



## The Nebraska Independent Accountant Newsletter

Nebraska Affiliate of the National Society of Accountants

January 2008



### **PRESIDENT'S MESSAGE** **By Cindy Buller**

I would like to say thank you to everyone who attended our Gear-Up seminar. It was a pleasure to see new and familiar faces. Thanks to all of you for supporting our society. I can't believe that tax season is here...now the chaos begins. I hope everyone had a blessed holiday season and please drive safely.

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### **NSA STATE DIRECTORS MESSAGE** **By Eric Hansen**

#### **NEW SOURCE FOR "NEW" MEMBERS**

Increasing Membership! Isn't this one of the hot topics all ASO's talk about? ASO Boards continually discuss how to find and sign up new members. The hope is these new members have novel ideas, fresh opinions and different points of view that will maintain and improve an ASO. Enlarging your organization and increasing members is certainly important.

In striving for new faces let's not forget that all ASO's already have a known source of "new faces" and with a good plan, can tap that resource. The resource is current dues paying members who are inactive. These are people who already support your ASO. Your ASO might consider a Mentoring Program whose focus is converting inactive members to active participants.

Here's one suggestion for a Mentoring Program. For an ASO sponsored seminar ask for a list of attendees. Compare the list against a current ASO membership roster. Highlight attendees who are ASO members, but inactive. Does someone know this attendee? Assign an active ASO member to welcome the attendee, possibly sit next to them during the seminar or maybe have lunch with them. You are probably peers. You have similar knowledge and experiences. Over the time this one-on-one contact may allow you to encourage, support and assist in converting a current member from inactive to active status.

Keep recruiting brand new people and increase your numbers. But also remember you have an opportunity to make current ASO members more active, more responsible and generally better members. A mentoring program could help.

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### **EXECUTIVE SECRETARY REPORT** **By Mandy David**

I hope everyone had a wonderful Christmas and a Happy New Year! My family and I made a big change this past December. We packed up and moved to Stromsburg where I grew up. Even though a lot of surprises happened in that month, things seem to be settling down.

We have a great lineup for 2008 for educational seminars. Please look on the back page for more information. It was great to see everyone at the 1040 seminar in November and I wish tax season treats you well. **Here is my new contact information: P.O. Box 203, Stromsburg NE 68666; 402-764-0506; mdnsia@hotmail.com. Also, check us out on the web at [www.nebsia.com](http://www.nebsia.com)!**

## 2ND VICE PRESIDENT'S REPORT

By Dawn Liphardt

I read once that while most people have four seasons, tax preparers and their families only have two seasons: tax season and 'tween season.

Tax season has always been the result of the 'tween season. It's what is done during the 'tween season that inspires each of us to enthusiastically engage tax season. For the "seasoned" tax professionals, the tax season never really ends. With the many law changes and over 66,000 pages of tax codes, as professionals, we must continually process, research, and educate ourselves and our technology in order to properly serve our clients.

Post tax season is a time to be asking what went well. What did not? What can be done to improve the level of service we are providing to our clients? What will help us to increase our bottom line? What are the strengths and weaknesses of our businesses? What makes us unique in the tax and accounting business?

By continually evaluating and analyzing our businesses during the 'tween season, as professionals we will be able to build on our strengths and seize opportunities during the tax season.

As a new season is here, I hope that you will take time to reflect on what it is you can be doing better in your business and implement those changes during the 2008 filing season. Good luck to everyone this coming year and we will see you when the dust settles.

### IRS STANDARD MILEAGE RATES

#### 2008

Business Use	50.5 cents
Charitable Use	14 cents
Medical Use	19 cents
Moving Use	19 cents

The new rate for business miles compares to a rate of 48.5 cents per mile for 2007. The new rate for medical and moving purposes compares to 20 cents in 2007. The rate for miles driven in service of charitable organizations has remained the same.

## ALTERNATIVE MINIMUM TAX "PATCH"

IR-2007-209, Dec 27, 2007

The IRS announced today that the upcoming tax season is expected to start on time for everyone except certain taxpayers potentially affected by late enactment of the AMT patch.

