



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

California Society of Tax Consultants San Diego Chapter Newsletter • JULY 2007

Dinner Meeting with the San Diego Chapter of CSEA

Date Thursday, July 19, 2007

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 \$20 - Members with Reservations
\$28 - All Others

Menu

- Caesar Salad
- Roasted Pork Loin w/Port Mushroom Glaze
- Garlic Mashed Potatoes
- 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, July 18th, 2007

On line at www.cstcsandiego.org/is-res.htm,
or call 1-800-994-4782, 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.

EDUCATIONAL PRESENTATION

Before & After Dinner

Topic

"TOP AND BOTTOM OF FORM 1040"

Between Line 7 (Wages) and Line 73 of Form 1040 we are preparing tax returns. Often we find special problems before Line 7 filing status, dependents, joint vs. separate, divorced filers, and more. Other problems arise after the taxes are calculated signing for decedents or minors, estimates paid with another filer, modes of payment and refund. We'll take a look at several of the special cases that arise from time to time before we get started, or just before sending off the return. Helpful for practitioners old and new.

Speaker

Dave Gorsich, EA

CTEC 1000-CE-2178

(1 FEDERAL and 1 CALIFORNIA HOUR)

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.

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.

PRESIDENT'S MESSAGE

Dear Friends & Colleagues,

Before I begin my message I want to take a moment to reflect back on **Joann Boisvert**. Joann suffered a massive heart attack and passed away peacefully in her sleep on June 13th. Joann gave 15 years of service to CSTC as a member and performed many duties.

I want to thank all of the members that attended her memorial on behalf of CSTC. It was a joyous memorial. I've had a chance to speak to her family and the family is coping and I expressed our sincerest condolences. It was sudden according to John and very unexpected.

Other members who are battling health issues are **Jim Quinlan** in a Care Facility and needs our prayers and well wishes. **Tish Caliger** has had surgery on her rotator cup and has 6-8 weeks left of recuperating. I had a nice conversation with her to let her know that members were asking about her and she thanked everyone for their thoughts. We all need to stop and count our lucky stars that we are able to do as we do and continue to wake up every day doing what we do. Please take a moment to give our two members a simple thought of get well soon and send cards. Remember these two have been around a long time and they need to know that we are thinking of them.

Our **June meeting** was great with Annette DiMatio and Chris Parks stepping in for Ruth Godfrey, as Ruth had to attend a dear friends memorial service. A BIG THANKS to both ladies for putting on such a presentation at the last minute. They did an outstanding job on "Divorce/Tax Style". Our own Terry Smith gave an informative update on the NEW POSTAL RATES, rate issues that we were not aware of. We will have him do an update before the end of the year.

CSTC Society Summer Symposium was June 3rd and the classes and speakers were terrific. There definitely was a wealth of knowledge at the Symposium. .

This years **prepaid dinners** were at a all time high of 60, due to the fact that our member benefits allowed us to lower the prepaid amount to \$110 for all the dinners. Our Board of Directors have come up with several ways to give back to our membership, and we

hope that you take advantage of them. Also try to get a friend that is in taxes or financial world to join and be our guest at a dinner meeting and get them to join.

This year our Education Committee has put together a **Mini Symposium** for our fall education. We will have two full days of education on September 5th & 6th at the Pechanga Resort & Casino in Temecula. We had 20 registrations the first week it was advertised. We are looking forward to seeing more people from the surrounding chapters attend because of the location and those that didn't have the opportunity to go to Summer Symposium. We will all have a chance to meet many other members.

Looking forward to seeing you at the July 19th dinner meeting with the San Diego Chapter of CSEA.

Rose Carter
Chapter President

OUR CHAPTER NEEDS VOLUNTEERS

WE NEED VOLUNTEERS - DON'T BE SHY

Members are needed to get involved in committees and learn from the "veterans". The chapter cannot continue to grow and provide the benefits to the members without more members getting involved. Without volunteers, we will not continue to be a successful chapter.

Members who have been on committees but have had some time off are also encouraged to volunteer again.

Please contact a chapter officer or a member of the Board of Directors to offer your help.

BOARD OF DIRECTORS MEETING

The next meeting of the Board of Directors is **Thursday July 19th, 2007, 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 Rose Carter @ (619) 698-0508 or e-mail: racarter@sbcglobal.net.

2007 MEETING DATES

August 16

Steve Sims, FTB

September 20

Frank Acuna

October 18

Chapter's 32nd Anniversary
Lynn Freer, California Update

November 15

Larry Conway

December 13

Holiday Party

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 guest to dinner one time at no charge to the May through November dinner meetings.

Requirements:

- Guest must be a tax preparer
- First time to chapter meeting

Also tell them about the 1040 Running Start Seminar.

