



## MEETINGS



Everyone welcome - Members, spouses, friends, non-members, subscribers, IRS & CDOR personnel, and any other interested individuals!!

Your Board wants to see you!!! This month and in future months at our regularly scheduled dinner meetings. They are one of the best places to meet new members, share your ideas, learn new resources, and actually have fun while earning CPE credits.

Reservations may be called to Linda Ward at 303-221-6691 or e-mail to [linda@lward.biz](mailto:linda@lward.biz) no later than the Thursday before the meeting at 5:00 p.m.

**No shows will be billed for cost of the meal if a reservation is made.**

## DINNER MEETINGS

### MARCH 2008

**No Meeting**

**Happy Tax Season**

### APRIL 22, 2008

#### Board Meeting

- Date:** Tuesday, April 22, 2008
- Time:** 5:30 PM Board Meeting  
6:00 PM Dinner  
6:30 PM Program
- Place:** Holiday Inn  
4849 Bannock St.  
at I-25 and I-70  
*Directions on page 7*
- Program:** *Tax Controversy*
- Speaker:** Timothy D. Scott, Esq.  
Minor & Brown PC

#### Cost for Dinner & Program:

Members .....	\$25.00
Non-members .....	\$30.00
Program Only .....	\$15.00

MAKE CHECKS PAYABLE TO CoSEA

**NO SHOWS WILL BE BILLED!**



*“Tis the  
Season  
for  
Taxes”*

## PRESIDENT'S MESSAGE

Hi Everyone!

I know you are in the thick of the tax filing season as you take a few minutes to read the CoSEA Newsletter. I am always surprised at the number of tax practitioners who prepare returns with little or no research material in their office. Fortunately for members of CoSEA, Paul Matonis has done a yeoman's job of heading up the ordering of the **Quickfinders** and the **Taxbooks**. These are used routinely in my office for return preparation. There are other free sources of research information. A "Google" search has proven to be a fast way of getting answers to many tax questions in language a layman can understand. I have stopped paying for online research and rely on Google more and more. Other free online help can be found at the following:

Internal Revenue Code	<a href="http://www.fourmilab.ch/uscode/26usc/">http://www.fourmilab.ch/uscode/26usc/</a>
Internal Revenue Manual	<a href="http://www.irs.gov/irm/index.html">http://www.irs.gov/irm/index.html</a>
IRS Tax Professionals Site	<a href="http://www.irs.gov/taxpros/index.html">http://www.irs.gov/taxpros/index.html</a>
IRS Forms and Publications	<a href="http://www.irs.gov/formspubs/index.html">http://www.irs.gov/formspubs/index.html</a>
Social Security Online	<a href="http://www.ssa.gov/">http://www.ssa.gov/</a>
Colorado Dept. of Revenue	<a href="http://www.revenue.state.co.us/main/home.asp">http://www.revenue.state.co.us/main/home.asp</a>

This is by no means a complete list. With the new standards for tax preparers, it makes good sense to do your "due diligence" and research a tax question before you take a position on a client's tax return. This is a service you can charge the client for, after all, ultimately the client will benefit from your professionalism. Ideally, I like to have a minimum of two sources that agree with the position I have taken on a return. Other resources that are available are the Pub 17 in pdf format and the Form 1040 Manual. I keep these icons on my computer desktop so I have quick access.

Raise your fees and you will ....  
Have a really profitable tax filing season,

Yours,  
*Mark*

Mark E. Sehnert, EA

P.S. NAEA's Tax Research Service is powered by Delphis Tax Solutions. There are two parts: (1) "tax knowledge base" which is an online searchable database answering frequently asked questions, and (2) "send us a question" which involves submitting your specific question directly to tax research experts for personalized case research. NAEA members and associates receive complimentary, unlimited access to the "tax knowledge base", but non-members pay a \$100 yearly subscription. NAEA members and associates pay \$35 per standard question and \$75 per hour for extensive questions for the "send a question service". Non-members pay \$50 per question with "tax knowledge base" subscription and \$100 per question otherwise. Non-member extensive questions cost \$100 per hour with "tax knowledge base" subscription; \$150 per hour otherwise. Estimates are given for extensive research questions. Questions about membership or service: [membership@naea.org](mailto:membership@naea.org) or 202-822-6232.