Following extensive work in recent weeks, the IRS expects to be able to begin processing returns for the vast majority of taxpayers in mid-January. However, as many as 13.5 million taxpayers using five forms related to the AMT legislation will have to wait to file tax returns until the IRS completes the reprogramming of its systems for the new law.

The IRS has targeted Feb. 11, as the potential starting date for taxpayers to begin submitting the five AMT-related returns affected by the legislation. The February date allows the IRS enough time to update and test its systems to accommodate the AMT changes without major disruptions to other operations related to the tax season. As the IRS has said previously, it will take approximately seven weeks after the AMT patch was approved to update IRS processing systems completely.

The February delay caused by the AMT patch will affect taxpayers using any of these five forms:

- Form 8863, Education Credits.
- Form 5695, Residential Energy Credits.
- Form 1040A's Schedule 2, Child and Dependent Care Expenses for Form 1040A filers.
- Form 8396, Mortgage Interest Credit
- Form 8859, District of Columbia First-time Homebuyer Credit.

While these five forms require significant additional reprogramming due to the AMT patch, the IRS has been able to reprogram its systems to begin processing seven other AMT-related forms, including Form 6251, Alternative Minimum Tax-Individuals. Taxpayers filing these seven forms should not experience delays in filing, and the IRS expects to begin processing those returns starting January 14. Electronic returns involving those five forms will not be accepted until systems are updated in February; similarly, paper filers should wait to file as well. All other e-file and paper returns will be accepted starting in January.

The IRS has created a special section on [www.irs.gov](http://www.irs.gov) to provide taxpayers with additional information and copies of updated forms affected by the AMT. In recent days, the IRS has posted updated copies of all forms affected by the late enactment of the AMT patch by Congress.

## TAX PREPARATION FEES STILL AFFORDABLE, SAYS NATIONAL SOCIETY OF ACCOUNTANTS

Alexandria, VA, December 17, 2007

The cost to hire a professional tax preparer is still economical, according to the National Society of Accountants (NSA).

The NSA biennial survey of nearly 8,000 qualified tax preparers showed that average tax preparation fee for an itemized Form 1040 with Schedule A and a state tax return increased less than 2 percent during the past two years - rising from \$201 to \$205.

Rates for other services also remained low - the average cost to prepare a Form 1040 and state return without itemized deductions is only \$115, up from \$110 two years ago.

“The tax code is more complicated than ever, and many taxpayers find strong value in having a professional accountant calculate their taxes,” says NSA President Andrew T. Morehead, CFP, ATP, ECS. “This year is even worse because as of late December, Congress was still considering tax law changes affecting 2007 returns, including a change to the Alternative Minimum Tax, which could impact millions of taxpayers. Accounting and tax professionals stay on top of all of these last-minute changes, but taxpayers may miss them unless they know where to look.”

The survey found that the average fees for preparing other IRS tax forms include:

- \$518 for a Form 1065 (partnership)
- \$685 for a Form 1120 (corporation)
- \$656 for a Form 1120S (S corporation)
- \$430 for preparing a Form 1041 (fiduciary)
- \$1,729 for Form 706 (estates)
- \$521 for a Form 990 (tax exempt)

All these are modest increases from 2005, except for one fee (preparing a Form 706), which decreased slightly.

Fees also vary by region and assume a taxpayer has gathered all necessary information. For example, the average tax preparation fee for an itemized Form 1040 with a Schedule A and a state tax return in each U.S. census district are as follows:

- New England (CT, ME, MA, NH, RI, VT) - \$193
- Middle Atlantic (NJ, NY, PA) - \$209
- South Atlantic (DE, DC, FL, GA, MD, NC, SC, VA, WV) - \$217
- East South Central (AL, KY, MS, TN) - \$165
- West South Central (AR, LA, OK, TX) - \$210
- East North Central (IL, IN, MI, OH, WI) - \$181
- West North Central (IA, KS, MN, MO, NE, ND, SD) - \$169
- Mountain (AZ, CO, ID, MT, NV, NM, UT, WY) - \$204
- Pacific (AK, CA, HI, OR, WA) - \$240

