



# The Nebraska Independent Accountant Newsletter

Nebraska Affiliate of the National Society of Accountants

May 2010



## **PRESIDENT'S MESSAGE** **By Dawn Liphardt**

It certainly is good to be through another tax season. In talking with some of our members these past few weeks it was clear to me that the \$250 stimulus payment sent out last year caused a lot of headaches for taxpayers and tax preparers alike. I am not sure this payment met it's goal of stimulating the economy. Nonetheless we have to move forward and try to update ourselves on the many changes that have been implemented in our evolving tax code over the past few months.

One great way to update our education is to get involved in NSIA. We offer continuing education throughout the year and we are an affiliate of the National Society of Accountants (NSA). By joining NSA you will receive valuable and timely information about changes to the federal tax code.

Most recently I attended along with other NSIA members a Practitioner Symposium sponsored by NSIA and the Nebraska Society of CPA's. We not only received eight hours of CPE, but we heard from many of the IRS managers from throughout the country. We appreciate our IRS Stakeholder Liaison, Michelle Paschke's hard work in coordinating this event.

A large amount of time was spent discussing the new Preparer Tax Identification Number (PTIN) and the planned implementation of this system. Many questions were asked of our presenter Barbara Fiebich. The PTIN program is on schedule to begin September 1, 2010. All tax preparers including those who already hold a PTIN must apply to be eligible to prepare tax returns beginning with the 2011 tax filing season. There will be testing required for those who are not licensed CPA's, attorneys, or EA's as well as required continuing education each year. A fee will be charged for the renewal application and user fee, but to date the amount has not been determined.

Now more than ever it is to every tax preparer's benefit to belong to a group such as NSIA in order to fulfill the required annual education as well as to stay informed about our tax code. I owe it to my clients to be the best tax professional I can be and so belonging to NSIA and taking continuing education helps me fulfill that responsibility. If you know someone who may benefit from membership in NSIA please contact Mandy David for more information.

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## **MARK YOUR CALENDARS!!**



NSIA June Board Meeting will be June 3, 2010 at the

HiMark Golf Course in Lincoln

(Same location as last year)

Meeting will start at 9:45 am and Tee time will be at 1:15 pm

## **NSA STATE DIRECTOR REPORT**

**By Ray Scholl**

I hope you have been able to catch your breath and relax, at least a little, since April 15<sup>th</sup>. This tax season was proved to be very difficult and in many cases very frustrating due to all the changes. Then to add to some practitioners frustrations was being selected by IRS for the “Knock and Talk” session.

I don't feel that the next tax season is going be any less problematic with all the changes showing up on the horizon. CPE is going to be more important than ever before. Be sure to be aware of what your NSIA has to offer. Also for members of NSA, there are many valuable educational opportunities available. Be sure to check the NSA website for the availabilities. If you don't belong to NSA and desire to become a member, please let me know. Believe me, it is definitely worth your time and money to a member.

It was good to see many of you at the May 6<sup>th</sup> IRS Symposium at Mahoney Park. NSIA was represented well. Shelley Paschke, IRS Stakeholder Liaison, did a super job of lining up excellent IRS and State speakers for this event. Not only do you get important and current information from this symposium, it is FREE and qualifies for 8 hours of CPE. Now where can you beat that! In case you didn't know, NSIA and NSCPA share the cost of this event.

The Practitioner Liaison Meeting was held at Chalco Hills NRD facility in Omaha on May 14<sup>th</sup>. There were only 3 practitioners in attendance. Eric and I represented NSIA and Gary Riggs represented NSCPA. Representing IRS were Miriam Gottlieb, Territory Manager, SBSE Examination; Linda Prettyman, Revenue Officer, SBSE Collection; Mary Hickey, Taxpayer Advocate and Shelley Paschke, Stakeholder Liaison. This meeting proved to be an excellent round table discussion. Following is some information on a few of the issues or questions raised, some at both meetings.

The subject of the assessment of penalties as a result of audits. Complaints were that penalties were being assessed improperly and unfairly. This was brought up at both meetings. MS Gottlieb commented that penalties are a sensitive and expensive issue and she will discuss this issue with auditors. Also, auditors are required to be proactive and advise the taxpayer and practitioner who his/her manager is in case of problems. The auditors are supposed to have their manager's business cards to provide.