# Jeanine's Journal

Dear CoSEA Colleagues:

The IRS offers many new online help tools (See IR-2008-14, Feb. 6, 2008) for 2008 tax filers. The IRS enhanced both Publication 17 and *Where's My Refund?*, two key electronic tools available on [www.irs.gov](http://www.irs.gov), the official Web site of the IRS. The online version of Publication 17, Your Federal Income Tax, now contain electronic links. Both the downloadable PDF and the html version of the 2007 Publication 17 contain more than 800 hyperlinks. The online refund-tracking tool *Where's My Refund?* is now available in Spanish as well as English. Taxpayers can access the Spanish version through either the *Where's My Refund?* page on [www.irs.gov](http://www.irs.gov) or the Spanish-language portal. Taxpayers without Internet access can get the same information about their refunds by calling the IRS Refund Hotline at 1-800-829-1954.

Taxpayers looking for the IRS online should type [www.irs.gov](http://www.irs.gov) into their Web browsers. Taxpayers should beware of Web sites that may resemble IRS.gov but end in .com, .net, .org, .biz or any other domain name extension. For the genuine IRS Web site, it's [www.irs.gov](http://www.irs.gov). IRS warns of new e-mail and telephone scams using the IRS name (see IR-2008-11, Jan. 30, 2008). There are scams involving proposed advance payment checks by connecting to a link and requesting personal and financial information from taxpayers, like Social Security, bank account and credit card numbers. There are also audit e-mail and changes to tax law e-mail scams which direct taxpayers to complete forms and to download links to publications which actually downloads malware onto the recipient's computer. Malware is malicious code that could take over the victim's computer hard drive, and could identify passwords and other privacy information.

There is a phone call from an alleged IRS employee who claims the victim is eligible for a sizable rebate for filing his taxes early but needs the target's bank account information for direct deposit of the rebate. The IRS does NOT force taxpayers to use direct deposit and it does not gather bank routing and account information by telephone. The IRS does NOT send unsolicited e-mail about tax account matters to individuals, businesses, tax-exempts or other taxpayers. Filing a tax return is the only way to apply for a tax refund. Taxpayers may use the "Where's My Refund" interactive application on the [www.irs.gov](http://www.irs.gov) Web site. There is also a phone call scam where an alleged IRS employee wants bank account information to verify an uncashed IRS sent check. If you suspect a fraudulent e-mail, then you may forward it to the [phishing@irs.gov](mailto:phishing@irs.gov) mail box to notify the IRS of the scam. Following the IRS instructions here will help IRS track suspicious e-mail to its origins and shut down the scam. Other related items to check out include FS-2008-9, Identity Theft E-Mails Scams a Growing Problem, and IR-2007-109, IRS Warns Taxpayers of New E-mail Scams. See [Suspicious e-Mails and Identity Theft](#).

Have a prosperous and productive tax season!

Yours,

*Jeanine*

## "Come to the Meetings"



## ECONOMIC STIMULUS PAYMENT UPDATE

Congress finally reached agreement on the 2008 Economic Stimulus Act which provides tax benefits to businesses (See IR-2008-22, Feb. 21, 2008). Business incentives include a 50-percent special depreciation allowance and a Section 179 expensing of up to \$250,000 of section 179 property purchased by taxpayers in a tax year beginning in 2008. The section 179 limitation imposed on sport utility vehicles, which have an expense limit of \$25,000, remains the same.

### **There are two components of the Stimulus Package:**

- 1) the minimum rebate amount is \$300 (\$600 for married filing jointly)
- 2) qualifying child credit.

The taxpayer receives the minimum rebate to the minimum of his tax liability or 10% of the first \$6,000 of taxable income (\$12,000 if married filing jointly). The credit is **NOT** refundable. If a taxpayer receives \$1 of the income tax rebate and has children, the taxpayer will also get \$300 per child. The payment **IS** refundable, meaning the recipient is entitled to the full child credit without regard to income tax liability. The credit (including both basic credit and qualifying child credit) is phased out at a rate of 5% of adjusted gross income starting at \$75,000 (\$150,000 for joint returns). There must be valid identification numbers for all persons listed on the return. Other provisions of the Bill include temporarily increasing conforming loan limits for the Federal Housing Authority. The proposal raises FHA's loan limit to as high as 175 percent (effectively \$362,790 to \$729,750) of the conforming loan limit in certain geographic regions where there is higher cost of living, and from 48 percent to 65 percent (Effectively \$200,160 TO \$271,050) of the conforming loan limit in less expensive markets. FHA would also be authorized to raise loan limits by up to \$100,000 if market conditions warrant these increases. (See: "Congress Reaches Agreement on Stimulus Package", National Society of Tax Professionals, E-mail from [NSTP\\_taxes@nstp.org](mailto:NSTP_taxes@nstp.org) dated Friday, February 8, 2008 12:50:31 PM.)