Most accountants bill on a flat-fee basis for tax preparation, with some billing on an hourly basis. Hourly fees for tax services average \$122.12 nationally. Average hourly fees in each region are as follows:

- New England (CT, ME, MA, NH, RI, VT) - \$116.40
- Middle Atlantic (NJ, NY, PA) - \$139.07
- South Atlantic (DE, DC, FL, GA, MD, NC, SC, VA, WV) - \$128.76
- East South Central (AL, KY, MS, TN) - \$95.83
- West South Central (AR, LA, OK, TX) - \$105.67
- East North Central (IL, IN, MI, OH, WI) - \$115.02
- West North Central (IA, KS, MN, MO, NE, ND, SD) - \$94.10
- Mountain (AZ, CO, ID, MT, NV, NM, UT, WY) - \$113.54
- Pacific (AK, CA, HI, OR, WA) - \$138.80

62 percent of accounting firms do not require payment until returns are completed and clients are satisfied. 85 percent of accountants also offer electronic filing services, and accountants report that 80 percent of client eligible for electronic filing choose this option. This is an 18.4 percent increase over the previous year. Most accountants (77 percent) do not charge an additional fee for electronic filing. If a fee is charged, the average amount is \$23.15.

Many accountants also hold one or more professional credentials that demonstrate their experience and expertise. These credentials (and the percentage of NSA survey participants holding these credentials) include:

- Enrolled Agents (federal authorized tax practitioners) - 50.1%
- Accredited Tax Advisors - 25.9%
- Accredited Tax Preparers - 24.8%
- Certified Public Accountants - 21.0%
- Accredited Business Advisor/Accountant - 20.7%
- Registered/Licensed Public Accountants or Accounting Practitioner - 11.1%

For more information and to use an online search directory to identify a qualified tax preparer in your area, visit [www.nsacct.org](http://www.nsacct.org) and click on “Find a Professional” or call 1-800-966-6679.



## OFFICERS & DIRECTORS

President	Cindy Buller	402-896-5191
1st Vice President	Ray Scholl	402-462-9532
2nd Vice President	Dawn Liphardt	402-416-5906
Secretary	Eric Hansen	402-333-1323
Treasurer	Jon Tonniges	402-747-3381
Executive Secretary & Publications & Promotion	Mandy David	402-764-0506
NSA State Director	Eric Hansen	402-333-1323
Director District 1	Harvey Breasch	402-896-5191
Director District 2	Larry Heyen	402-761-2726
Director District 3	Randy Straatmann	308-236-7720
Director District 4	(position open)	
Directors-at-Large	Ken Brauer	402-488-2400
	Jeff Bring	402-466-8000
	Carol Child	308-282-0842
	Mandy David	402-764-0506
	Leota Janousek	402-421-6878
	Lee Preston	402-463-5882
	Philip Rhynalds	308-824-3335
	Donna Trompke	308-745-1576
Legislative	Ken Brauer	402-488-2400
Seminars & CPE	Jeff Bring	402-466-8000
Constitutional By-laws	Ray Scholl	402-462-9532
Past President Advisory	Stephen Douglas	308-382-6082

## UPCOMING EVENTS FOR 2008:

<b>May 7</b>	IRS Liaison Meeting Mahoney State Park Ashland, NE
<b>August 28-30</b>	NSA National Convention Kansas City, MO
<b>September 24</b> <b>September 25</b> <b>September 26</b>	NSIA Board Meeting in evening NSIA Annual Meeting Gear-Up Business Entity Seminar New World Inn Columbus, NE
<b>November 6-7</b>	Gear-Up 1040 Seminar Downtown Holiday Inn Lincoln, NE

NEBRASKA SOCIETY OF INDEPENDENT ACCOUNTANTS  
P O BOX 203  
STROMSBURG, NE 68666

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