers which were compliant with the W3C standards – Mozilla Firefox most of all.

Experts agree that today all users of the World Wide Web should not use versions 5 and 6 of Internet Explorer. Version 7 did not support the W3C standard as much as Firefox and other web browsers.

Internet Explorer 8 was released on March 19, 2009. It includes much stricter compliance with the W3C web standards.

Take a look at your web browser to check the version you are using. Open your Web Browser and select HELP in the menu on the top, then select ABOUT to see which version you are using.

Use Another Web Browser - Download and install at least one of the other Web Browsers listed above. You will be surprised to learn these other browsers have features not included in the Windows Internet Explorer browser and they are in more compliance with the standards set by W3C.

Submitted by Larry McClellan



Franchise Tax Board Advises Against Frivolous Tax Arguments

Sacramento –The Franchise Tax Board (FTB) outlined several arguments that are widely established as frivolous, and advised that using those arguments to avoid paying taxes could result in a penalty.

The baseless arguments include contending that paying taxes or filing a return is “voluntary,” that tax returns can ignore all taxable income, or that filing a tax return violates constitutional protections against self-incrimination. FTB has adopted the IRS’ list of frivolous tax arguments, explained in IRS Notice 2008-14 and IRS Publication The Truth About Frivolous Tax Arguments.

Unpaid taxes and false tax returns both contribute to the annual \$6.5 billion tax gap facing California. The State of California also spends considerable resources responding to frivolous tax arguments, putting a strain on other public services.

FTB does not expect to issue many penalties. However, it can assess a \$5,000 frivolous submission penalty on a specific submission that includes material that:

- Is based on a position FTB identifies as frivolous.
- Reflects a desire to delay or impede the administration of federal income tax laws determined by the IRS or California income or franchise tax laws determined by FTB.

2009 State Income Tax Rates Adjusted

August 27, 2009 – The Franchise Tax Board has released the 2009 state tax brackets. Brackets are “indexed” each year by adjusting them to reflect changes in the California Consumer Price Index (CPI).

The standard deduction will **decrease** for single or “married filing separate” taxpayers from last year’s rate of \$3,692 to \$3,637. For joint, surviving spouse, or head of household taxpayers, the standard deduction **decreases** from \$7,384 to \$7,274. The personal exemption credit amount for single, separate and head of household filers will **decrease** from \$99 to \$98 and for joint filers or surviving spouses it will **decrease** from \$198 to \$196.

A new tax law sets the dependent exemption credit for tax years 2009 and 2010 to \$98. Last year’s credit was \$309.

A chart of filing requirement amounts and tax rates is posted at. http://www.ftb.ca.gov/aboutFTB/press/2009/Release_46_attachment.pdf.

INSIDE IRS



Beware of IRS’ 2009 “Dirty Dozen” Tax Scams (Part 2 of 3)

The Internal Revenue Service has issued its 2009 “dirty dozen” list of tax scams, including schemes involving phishing, hiding income offshore and false claims for refunds.

“Taxpayers should be wary of scams to avoid paying taxes that seem too good to be true, especially during these challenging economic times,” IRS Commissioner Doug Shulman said. “There is no secret trick that can eliminate a person’s tax obligations. People should be wary of anyone peddling any of these scams.”

Tax schemes are illegal and can lead to problems for both scam artists and taxpayers who risk significant penalties, interest and possible criminal prosecution. The IRS urges taxpayers to avoid these common schemes:

Return Preparer Fraud

Dishonest return preparers can cause many headaches for taxpayers who fall victim to their ploys. Such preparers derive financial gain by skimming a portion of their clients’ refunds and charging inflated fees for return preparation services. They attract new clients by promising large refunds. Taxpayers should choose carefully when hiring a tax preparer. As the saying goes, if it sounds too good to be true, it probably is. No matter who prepares the return, the taxpayer is ultimately responsible for its accuracy. Since 2002, the courts have issued injunctions ordering dozens of individuals to cease preparing returns, and the Department of Justice has filed complaints against dozens of others, which are pending in court.

Frivolous Arguments

Promoters of frivolous schemes encourage people to make unreasonable and unfounded claims to avoid paying the taxes they owe. The IRS has a list of frivolous legal positions that taxpayers should stay away from. Taxpayers who file a tax return or make a submission based on one of the positions on the list are subject to a \$5,000 penalty. More information is available on IRS.gov.

False Claims for Refund and Requests for Abatement

This scam involves a request for abatement of previously assessed tax using Form 843, Claim for Refund and Request for Abatement. Many individuals who try this have not previously filed tax returns. The tax they are trying to have abated has been assessed by the IRS through the Substitute for Return Program. The filer uses Form 843 to list reasons for the request. Often, one of the reasons given is "Failed to properly compute and/or calculate Section 83-Property Transferred in Connection with Performance of Service."