SAN DIEGO MINI-SYMPOSIUM

SEPTEMBER 5-6, 2007

PECHANGA RESORT & CASINO
Temecula, CA

15 Hours of Federal & California Credits

Registration form is available on our website or contact Rose Carter @ (619) 698-0508 or racarter@sbcglobal.net. (20 applications have been received as of June 21st.) CTEC credit hours are posted on our website.

ATTENDANCE

May Dinner Meeting 102 (previous high 87)

June Dinner Meeting 84

Chapter Membership 216 (June 21, 2007)

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.

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 August 2007 issue is July 20, 2007.

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.

CHAPTER WEBSITE

We are averaging slightly over 500 hits a month.

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.

CLASSIFIEDS

WANT TO DOWNSIZE OR SEMI RETIRE?

I would like to expand my Scripps Ranch Practice. Steve Hughes @ (858) 344-0000.

WANTED: TAX PRACTICE. EA looking to expand practice in the La Mesa area. If you're thinking of selling all, or a portion of your practice call Kevin at 619 507-7529.

WANTED: MORE CLIENTS. Looking to expand Mission Valley practice, call Terry at 619-283-8055.

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 you email address.

ANOTHER PHONY E-MAIL

by Mary Ann Teders
(with permission from the
CSTC Inland Empire Tax Gazette)

Today I received an e-mail supposedly from the CI unit at the IRS. I was told that there had been a complaint lodged against our company regarding filing false Franchise Tax Board tax returns. I was instructed to download the complaint and respond to it. Two weeks ago I had a similar e-mail from the Better Business Bureau. I tried to download the complaint and got a Trojan Horse for my trouble. Fortunately it was on my laptop and not on our server at the office. A couple of hundred bucks later my laptop was clean and back to normal.

Since this smelled very much like the one from BBB, I checked our client lists and then called the CI Unit in Washington D.C., talked to Victor Song, Director of Field Ops. He said that they would never contact someone over the internet. And, as I suspected, that they would not be investigating a FTB problem. He is going to have someone call me to see how they can warn other tax preparers.

SOOO---Be very careful about downloads. Always verify by phone any e-mail sent from any agency.

Editor's note: Neither the IRS nor FTB INITIATE any contact with Preparers or Taxpayers by email. They will REPLY back to YOUR email.

CALIFORNIA'S EARLY DISTRIBUTION "PENALTY" IS DEDUCTIBLE ON FEDERAL SCHEDULE A

"California's 2 ½% tax on early distributions from qualified retirement plans is a deductible state tax for federal purposes. (Office of Chief Counsel IRS Memo 20072201F dated April 13, 2007). Although the additional tax is referred to as a "penalty" in R&TC §17085c, it is in fact a tax."

Source – Spidell's California Taxletter, July 2007.

HEAD OF HOUSEHOLD AUDIT LETTERS

FTB is planning to mail approximately 150,000 HOH Audit Letters for the 2006 tax year between July and December 2007.

The audit letters are designed to determine if taxpayers qualify for HOH filing status.

Replies to the audit letter can be made on line at www.ftb.ca.gov.

- Access the HOH Webpage
- Select the HOH Audit Letter Web Response Application link.

Taxpayers who e-filed claiming the HOH filing status and completed the HOH Schedule FTB 4803E will not be mailed an HOH Audit Letter.

Additional information in the July 2007 issue of FTB's *Tax News* at www.ftb.ca.gov.

POSTAL SUPPLIES

In addition to the new rate chart available on our website, you can order FREE Priority, Express Envelopes and other Postal Mailing items delivered to your office Free of charge by calling your local Post Office, asking your carrier or ordering on line at the US Postal Service website at www.usps.com.

A Priority Mail Zone Chart is needed to calculate the postage for priority mail over 16 ounces.

Get a Zone Chart at <http://postcalc.usps.gov/Zonecharts/>.

- Enter the first 3 digits of your (sender's) zip code
- Select "Get Zone Chart" button
- When the Zone Chart appears, Select the Print Zone Chart button.

SAN DIEGO CHAPTER

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BREAKFAST MEETINGS



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

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 @ (619) 435-3131.

South Bay Chapter— Tuesdays at 8:00 a.m., at Love's Restaurant, I-805 at E Street in Chula Vista.

Contact Donita Chacon @ (619) 470-9293.

North County Chapter— Tuesday at 7:30 a.m. at I HOP at Hwy 78 and Shadowridge Dr. in Vista.

Contact Michele Meharis.

Fiduciary Tax Group — 2nd & 4th Thursday of each month at 7:30 am, at Coco's Restaurant, 5550 Lake Murray Blvd, La Mesa.

Contact Jan Brown @ (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:**
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