



California Society of Enrolled Agents  
San Fernando Valley Chapter

# San Fernando Valley Chapter

## California Society of Enrolled Agents

[www.sfvea.org](http://www.sfvea.org)

Newsletter Date: August 2016

Volume 1, Number 1

Editor: Kim Dubin, EA 800-737-4933 - [kim@Dubinaccounting.com](mailto:kim@Dubinaccounting.com)

### In This Issue

- A Note from our President
- Treasurers Report
- Dinner Meetings Continuing Education
- Fall Update Seminar
- Tax Day Help
- Tax Tips:
  - Renting to a Relative
  - Aliso Canyon gas leak reimbursements
- Congratulations to
  - Frank Navi, EA

#### Officers

##### **President**

Jeff Plourde EA, CPA  
(818) 945-1040  
[gp@sbadvisor.net](mailto:gp@sbadvisor.net)

##### **1<sup>st</sup> VP/PIA/Past President**

Robert Woodford EA  
(818) 894-4246  
[zestie1@msn.com](mailto:zestie1@msn.com)

##### **2<sup>nd</sup> VP**

Jim Botdorf EA  
(310) 471-4589  
[jbotdorf@roadrunner.com](mailto:jbotdorf@roadrunner.com)

##### **Treasurer**

Larry Gurewitz EA  
(888) 720-3301  
[larrylife@gmail.com](mailto:larrylife@gmail.com)

##### **Secretary/Past President**

Jennifer Coats EA

### A Note from our President

Dear Colleagues,

It is my distinct honor and privilege to serve as your chapter president this year. I believe that this is truly one of the best chapters in CSEA, because of both the seasoned leaders I have the privilege of serving with as well as you, the chapter members.

I am particularly excited for the relaunch of our chapter's newsletter. Please do not hesitate to contact editor Kim Dubin to contribute content to future newsletters. We value your submissions.

I am also pleased to report that one of our own chapter members, Frank Navi, has completed NTPI at the National Conference earlier this month. Well done Frank! I strongly encourage all of you who have not gone through NTPI to consider going through it in the future, especially if you are interested in going into taxpayer representation. I personally learned a lot of relevant information in NTPI that I was able to immediately apply to client cases and made valuable connections with EAs from across the US who I continue to leverage in my practice today. Further information about NTPI can be found in the NAEA press release in this newsletter. If you have any questions about this program, please do not hesitate to reach out to me, Frank, or any other NTPI Fellow in the chapter.

I would also like to make you aware of a great opportunity to express your concerns about the current state of the IRS or any issues you have run into related to taxpayer rights. The National Taxpayer Advocate, Nina Olsen, will be holding a public forum in Los Angeles on Monday. Full details can be found on the chapter website or further on in this newsletter.

Please do not hesitate to contact me or any board member with your comments or suggestions.

Jennifer@bernsteinfinancial.com

### **CSEA Director**

Bruce Miller EA  
(818) 380-0480  
taxmenomo@aol.com

### **Audit Chair/Immediate Past President**

Jeremy Streeter EA, CFP, CPR  
(818) 654-9980  
eataxguy@gmail.com

### **Directors**

Kathy Charles EA / **Membership**  
(818) 613-9584  
kcharlestax@yahoo.com

### **Kim Dubin EA / Newsletter**

(800) 737-4933  
Kim@Dubinaccounting.com

### **Julian Fox EA / Bylaws**

(818) 343-7055  
taxnut@gmail.com

### **Bill Horton EA**

(818) 399-9747  
alvts@pacbell.net

### **Frank Navi EA / Education**

(310) 207-6500  
Frank@consultax.com

### **Lee Reams Sr. EA, BSME**

**Communications**  
(800) 442-2477 Ext 240  
Lee.reams@clientwhys.com

### **Magali Scott EA**

(661) 948-1104  
Magaliscott@hotmail.com

### **Ellen Tomaszewski EA**

(818) 994-0645  
emtom@sbcglobal.net

I look forward to chatting with you at our next meeting on September 12th, when we will hear from tax attorney Jeffrey B. Kahn.  
Geoff

---

## Treasurers Report

Our Fourth Annual Summer Seminar was a financial Success for both San Fernando Valley and Channel Island EA's. It was held at the Airtel Hotel in Van Nuys on June 13. The featured speaker was Bob Mckenzie, a nationally recognized expert in dealing with the IRS in audits and disputes. The areas of concentration were:

1. Audit Representation
2. Non-filer Representation
3. Representing clients in Cash-Intensive Business
4. IRS Liens, Levies, & Seizures.

Bob did a great job covering these areas while interspersing his entertaining puns, jokes and stories from the various cases he has represented over the years. We all came away having been a little more enlightened on how to work with the IRS while we represent our clients.  
Larry L. Gurewitz, EA

---

## 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:**

Airtel Plaza Hotel  
7277 Valjean  
Van Nuys, CA

September 12<sup>th</sup> Speaker will be **Jeffrey Kahn, Esq, LLM**  
Jeffrey B. Kahn, the principal attorney of the Law Offices Of Jeffrey B. Kahn, P.C. and head of the Kahn Tax Law team has more than 28 years of experience in resolving tax problems with the best possible result by effectively defending against criminal and civil actions and inquiries by the IRS and State Tax Agencies and by protecting our clients from domestic and international tax issues not yet detected by the government. The subject is to be determined.