The IRS has released additional information about the upcoming economic stimulus payments in a specially designed section for taxpayers on [www.irs.gov](http://www.irs.gov). (See IR-2008-015, Feb. 15, 2008). The new information includes an extensive set of Frequently Asked Questions about the stimulus payments. For recipients of Social Security and certain veterans' benefits and low-income workers who do not normally need to file, the IRS also released a special version of a Form 1040A that highlights the specific sections of the return that can be filled out to qualify for a stimulus payment. The special [www.irs.gov](http://www.irs.gov) section features extensive examples of how much taxpayers can expect to receive. Taxpayers in these groups should write the words "Stimulus Payment" at the top of the 1040A or 1040. Taxpayers with Social Security, Railroad Retirement or veterans' benefits who have already filed but did not report their qualifying benefits on either Line 14a of Form 1040A or Line 20a of Form 1040 may file an amended return by using Form 1040X, which can only be filed with a paper form.

Initial notices regarding Economic Stimulus Payment refunds should start in March.

The first refund checks should be issued in May. Tax professionals should receive more updates on the details of this legislation within the next few weeks.

## CUSTOMER SERVICE WITH PROFESSIONALISM AND ETHICS: DO WE MEASURE UP?

The IRS Website (see [www.irs.gov](http://www.irs.gov).) emphasizes that it's important for taxpayers to find qualified tax professionals if they need help preparing and filing their tax returns. Unqualified tax preparers may overlook legitimate deductions or credits and may also make costly mistakes. Some suggestions to consider when hiring a tax professional are:

- A paid preparer must sign the return as required by law.
- Avoid preparers who claim they can obtain larger refunds than other preparers. If your returns are prepared correctly, every preparer should derive substantially similar numbers.
- Beware of a preparer who guarantees results or who bases fees on a percentage of the amount of the refund. A practitioner may not charge a contingent fee (percentage of your refund) for preparing an original tax return.
- Understand that the most reputable preparers will request to see your receipts and will ask you multiple questions to determine your qualifications for expenses, deductions and other items. By doing so they have your best interest in mind and are trying to help you avoid penalties, interest or additional taxes that could result from an IRS examination.
- Choose a preparer you will be able to contact and one who will be responsive to your needs. Ask who will actually prepare the return before engaging services. Avoid firms where your work may be delegated down to someone with less training or some unknown worker. You should know exactly who works with your tax matters at all times and how to contact him or her; after all, you are paying for it. Determine if the preparer is exporting your return to a foreign country for preparation. Foreign countries do not have the same security and privacy laws as the United States nor is there any recourse should your information be compromised as a result of lax or nonexistent privacy procedures.
- Investigate whether the preparer has any questionable history with the Better Business Bureau, the state's board of accountancy for CPAs, the state's bar association for attorneys or the IRS Office of Professional Responsibility (OPR) for enrolled agents or the oversight agency in states that license or register tax preparers.
- Determine if the preparer's credentials meet your needs or if your state mandates licensing or registration requirements for paid preparers. Is he or she an Enrolled Agent, Certified Public Accountant (CPA) or Tax Attorney? Only attorneys, CPAs and enrolled agents can represent taxpayers before the IRS in all matters including audits, collection actions and appeals. Other return preparers may represent taxpayers only in audits regarding a return that they signed as a preparer.
- Find out if the preparer is affiliated with a professional organization that provides or requires its members to pursue continuing education and holds them accountable to a code of ethics.
- Check [www.irs.gov](http://www.irs.gov) for information regarding abusive shelters and other tax schemes and scams. Remember, if it sounds too good to be true, chances are it is.
- The IRS can help many taxpayers prepare their own returns without the assistance of a paid preparer. Before seeking a paid preparer, taxpayers might consider how much information is available directly from the IRS through the IRS Web site. Check out these helpful links:
  - [e-file for Individual Taxpayers](#)
  - [Free File](#)
  - [Free Tax Return Preparation For You by Volunteers](#)
- The Site warns that unscrupulous tax return preparers do exist and can cause considerable financial and legal problems for their clients. Tax evasion is both risky and a crime, punishable by up to five years imprisonment and a \$250,000 fine, so no matter who prepares a tax return, the taxpayer is legally responsible for all of the information on that tax return. Taxpayers may report suspected tax fraud and abusive return preparers by completing Form 3949-A and mailing it or a letter with similar information to: Internal Revenue Service, Fresno, CA 93888

**CUSTOMER SERVICE WITH PROFESSIONALISM AND ETHICS: DO WE MEASURE UP?** *continued from page 5*

There are certain qualities that best represent customer service according to Nancy Friedman (see “The Service Mentality: Characteristics of the Best of the Best” by Nancy Friedman Telephone Doctor). These are: #1 Empathy, #2 Enthusiasm, #3 Responsibility, #4 Resiliency, #5 Balance, #6 Ownership, #7 Adaptability..

