NEXT MEETING Wed, January 20, 2010

Place: DUBLIN Radisson Hotel
(go to http://www.radissondestinationguide.com/location
Map.process/OID_EB39EA2D/?hotelCode=CADUBLIN)

4:30 Board Meeting
6:15 Networking
6:45 Dinner Buffet
7:30 Program: “Survive an IRS Audit”
Cost: $35.00 with reservation by Friday January 15
       $45.00 with reservation after deadline

Sign up online at:
https://www.123signup.com/calendar?Org=ebaea
(please print out your confirmation to ensure that you clicked all the right buttons to register) Questions: email ebaea@ebaea.org (preferred) or call 800-617-1040.

January Topic: “How to Survive an IRS Audit”
Speaker: Michelle Jirasek, CPA, IRS
by Irene Moore, EA Program Chair

Michelle Jirasek began her career with the Internal Revenue Service in 2004 in the San Rafael office as a Revenue Agent. She is currently the Group Manager for a Small Business/Self-Employed Revenue Agent Group in San Francisco. She received her bachelor’s degree in accounting from Sonoma State University and is currently pursuing her graduate degree in the same subject at Golden Gate University. Michelle is a certified public accountant and she resides in Marin County.

Her topics will include:
- Interviews - what questions they ask and why they ask them
- Tour of Business – purpose
- Minimum Income Probes (including discussion of new probes for e-commerce and BLS estimates)
- Reviewing Records - how they should be presented, when they will summons
- Penalty Considerations
- Installment Agreements
- Miscellaneous - TEFRA, Fast Track Mediation, 3rd Party Contacts, NOLs

PRESIDENT’S MESSAGE
by Peggy Hall, EA

My New Year’s resolution is to be proactive with my clients, asking them questions rather than just answering their questions. During the last few dinner meetings we have been given tools to view our clients’ overall financial wellbeing. In October we talked about how to communicate more effectively with our client’s financial consultant. In December CSEA President David Shaw gave us ideas about doing beneficiary check-ups and how to help our clients during these troubled times. As he said “You have a chance to become the trusted advisor at the center of your client’s world, a position that will give you a client for life and referrals you’ll love”. We perform tax CPR: consultation, preparation and representation. Cherry Comstock has offered to share with everyone a packet of information to help you succeed in your tax practice. Email her at cherry@jettax.org.

We have some excellent dinner programs coming in the next few months. Our speaker this month comes to us from the IRS. Several of our Members have heard her speak and were so impressed that they told us to get her to speak. In February Karen Brosi and Steve Sims, Franchise Tax Board Taxpayer Advocate, will serve as the panel to answer your California tax questions (you can slip in a few federal questions.) In March we will again have Karen Brosi and her “too tall” friend
Sharon Kreider as well as Joe Calderaro as our panelists answering your federal tax questions. We are very fortunate to get these knowledgeable and popular people to come to our meetings so calendar the dates February 17 and March 17.

If you are advanced in your tax practice and your tax knowledge, then it is time for you to contribute. You can do this in many ways. Here are a few of my suggestions: attend the Jim Stern Legislative Day, offer to be a mentor, attend the breakfast meetings or start up one in Oakland, offer yourself as a volunteer in EBAEA. We already have many Members who come to give; we need more.

Again, please participate in Jim Stern Legislative Day.

**IRS CHANGES SOME EFILE PROCEDURES**
*By Gerry Kelly-Brenner, IRS goddess-at-large*

Yes, the rumors are true...the IRS is really moving into the 21st Century with the Form 1040 Modernized e-File program beginning in February 2010. The computer program schema are already developed, now it's just up to the software vendors if they choose to offer the new XML format. For more information about the 1040 MeF program, visit: [http://www.irs.gov/efile/article/0,,id=204750,00.html](http://www.irs.gov/efile/article/0,,id=204750,00.html)

My MAIN reason for sending this message is to let you know that if you are an Electronic Return Originator (ERO), you will NOT have to update your e-File application to be allowed access to the new XML format. HOWEVER, if you are a Transmitter, and directly transmit your e-filed returns to the IRS, you WILL need to update your e-file application. If you are not sure what you are, contact your software vendor and they can let you know.