Abusive Retirement Plans

The IRS continues to uncover abuses in retirement plan arrangements, including Roth Individual Retirement Arrangements (IRAs). The IRS is looking for transactions that taxpayers are using to avoid the limitations on contributions to IRAs as well as transactions that are not properly reported as early distributions. Taxpayers should be wary of advisers who encourage them to shift appreciated assets into IRAs or companies owned by their IRAs at less than fair market value to circumvent annual contribution limits. Other variations have included the use of limited liability companies to engage in activity which is considered prohibited.

Stay tuned for the last 4 of the "Dirty Dozen"

SAN DIEGO CHAPTER COMMITTEES

Our Chapter is the largest in California (currently 171) because of you, our fellow members. However, we all need a little bit of help now and then. The following committees make this Chapter function. Please call any of these Committee Chairs to offer your help:

Anniversary Party	Rose Carter	Member of the Year	Stephanie Matticks
Arrangements	Terry Smith Linda Farmer	Membership	Nadine Allevato
Audit	Rick Wagner	Mini Workshops	Rose Carter
Awards		Newsletter	Terry Smith
Dinner Speakers	Stephanie Matticks	Nominations	Steve Comer, Mike Grossman & Kevin McCully
Elections	Steve Comer	Operation Manuel	Shirley-Henry Biszantz
Finance/Budget	Duane Lewis	Quickfinders/Tax Book	Tom Groel
Government Affairs	Val Daigle	Running Start	Randy Dahlin Marc Lord
Hall of Fame	Shirley Henry-Biszantz	Sunshine	Nadine Allevato
Holiday Party	Mari Jo Hughes	Website	Larry McClellan

CSTC MISSION STATEMENT

To promote professionalism by providing quality educational events for tax professionals, by creating and encouraging networking opportunities for members and by advocating professional standards and positions within the tax industry.

SOCIETY MEMBERSHIP DRIVE

"2012 BY 2012"

Members who bring in a new member will receive a \$25.00 CSTC education voucher from society. The current statewide membership is 1086.



TAX EDUCATIONAL EVENTS

Registration Forms and additional information at the chapter's website - www.cstcsandiego.org. Also check out other educational events in San Diego County.

East County San Diego Chapter:

www.cstceastcounty.org

Dinner meeting 1st Tuesday 6 PM at El Cajon Community Center

Federal Update with Larry Forsyth and
CFS Tools with Maria Davis

North County Chapter:

www.cstcsociety.org/NORTHCTY

Dinner meeting 2nd Thursday at 1425 N.Twin Oaks Valley Rd, San Marcos

Ethics & Open Forum
Sept 23rd with Gary Quackenbush

Foreclosures

Sept 26th with Lisa Ihm

Social Security & Elder Care

Sept 30th with Yolanda York & RJ Goodman

San Diego Chapter: www.cstcsandiego.org

Dinner meeting 3rd Thursday 5:30 PM at Handlery Hotel, Mission Valley

Running Start Seminar - January 7 & 8, 2010

South Bay Chapter:

www.cstcsociety.org/SOUTHBAY

Dinner meeting 4th Tuesday 6 PM at Mangia Italiano on Third, Chula Vista

Tax Seminar At Sea "Did You Know"
April 26-30, 2010 with Lisa Ihm, EA

Temecula Chapter:

www.cstcsociety.org/TEMECULA

Dinner meeting 1st Wednesday 5:30 PM at Richie's Diner, Murrieta Hot Springs Rd, Murrieta, CA

CSTC Society: www.cstcsociety.org

Cancellation of Debt in the Real World

- September 11 - El Centro, CA 8 hrs, Lisa Ihm, EA

Federal & California Update

- Dec. 3 & 4, Anaheim, CA

CANCELLATION OF MINI-WORKSHOPS

The following two workshops have been cancelled:

Sept. 17 - Divorce Tax Issues

Oct. 15 - Mid-Year & Year-End Review

Contact Rose Carter (619) 698-0508, e-mail: racarter@sbcglobal.net to receive refunds if you had registered previously.



SEPTEMBER ANNIVERSARIES

SANTO	ALOISI, JR	2 YEARS
DEBBIE	ASHLOCK BIRD	3 YEARS
LINDA	CANNON	26 YEARS
VAL	DAIGLE	22 YEARS
JOSEPH	DOERING	22 YEARS
DAVID	GORSICH	28 YEARS
MARGARET	HARRISON	1 YEAR
RALPH	LARRAIN	20 YEARS
JONATHAN	LEA	2 YEARS
JANICE	LINDSLEY	1 YEAR
JUAN	MARIN	19 YEARS
JANETTE	MEADER	23 YEARS
NANCY	MENDENHALL	9 YEARS
MARK	NESBIT	5 YEARS
WILLIAM	PEARCE	16 YEARS
GARY	QUACKENBUSH	16 YEARS
ALAN	SPIEGEL	1 YEAR
ELLIE	TAJBAKSH	1 YEAR
JUDITH	VAN GAASBEEK	1 YEAR
JUDITH	ZUSTIAK	23 YEARS

A TOTAL OF 241 YEARS

THOUGHT FOR THE DAY

If you find yourself in a hole

The first thing to do is

STOP DIGGING

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 cstcsd@san.rr.com. Let us know if you change your email address.

