



California Society of Enrolled Agents
San Fernando Valley Chapter

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California Society of Enrolled Agents

www.sfvea.org

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A Note from our President

Dear Colleagues,

I hope that this month is treating you well, whether you've already finished up client returns or are in the closing stretch of hunting down stragglers.

I will keep this message fairly short this month, but I would like to highlight that we will be having Lila Fedler from the FTB as our speaker for October. This will be tremendously valuable given significant changes to how the FTB interacts with tax practitioners. I strongly encourage as many of you as are possible to attend this meeting if you are able.

I look forward to chatting with you at our next meeting on October 10th.

Geoff

Dinner Meetings

Dinner Meetings - The San Fernando Valley Chapter of Enrolled Agents hold regularly scheduled dinner meetings on second Monday of each month between May and January (meetings are not held during tax season).

Board Meeting: 5:00 to 6:00 PM

Social: 6:00 to 6:30PM

Dinner: 6:30 to 7:00PM

CE Presentation: 7:00PM to 8:40PM

The dinner meetings generally qualify for 2 hours of CPE for Enrolled Agents, CPAs and CTEC Registered Tax Preparers (CRTPs). Note: IRS OPR CPE is only valid for Federal tax related subjects for Enrolled Agents. The dinner meetings will sometimes be on CA taxation which qualifies for NAEA but not IRS credit.

Location:

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OCTOBER 10 - DINNER MEETING

CALIFORNIA UPDATE - 2016

Subject Matter: New laws for 2016, proposals for 2017, new FTB POA procedure, and changes to the FTB website.

Speaker: Lila Fedler, Technical Assistant to the FTB Taxpayer Advocate.

Where: Airtel Plaza Hotel & Conference Center, 7277 Valjean, Van Nuys, CA

Board Meeting: 5:00PM

Social: 6:00PM Dinner: 6:30PM

Presentation: 7:00PM

2 hours CE Credit - California Tax Subjects for CRTPs & CPAs. No credit allowed for EAs

Registration Fee: \$40 Members by 5PM Friday October 7th, \$45 Non-members by 5PM Friday October 7th, \$5 extra after 5PM Friday October 7th.

Meal Selections:

Herb Crusted Tilapia,
Chicken Marsala, or
Grilled Vegetable Plate
With CA Field Greens & Tiramisu Cake

Reservations: kcharlestax@yahoo.com (specify meal selection)

About The Speaker:

Lila Fedler, EA. Lila Fedler is currently Technical Assistant to the Advocate and serves as a Franchise Tax Board spokesperson responsible for education and outreach efforts designed for taxpayer, business and the tax practitioner community. She is also an Enrolled Agent with the Internal Revenue Service.

Lila began her career with the Franchise Tax Board in 1980, and has a broad range of experience covering both personal income and corporation tax laws. She has experience as a Protest Hearing Officer, Auditor, and as an Audit Technical Specialist and Reviewer.

In addition to more than 30 years of experience with FTB, Lila worked in the private sector as a Senior Manager of state and local tax practice. Lila works directly with the Taxpayer Rights' Advocate to assure that taxpayers have been afforded the protection of the Taxpayer Bill of Rights.

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Helpful Links:

Our Chapter
www.sfvea.org/

Fall Update Seminar
www.sfvea.org/Fall-Update-Seminar/

Contact Us:

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Streamlined Processing of Installment Agreements



The IRS is testing expanded criteria for streamlined processing of taxpayer requests for installment agreements. The test is scheduled to run through September 30, 2017.

During this test, more taxpayers will qualify to have their installment agreement request processed in a streamlined manner. Based on test results, the expanded criteria for streamlined processing of installment agreement requests may be made permanent.

During the test, expanded criteria for streamlined processing will be applied to installment agreement requests submitted to SB/SE Campus Collection Operations, this includes the Automated Collection System (ACS). Expanded criteria will not be applied to installment agreement requests submitted to W&I Accounts Management, SB/SE Field Collection or through the Online Payment Agreement application.

One expanded criterion being tested immediately is this: Individual taxpayers with an assessed balance of tax, penalty and interest between \$50,000 and \$100,000 may experience accelerated processing of their installment agreement request. This will occur if the taxpayers' proposed monthly payment is the greater of their total assessed balance divided by 84 – or – the amount necessary to fully satisfy the liability by the Collection Statute Expiration Date.

More information on the expanded test criteria will be made available in the coming weeks. In the interim, IRS employees in Campus Collection/ACS can assist with any installment agreement requests.

IRS Warns of Fake Tax Bills

Sept. 22, 2016

WASHINGTON — The Internal Revenue Service and its Security Summit partners today issued an alert to taxpayers and tax professionals to be on guard against fake emails purporting to contain an IRS tax bill related to the Affordable Care Act.