This is also a reminder to sign up for QuickAlerts, which provide you with the most up-to-date information of what is going on in the individual and business e-file program, including e-form availability updates, delays, etc. If you do not already receive free QuickAlerts please go to the QuickAlerts signup page at: [http://www.irs.gov/taxpros/providers/article/0,,id=97623,00.html](http://www.irs.gov/taxpros/providers/article/0,,id=97623,00.html)

Starting this fall, you will not be able to call the SSA to verify employee SSNs by phone. You can only use the Telephone Number Employer Verification (TEVN) system. You will need to register at 1-800-772-6270 or at [www.socialsecurity.gov/employer/](http://www.socialsecurity.gov/employer/).

**EBAEA EMAIL LISTS**

EBAEA sends news to Members via two one-way (send-only) email distribution lists. Subscription is free and completely voluntary, and you can subscribe or unsubscribe to either list any time you wish. For more information and to manage your subscription, visit: [http://ebaea.org/cgi-bin/dada/mail.cgi](http://ebaea.org/cgi-bin/dada/mail.cgi)

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**NEW HOME BUYER CREDIT ALERT**
*By Cherry Comstock, EA*

Letters are going to taxpayers who claimed First Time Homebuyer Credit on 2008 1040 or amended 2008 1040. The settlement page was not required until 11/6 legislation, but IS required retroactively. Letters are being received by OUR clients NOW. We did the return right at the time, but the letter is automatically sent. Required documentation pursuant to IRS Form 886-H-FTHBC is here: [http://www.irs.gov/pub/irs-pdf/f886h-ftth.pdf](http://www.irs.gov/pub/irs-pdf/f886h-ftth.pdf)

**JIM STERN LEGISLATIVE DAY**
*by Peggy Hall, EA*

We want you to join us in Sacramento on June 8, 2010.

Jim Stern Legislative Day is YOUR opportunity to visit the historic State Capitol and Capitol Park, build relationships, and protect your right to practice and your livelihood.

CSEA is the strongest voice for EAs in California and they need your help! There is no better way to educate legislators about EAs than by personally visiting their offices and letting them know what EAs do and what issues are important to CSEA.

The event is January 8th. Beginning at 8:30am we will have our keynote speaker, legislative updates and then Lobby Day 101 (training). Starting at 11am individuals and groups will be making visits to their representatives. We will end the day at an open house at our lobbyist’s office.

PLEASE COME. Patty Pringle and I will set up carpools so contact me (Peggy Hall) at 925 388-1040 or Patty Pringle at (510) 912-1682. This is fun, informative and important. More information and the registration form are at [www.csea.org](http://www.csea.org).

**WOULD YOU ATTEND A BIMONTHLY EBAEA MEETING IN OAKLAND?**
*by Peggy Hall, EA*

We (Board of Directors) know there are those of you who would come to a dinner (or lunch) chapter meeting if it were held closer to you, and we would like to know how many. So, if we were to hold a lunch or dinner meeting every other month in Oakland would you attend, and would you rather it be lunch or dinner? Please call the chapter office 800 617-1040 to let us know if you would be interested in attending.

On another note, currently we do not have a breakfast meeting in Oakland? Would you be interested in attending one?
HELP WANTED: Tax Professional/Seasonal

Established tax office in the Hayward is seeking an EA with a minimum of 5 to 10 years current experience. Work is in a contemporary and pleasant office environment. Responsibilities include preparation of simple to complex tax returns for individuals and small businesses. 24+ yrs experience using Lacerte; assemble returns for signature, use of work papers & documentation management.

Successful candidate should have good communication skills and be computer literate. Please fax or e-mail a copy of your resume including a cover letter and salary requirements to: Attn: Patty Pringle, EA, Office Manager; Secure Taxes, Incorporated; FAX: (510) 537-9331; ppringle@yoursecuretaxes.com

HELP WANTED: Tax Professional/Seasonal

Castro Valley tax office seeking EA with min 3-5 yrs experience in preparing individual tax returns. 20-30 hrs per week. Please fax resume to 510-247-1183

HELP WANTED: Tax Preparer/Seasonal

EA tax practice in Berkeley looking for experienced EA, or possibly a CTEC, during tax season. Possibility of part-time year around work with new clients. Input and review of 1040 returns during the 2010 tax season. 16 to 30 hours per week with flexible schedule. Experience with Lacerte preferred. FAX: 510 295 2696 or hyarmo@hyarmo.com.