## Helpful Links:

Our Chapter  
[www.sfvea.org/](http://www.sfvea.org/)

Fall Update Seminar  
[www.sfvea.org/Fall-Update-Seminar/](http://www.sfvea.org/Fall-Update-Seminar/)

## Contact Us:

<http://www.Dubinaccounting.com>  
Kim@DubinAccounting.com

## Fall Update Seminar



Save the date....The Fall Update seminar will be held November 2, 2016 at the Airtel Plaza Hotel. We are co-sponsoring with ClientWhys, Inc. Discounts are still available if you register before August 31, 2016. You can register by calling 800-442-2477 x1 or online at [taxcpe.com](http://taxcpe.com). Remember a portion of your registration fee goes to support the activities of your chapter.

## Tax Help Day Saturday, February 4, 2017



The CSEA is asking for the Chapters to start organizing for Tax Help Day much earlier than in previous years to help make this year's event a success.

We are looking for volunteers to staff the Help Day locations. It is a great opportunity to get out into your community and get the word out that EA's are Americas Tax Experts.

If you are available please let **Robert Woodford** know.  
([zestie1@msn.com](mailto:zestie1@msn.com))

## Renting to a Relative

When a taxpayer rents a home to a relative for long-term use as a principal residence, the tax treatment of the rental depends upon whether the property is rented at fair rental value or rented at less than the fair rental value.

A fair rental is determined based upon facts and circumstances and by taking into account such factors as comparable rentals in the area.

**Rented at Fair Rental Value** – Where the home is rented to the relative at a fair rental value, it is treated as an ordinary rental reported on Schedule E, and losses are allowed subject to the normal passive loss limitations.

**Rented at Less Than Fair Rental Value** – When a home is rented at less than the fair rental value, it is treated as being used personally (Reg Sec 1.280A-1(e)(2)). Since it is rental property,

would have to allocate the expenses between the personal and rental portions of the year.

However, since all of the rental days (at a bargain rate to a relative) are treated as personal days, the rental portion is zero. So none of the expenses are deductible, other than property taxes and mortgage interest, assuming the interest would otherwise qualify as second home mortgage interest.

Since it is not a rental, the income would be reported as "other income" (line 21 of the 1040) and the mortgage interest and taxes deducted on Schedule A, assuming the landlord is itemizing deductions.

There also could be a gift tax issue depending upon the difference between the fair rental value and rent actually charged to the tenant-relative. Of course that amount would be pro rated to each occupant of the home, so unless there was a large difference (\$14,000 per each occupant, in 2016) between the fair rental value and actual rent, or other gifting was involved, a gift tax return probably isn't needed in most cases.

---

## Aliso Canyon gas leak reimbursements (IRS Ann 2016-25)

Per the IRS announcement, certain reimbursements made by the Southern California Gas Company to pay for temporary relocation and cleaning expenses for victims of the Aliso Canyon Gas Leak are excludable. The following summarizes which reimbursements are excludable and which are taxable per the announcement:

- **Direct Payments to Victims** – Payments made to the victims are excludable from income.
- **Payments to Family & Friends for Providing Housing** – These payments are generally taxable unless excludable under Sec 280A, which allows a taxpayer to exclude income from the rental of the taxpayer's personal residence or vacation home for a period of less than 15 days during the year.

### **Southern California Gas Company Ordered Reimbursements –**

The Los Angeles County Department of Public Health directed SoCal Gas to offer free, temporary relocation to affected residents. Pursuant to the directive and subsequent court orders, SoCal Gas is required to pay on behalf of, or reimburse, affected residents for certain relocation and cleaning expenses incurred generally for the period from Nov. 19, 2015 through May 31, 2016. Those reimbursements included:

- Hotel expenses, including meal reimbursement (\$45 per day for an individual age 18 and older; \$35 per day or \$25 per day for a child based on age), mileage reimbursement, parking expenses, pet boarding fees, internet fees, electric vehicle charging fees, and laundry fees;
- Expenses of staying with friends or family at the rate of \$150 per day, and mileage reimbursement;
- Expenses of renting another home for a lease term (including a lease term extending beyond May 31, 2016) as approved by SoCal Gas, including expenses of housewares, appliances,

- Mileage allowances or alternative transportation for a resident whose child or children attended the relocated area schools until the date the resident exited the relocation program. If, however, a resident enrolled a child in a school outside of the affected area, SoCal Gas must pay the mileage allowance until the child no longer attends the re-enrolled school or the school year ends, whichever occurs first;
- Expenses of cleaning the interior of an affected individual's home prior to returning home according to protocols established by the Los Angeles County Department of Public Health;
- Air filtration and purification expenses;
- Expenses of cleaning residue from the exterior of an affected individual's home, outdoor fixtures, and exterior furniture and appliances;
- Expenses of a vehicle detailing treatment; and
- Other expenses not specifically described in the relocation plan based on SoCal Gas's evaluation of the expenses.

#### Tax Tips:

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](#)

---

## Congratulations to Frank Navi, EA

Frank Navi, EA, has earned the prestigious Fellow designation from the National Association of Enrolled Agents (NAEA) for completing the three levels of the National Tax Practice Institute (NTPi®). This achievement demonstrates Frank Navi, EA's dedication to protecting taxpayer rights and attests to his expertise in tax.

NTPi Fellows® have completed a demanding three-part curriculum that has uniquely prepared them to effectively represent their clients before all administrative levels of the IRS. Having successfully completed coursework covering all variances of examinations, audits, collections and appeals, and having studied best practices and role-playing, Fellows know the entire process from both the client and IRS perspective. While earning the EA license denotes competence and the right to represent taxpayers, Fellows have made the commitment to a higher level of knowledge and excellence which further sets them apart. The course, open only to enrolled agents, CPAs and tax attorneys, was developed to prepare licensed representatives to protect their clients' rights by disseminating the most recent information about IRS laws and procedures critical to representation.

---

## Newsletter Content

We need your input and suggestions to improve our newsletter. Please send your articles and ideas to [Kim@dubinaccounting.com](mailto:Kim@dubinaccounting.com)