The IRS has received numerous reports around the country of scammers sending a fraudulent version of CP2000 notices for tax year 2015. Generally, the scam involves an email that includes the

fake CP2000 as an attachment. The issue has been reported to the Treasury Inspector General for Tax Administration for investigation.

The CP2000 is a notice commonly mailed to taxpayers through the United States Postal Service. It is never sent as part of an email to taxpayers. The indicators are:

- These notices are being sent electronically, even though the IRS does not initiate contact with taxpayers by email or through social media platforms;
- The CP 2000 notices appear to be issued from an Austin, Texas, address;
- The underreported issue is related to the Affordable Care Act (ACA) requesting information regarding 2014 coverage;
- The payment voucher lists the letter number as 105C. The fraudulent CP2000 notice included a payment request that taxpayers mail a check made out to "I.R.S." to the "Austin Processing Center" at a Post Office Box address. This is in addition to a "payment" link within the email itself. (zestie1@msn.com)

Qualified Longevity Annuities

IRS Regulations finalized in 2014 provide some relief for individuals who want to stretch out their retirement funds by generally allowing taxpayers to use up to the lesser of 25% or \$125,000 of their retirement account to purchase a qualified longevity annuity contract (QLAC) within the account. The amount used to purchase the QLAC is subtracted from the account balance and would thus reduce the RMD from the retirement account each year until a specified time in the future when distributions must begin from the annuity.

Although not a perfect solution to not taking distributions, a QLAC can in effect delay the distributions associated with funds used to purchase the QLAC until as late as the pre-determined date for the start of the annuity payments, but no later than age 85.

As example, Dan, who is age 72, has a traditional IRA account with a balance of \$700,000. From the IRS annuity table, for age 72, Dan has an expected distribution period (life expectancy) of 25.6 years, and his RMD for the year would be \$27,344 ($\$700,000/25.6$). However, Dan could have purchased a QLAC in the amount of \$125,000 (the lesser of 25% of \$700,000 or \$125,000) with IRA funds prior to the end of the year, thus reducing his IRA account balance currently subject to mandatory distribution to \$575,000. As a result his RMD for the year would be \$22,461. In addition his QLAC would begin distributions at whatever date Dan selected for the start date, but at least by age 85.

Since Social Security (SS) income becomes taxable when one-half the taxpayer's SS benefits plus the taxpayer's other income, including non-taxable interest income, exceeds \$25,000 (\$32,000 for married taxpayers filing jointly), using a QLAC to reduce a taxpayer's RMD income could actually reduce the tax on the taxpayer's SS income.

QLACs do not apply to Roth IRAs since there are no RMD requirements and the income is generally tax-free.

Although many taxpayers are not fans of annuities, they do provide a guaranteed income for life and address the risk of them outliving their assets as well as delaying distributions to a later time for those who are still working or have no current need for distributions.

These tax tips were written by Lee T. Reams, EA, BSME a speaker for ClientWhys seminars and also one of the presenters for the SFVEA Fall Seminar scheduled November 2, 2016 at the Airtel Hotel & Conference Center, Van Nuys. [Click here for further details or to register.](#)

Support for NAEA PAC

These are interesting times, politically, and an exciting time for members to support NAEA PAC while being able to participate in the political process. With just a short period left before the long-awaited 2016 election, we are witnessing a presidential race that will go down in history. At the same time, thirty-four Senate seats and 435 House races are in play on November 8th. In short, Election Day will determine the makeup of the 115th Congress and the organizational composition of the congressional tax-writing committees.

Enrolled agents are highly regarded tax experts. You know that and I know that, but many do not. As an EA, you can help promote your exclusive credential by [contributing to NAEA PAC](#). NAEA PAC helps us raise awareness of who EAs are and what EAs do, and your contribution will help legislators realize where they should turn when it comes to addressing our nation's complex tax issues.

Members can make voluntary contributions [online](#) or by mail. Every PAC contributor will be recognized for his/her support on the NAEA PAC [website](#). Members who contribute at least \$50 will receive an exclusive NAEA PAC lapel pin. This pin will signify your commitment to the interests of your profession and your peers. NAEA PAC also has exclusive club levels to signify your level of support for the PAC:

<i>Contribution</i>	<i>Club Level</i>
\$1,000+	Congressional Club
\$500 to \$999	President's Club
\$250 to \$499	Board of Directors' Club
\$100 to \$249	Committee Chair's Club

NAEA PAC would not be what it is today without your unwavering support. And because of your demonstrated commitment toward supporting our PAC, we set a significant and challenging goal for our eleventh year (which closes on March 31st). **Will you help us raise \$100,000 by March 31, 2017?**

Congratulations to Bob Woodford, EA

Bob Woodford was recognized by NAEA for his help as a committee member with Educating Americas Task Force.



Newsletter Content

We need your input and suggestions to improve our newsletter. Please send your articles and ideas to Kim@dubinaccounting.com