HELP WANTED: Tax Reviewer/Seasonal

EA tax practice with offices in El Cerrito and Martinez looking for experienced EA during tax season to review 1040 returns and some client interviews. 24-30 hours/week with flexible schedule. Experience with Lacerte preferred. Contact Grizel at (510) 558-8060

HELP WANTED: Tax Preparer/Seasonal

Accountant/Tax Preparer, for 2009 tax season in fast paced Walnut Creek firm. Minimum 5yrs exp. pref. Pay commensurate with production and ability. Fax to: 925-979-1088 or email: firm@huntercpa.biz

The Death of Common Sense

© Lori Borgman  March 15, 1998

Three yards of black fabric enshroud my computer terminal. I am mourning the passing of an old friend by the name of Common Sense. His obituary reads as follows: Common Sense, aka C.S., lived a long life, but died from heart failure at the brink of the millennium. No one really knows how old he was, his birth records were long ago entangled in miles and miles of bureaucratic red tape. Known affectionately to close friends as Horse Sense and Sound Thinking, he selflessly devoted himself to a life of service in homes, schools, hospitals and offices, helping folks get jobs done without a lot of fanfare, whooping and hollering.

Rules and regulations and petty, frivolous lawsuits held no power over C.S. A most reliable sage, he was credited with cultivating the ability to know when to come in out of the rain, the discovery that the early bird gets the worm and how to take the bitter with the sweet.

C.S. also developed sound financial policies (don't spend more than you earn), reliable parenting strategies (the adult is in charge, not the kid) and prudent dietary plans (offset eggs and bacon with a little fiber and orange juice).

A veteran of the Industrial Revolution, the Great Depression, the Technological Revolution and the Smoking Crusades, C.S. survived sundry cultural and educational trends including disco, the men's movement, body piercing, whole language and new math. C.S.'s health began declining in the late 1960s when he became infected with the If-It-Feels-Good, Do-It virus.

In the following decades, his waning strength proved no match for the ravages of overbearing federal and state rules and regulations and an oppressive tax code. C.S. was sapped of strength and the will to live as the Ten Commandments became contraband, criminals received better treatment than victims and judges stuck their noses in everything from Boy Scouts to professional baseball and golf.

His deterioration accelerated as schools implemented zero-tolerance policies. Reports of 6-year-old boys charged with sexual harassment for kissing classmates, a teen suspended for taking a swig of Scope...
mouthwash after lunch, girls suspended for possessing Midol and an honor student expelled for having a table knife in her school lunch were more than his heart could endure.

As the end neared, doctors say C.S. drifted in and out of logic but was kept informed of developments regarding regulations on low-flow toilets and mandatory air bags. Finally, upon hearing about a government plan to ban inhalers from 14 million asthmatics due to a trace of a pollutant that may be harmful to the environment, C.S. breathed his last.

Services will be at Whispering Pines Cemetery. C.S. was preceded in death by his wife, Discretion; one daughter, Responsibility; and one son, Reason. He is survived by two step-brothers, Half-Wit and Dim-Wit.

Memorial Contributions may be sent to the Institute for Rational Thought. Farewell, Common Sense. May you rest in peace.

**CALENDAR OF EVENTS**

**January 2010**

6 CSEA digiTAX: “California Tax Update”
   @ csea.org (webinar)
8 Jim Stern Legislative Day
   @ Sacramento
20 EBAEA Dinner Meeting: “Hot Audit Issues”
   @ Radisson Hotel, Regional St, Dublin

**February 2010**

8 EBAEA Miniseminar: “Preparing a 990”
17 EBAEA Dinner Meeting: “FTB Tax Panel”
   with Steve Sims and Karen Brosi
   @ Radisson Hotel, Regional St, Dublin

**March 2010**

17 EBAEA Dinner Meeting: “IRS Tax Panel”
   w/ Joe Calderaro, Karen Brosi, Sharon Kreider
   @ Radisson Hotel, Regional St, Dublin

**April 2010**

No monthly dinner meeting –
   rest up for extension season!