Newsletter Articles & Advertising

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

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

The deadline for articles and ads for the October 2009 issue is September 25, 2009.

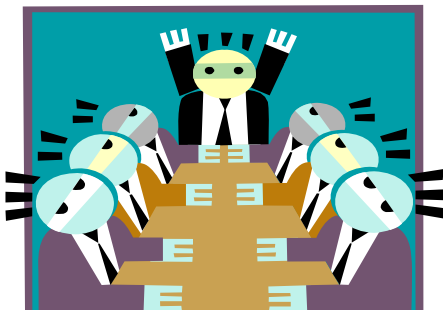
Members: There is no charge to members who wish to advertise for positions available in their practice, equipment for sale, or similar subjects.

Non-Members: There is a \$15 charge for each advertisement in the newsletter. Charge is per six lines or portion thereof. Subject to available space and the discretion of the editor.

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.

BOARD OF DIRECTORS MEETING



The next meeting of the Board of Directors is **Thursday September 17th, 4 P.M.** at the Handlery Hotel in Mission Valley.

All members are welcome to attend. If you would like to attend, please contact Greta Ward at (619) 644-1752 or e-mail: abacus1@juno.com.

WELCOME NEW MEMBER



WADE BROGREN

CLASSIFIEDS



Data Security Solution for all Tax Professionals: AM3 Technologies offers a complete hosted computing solution. Never purchase a server or computer again. 24/7 Access worldwide. 24/7 Tax season support. Visit <http://am3tech.com/ea.php> for details. Email sales@am3tech.com or 619 518-1182.

Computer help for Tax Professionals: Our focus is the needs of tax professionals and the added security necessary to protect your sensitive data. We make it work so you can work. Contact Ryan Van Orden at 619 502-7276 or email at service@vanordentech.com. For additional information, visit our website at www.vanordentech.com.

New CTEC and CSTC member seeking part or full time position. Will entertain bookkeeping, administrative, simple tax or other office position. Contact Judy Glenn 619 857-3465 or 285-8191.

Downsizing? Looking for a few more "good clients". Terry Smith 619 283-8055 or Realtaxes@aol.com.

SAN DIEGO CHAPTER

OFFICERS

President

Greta Ward

(619) 644-1752

E-mail: abacus1@juno.com

1st V.P.

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(619) 697-2950

E-mail: stephanie007@sbcglobal.net

2nd V.P.

Terry Smith *Arrangements*

(619) 283-8055

E-mail: realtaxes@aol.com

Secretary

Mari Jo Hughes

(619) 397-5360

E-mail: johughes@pacbell.net

Treasurer *Finance/Budget*

Duane Lewis

(619) 698-9191

E-mail: duanetaxman@gmail.com

Past President

Rose Carter *Fall Workshops*

(619) 698-0508

E-mail: racarter@sbcglobal.net

BOARD OF DIRECTORS

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BREAKFAST MEETINGS

Join CSTC members for breakfast to discuss tax issues.

Members buy their own breakfast.

San Diego Chapter —2nd and last Friday each month, at 7:30 a.m. at Coco's Restaurant, 5955 Balboa Ave, in the Clairemont area. Contact Val Daigle, (619) 435-3131, e-mail val@westax.com.

South Bay Chapter— Tuesdays at 8 a.m., at Jimmy's by the Park Restaurant in Chula Vista. Contact Donita Chacon at (619) 470-9293.

North County Chapter—Feb thru April 15th

Fiduciary Tax Group — 2nd & 4th Thursdays each month at 7:30 am, at Coco's Restaurant, 5550 Lake Murray Blvd, La Mesa. Contact Jan Brown at (619) 464-1041.

SPONSORED GUESTS

Invite other tax professionals you know to come to a dinner meeting for free. A current San Diego chapter member may bring a **different eligible** guest to dinner one time at no charge to the May through November dinner meetings.

Requirements:

- Guest must be eligible **to join CSTC**
- First time to chapter meeting

Tell them about the 1040 Running Start Seminar Jan. 7 & 8 2010. See page 1 for Earl Bird Special price.

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: NEW LOCATION**
7400 El Cajon Blvd Ste 205
La Mesa Ca 91941-3416
Tel (619) 644-1752 • Fax (619) 644-5686
Web Site: www.cstcsandiego.org.
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