Enrolled Agents, as tax professionals, should also be aware of Circular 230 requirements.

What distinguishes us as tax professionals from unqualified tax preparers? Our ethics, knowledge base, and attentiveness to client needs are important factors to consider in our practices.

## **ATTENTION CoSEA MEMBERS:**

Please send your updated contact information, *i.e.* addresses and/or e-mail to Alan Bates, call 720-535-7977 or email to [Alan.batestax@comcast.net](mailto:Alan.batestax@comcast.net). This will help your Board stay current and ensure that all notices, newsletters, etc. will be delivered in a timely manner.

Please note that your newsletters are e-mailed to you by Joan Lipinski, our printer. This is not spam, so please do not block this e-mail.

## **What Interests You? Know a Speaker?**

Linda Ward needs your suggestions on topics and new speakers. If you have any suggestions, please contact Linda at 303-221-6691 or email her at [linda@lward.biz](mailto:linda@lward.biz)

## **FINANCE CHAIR PERSON NEEDED!!**

We are still looking for a committee chair for the Budget & Finance Committee. Please let one of Board members know if you are interested in serving in this position.



**“Get  
Ready  
To  
Learn”**

## Coming Events

May 27, 2008

June 24, 2008

July 22, 2008

August 26, 2008

September 23, 2008 *Ethics*

October 28, 2008 *Colorado Tax Update*

November 11, 2008 *IRS Tax Update*

December *CoSea Holiday Party*

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

## A Touch Of Humor

A nervous taxpayer was unhappily conversing with the IRS auditor who had come to review his records. At one point the auditor exclaimed, “We feel it is a great privilege to be allowed to live and work in the USA. As a citizen you have an obligation to pay taxes, and we expect you to eagerly pay them with a smile.”

“Thank God,” returned the taxpayer. “I thought you were going to want cash.”

### MEETING LOCATION

by Mildred A. Cassai, EA

Our meeting site is at the Holiday Inn at the Mousetrap. The address is 4849 Bannock Street, located northwest of the intersection of 1-25 and 1-70. Here’s how to get there:

*Going east on 1-70:* exit onto Pecos, go left (north) over the freeway to 48th Ave. Go right (east) to Bannock, turn left to 4849 Bannock.

*Going west on 1-70:* exit onto Pecos, turn right (north) to 48th, turn right (east) to Bannock, go left.

*From 1-25:* exit at 58th Ave., go west to 2nd light west of freeway, at Bannock, turn left (south).

Visit our website at  
**[www.taxproco.org](http://www.taxproco.org)**

### ADVERTISING RATES

Full Page	\$138.00
Half Page Horizontal	\$ 78.00
Half Page Vertical	\$ 78.00
Quarter Page	\$ 44.00
Eighth Page	\$ 26.00
Column Inch	\$ 18.00

Classified ad rates are \$1.75 per line (or partial line) per issue, with a \$10.00 minimum.

Open rates are subject to change, and open rate advertising is subject to space availability. For further information, call Jeanine Buben-Croy, EA 303-432-7428.

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The newsletter is sent bimonthly to all members of the Colorado Society of Enrolled Agents, nonmember subscribers, selected members of the National Association of Enrolled Agents, government officials, and others. Additional mailings are targeted to other Enrolled Agents and/or other tax professionals.

Deadline is the 15th of the month prior to cover date (i.e. June 15 for July-August issue). Submit Word attachment to [jeaninetaxserv@yahoo.com](mailto:jeaninetaxserv@yahoo.com). Submit contracts and/or payments to Jeanine Buben-Croy, EA, 6606 W. 79th Ave., Arvada, CO 80003. Make checks payable to CoSEA.

If you know of a company or someone who wants to advertise in the Newsletter, please have them contact  
Jeanine at  
303-432-7428 or e-mail her at  
[jeaninetaxserv@yahoo.com](mailto:jeaninetaxserv@yahoo.com)

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Enrolled Agents  
Federally Recognized Tax Professionals



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