**May 2010**

10-12 CSEA SuperSeminar “A”
   @ Flamingo Hotel, Las Vegas
13-15 CSEA SuperSeminar “B”
   @ Flamingo Hotel, Las Vegas
19 EBAEA Dinner Meeting:
   @ Radisson Hotel, Regional St, Dublin

**Small Group Tax Meetings**

<table>
<thead>
<tr>
<th>Area</th>
<th>Date</th>
<th>Time</th>
<th>Location</th>
<th>Hosts</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antioch/Brentwood</td>
<td>4th Tue</td>
<td>9:30am</td>
<td>Pascals French Oven, 155 Railroad Ave, Danville</td>
<td>Michael Power EA</td>
<td>(510) 366-8836</td>
</tr>
<tr>
<td>Danville Area</td>
<td>4th Tue</td>
<td>9:30am</td>
<td>Rock House Café on Portola Ave, Livermore</td>
<td>Richard Goudreau EA</td>
<td>(925) 606-6672</td>
</tr>
<tr>
<td>Livermore Area</td>
<td>4th Tue</td>
<td>8:45am</td>
<td>CSEA SuperSeminar “A”</td>
<td>Peggy Hall EA</td>
<td>(925) 388-1040</td>
</tr>
<tr>
<td>Castro Valley</td>
<td>3rd Tue</td>
<td>8:00am</td>
<td>Carrow's, 2723 Castro Valley Blvd @ Lake Chabot, CV</td>
<td>Dagmar Bedard EA</td>
<td>(510) 537-3883</td>
</tr>
<tr>
<td>South Alameda County</td>
<td>1st Wed</td>
<td>9:30am</td>
<td>Dino’s, 1 block W of I-880 on Industrial Blvd, Hayward</td>
<td>Sal Romo EA or Walt Thomas EA</td>
<td>(510) 487-1691</td>
</tr>
</tbody>
</table>

**HUMMM…**

10% of the US population was age 65 or older in 1970, but that group represents 13% of our nation today. By the year 2025, 18% of our population will be age 65 or older. (United Nations)

Americans had 3 million CAT scans (Computerized Axial Tomography) in 1980 compared to 60 million CAT scans that are performed annually today. (Christopher Moore, Newsweek)

One of President Obama’s campaign pledges is to implement universal health care, an effort first undertaken by President Theodore Roosevelt more than 100 years ago. (Newsweek)

**HUMOR**

Regarding Electronic Filing

With every technological breakthrough, an old-fashioned tradition dies. In this case, we’re losing the tradition of burning the midnight oil: sweating over a pencil and paper the night of April 15, trying to calculate those deductions, then spilling cold coffee all over the tax return and having to start all over. Whew, aren’t we glad those days are over? In this new, improved era, we can sweat over a computer keyboard and unfamiliar software program the night of April 15, then spill cold coffee into our computer, resulting in a shower of sparks and a small fire. - Steve Brewer, Albuquerque Tribune Columnist, March 30, 2006
2009 - 2010 Board of Directors and Committee Chairs
Web Page http://www.ebaea.org

President: Peggy Hall EA 925-388-1040
1st VP: Thomas Johnston EA 925-828-4500
2nd VP: Cherry Comstock EA 925-778-0281
Treasurer: Tim Hintzoglou EA 925-930-7737
Secretary: Marjorie Williams-Jones EA 510-482-6204
Immed Past Pres: Thomas Johnston EA 925-828-4500

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Immed Past Pres: Thomas Johnston EA 925-828-4500

Director 2009-2010:
Chris Christopherson EA 925-786-7660
Jerrilynn Krebs EA 925-980-6568
Bob Olsen EA 925-837-8329

Director 2009-2011:
Margie Hines EA 510-247-9255
Patty Pringle EA 510-912-1682
Andy Rogers EA 510-522-2300

CSEA Director: Thomas Johnston EA 925-828-4500

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Membership: Clare Flores EA 510-785-8356
Membership: Marjorie Wms-Jones EA 510-482-6204
Outreach:
Public Affairs: Lonnie Gary EA, USTCP 650-209-1818
Social Affairs: Patricia Gilchrist EA 925-833-8822
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Disaster Services: Janet Bridges EA 510-505-0818

IRS Practitioner Panel: Phil Fiegler EA 510-530-1174
CTEC Panel: Walt Thomas EA 510-487-1691

Education Committee, (1st VP)
Chair: Thomas Johnston EA 925-828-4500
Tax Talk: Patty Pringle EA 510-912-1682
Program: Irene Moore EA 510-791-8962x16
Continuing Ed: Joanne Anderson EA 925-938-9086
Town Hall: Ravi Sundarraj EA 925-984-1219
SEE Class: Thomas Johnston EA 925-828-4500
Mini Seminar Team: Andy Rogers EA 510-522-2300
VITA Team: Brian Pon EA, etc 510-849-4667

Administration Committee (IPP)
Chair: Thomas Johnston EA 925-828-4500
Bylaws/SOP: Sal Romo EA 510-487-1691
Budget & Finance: Walt Thomas EA 510-487-1691
Chapter Office: Dagmar Bedard EA 510-537-3883
Legislative: Chris Christopherson EA 925-786-7660
Nominating: Thomas Johnston EA 925-828-4500
Strategy Advisory:
Bulletin: Duncan Sandiland EA, etc 925-691-1040
Tax Agency Liaison:
Volunteer Coordinator: Patty Pringle EA 510-912-1682

EAST BAY ASSOCIATION OF ENROLLED AGENTS
30100 Mission Blvd, Suite 6, Hayward CA 94544
(800) 617-1040 or (510) 487-2063 fax (510) 487-1501 email: ebaea@ebaea.org
Intermediate 1120S
Solving S Corp Problems

- Solving Basis Issues including “The Golden Rule”
- How to Create a Balance Sheet, L, M-1 and M-2
- Section 351 Tax Free Conversions
- Reasonable Wages and Possibilities for Correcting after the Fact
- Auto Expenses and Health Insurance: reporting the correct way, and how to fix them
- Excess Distribution Solutions
- What Treasury Decision from 2008 should make you happy

After this “flashlight with batteries” session, you should be able to quickly solve the most common problems encountered with “S” Corporation returns and accurately file a Form 1120S, even if your client has made a mess of things.

You will also know what to tell your clients now to get them to make your life easier next year and reduce the likelihood of future problems.

A seminar for Enrolled Agents.
The class level is intermediate.

CLASS LIMITED TO 5 PARTICIPANTS

Choose from three dates:
Tuesday January 5: 10 am – 2 pm.
Thursday January 21: 10 am – 2 pm.
Tuesday February 9: 10 am – 2 pm.

Class Location:
Law Office Conference Room, 1516 Oak Street, Suite 109, Alameda CA 94501.

Fee Schedule:
NAEA/CSEA Members paid one month in advance $175
Non-Members or paid “late” $225

“This is the best class on S Corps I’ve ever been to, and I’ve been to a lot”
“Excellent, Exceeded Expectations”

Contact:
Andrew S Rogers, E.A.
Tax Buddha
E Andy@TaxBuddha.com, P (510) 522-2300, F (510) 522-2307
Day of Seminar Only: Cell (510) 332-0401

“We have entered into an agreement with the Office of Professional Responsibility, Internal Revenue Service, to meet the requirements of 31 Code of Federal Regulations, Section 10.6(g), covering maintenance of attendance records, retention of program outlines, qualifications of instructors and length of class hours. This agreement does not constitute an endorsement by the Office of Professional Responsibility as to the quality of the program or its contribution to the professional competence of the enrolled individual.” Sponsor Number 797

Refund Policy: Request for refund must be postmarked ten days before scheduled class. All refunds subject to a service charge of $15