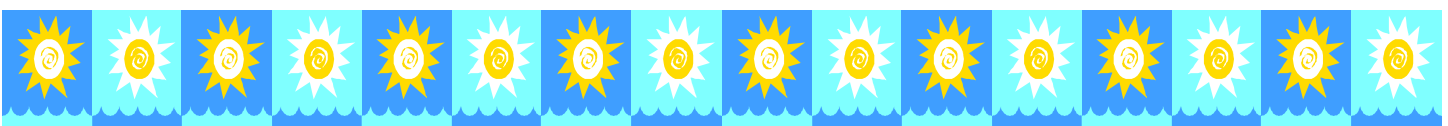
There are a lot of new Revenue Agents and Taxpayer Compliance Officers that IRS has hired. Even though IRS is trying their best to train them, they definitely won't have the experience and knowledge most of us have. We practitioners need to have a little patience with these new people. Remember, if there is a problem, contact the manager. Also, the agents are not supposed to nit-pick.

IRS Notices NEED to be answered timely. Don't lose your appeal rights by missing a deadline. It might be a good idea to give notice of appeal in a situation even thought you don't appeal. If you miss a deadline for appeal, your right to appeal is gone. So be sure to read the IRS notices closely and act timely.

Tax Practitioner Regulation is the HOT topic. \* The registration fee proposed by the regulations is expected to be released by early June. \* All individuals who have substantial involvement in the preparation of a tax return are subject to the PTIN and other requirements. This was the response to if every member of firm needs a PTIN. \* ALL tax returns, including 940, 941, etc, must have the preparer PTIN on it. Really strange, but those preparing a 940, 941, etc. must pass the 1040 test even thought they don't prepare a 1040!!! I wonder if this might change. \* Testing will begin after the registration and mandatory PTIN usage is in place. \* Existing holders of PTIN numbers will be required to revalidate their number for the new system by December 31, 2010. If they don't, the number will become invalid. \* The Preparer E-File Mandate - Practitioners that prepare 100 or more individual or trust returns in 2011 are required to E-File.

I have just covered a few of the current issues and I urge you to keep alert for the issues that affect you. I think the big thing now to watch is the Return Preparer Regulations and what you will need to do and when. NSA is doing an excellent job of staying on top of things and keeping us informed. You can also check on the issues at [irs.gov](http://irs.gov).

Have a great summer!!



**NSA DISTRICT VII GOVERNOR**  
**By Eric Hansen**

As we were plowing our way through another tax season, trying to complete one more return, downing aspirin, attempting to explain why clients who normally got refunds owed this year, taking more aspirin, doing our best to keep up with new tax law changes, switch to Tums, remembering who needs an extension then driving back on the 15<sup>th</sup> to file our own extension, Congress was busy. Very busy! They passed heavy duty legislation that affects all of us.

First they passed the Practitioners regulations. We knew it was coming. On 3/18/10 came the comprehensive HIRE Act (Hiring Incentives to Restore Employment), five days later President Obama signed the massive 960 page Patient Protection and Affordable Care Act and then closed out March by passing the Health Care and Education Reconciliation Act. All this new legislation will add, delete, adjust, change, alter, replace, transform or modify the way we do business and what we have to know. How can one person or small firm find all the proper information, read and comprehend it (back to the aspirin), make a plan and implement it?

This is where NSA comes in. They have webinars available on a range of topics, the Tax Help desk can answer your specific tax issues, you can ask questions and advice of fellow tax professionals using Tax Talk (one of my favorites), *NSAlert* is an online publication with up-to-date information and explanations, and most important of all, NSA staff and board members meet and have the ear of shakers & quakers on The Hill. NSA collects and provides information. NSA is attempting to make your life as a practitioner an easier one.

So as we trudge and march our way through new complex rules, confusing regulations and somewhat scary directives, you are not alone. NSA and all its members are there with you.

**2010 NSA Events:**

NSA Annual Convention Arlington, VA	8/18-21/10
Leadership Networking Conference Oklahoma City, OK	9/23-26/10



**Memorial  
Day  
May 31, 2010**

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

It sounds like we had another successful meeting at Mahoney State Park again earlier this month. We are so fortunate to co-sponsor with Nebraska Society of CPAs and to offer a free seminar for our members. The information is always beneficial. Hopefully we will be able to offer this IRS Practitioner Symposium every year. Thank you to everyone that helped get this setup.

I am looking forward to seeing everyone that will be able to attend our board meeting June 3rd in Lincoln. I will be emailing an agenda to the board members the first part of this week.

Have a great and safe Memorial Day weekend.

*We want to extend our sympathy to the family of John Markussen who passed away January 13, 2010.*

*John was a long time member of NSIA. He also served on the board for several years. He will be greatly missed by his NSIA family.*

**New Requirements for Federal Tax Return Preparers -  
Learn the Who, What, When and How**

**Presented by**  
**Small Business/Self-Employed Division**  
**Date:** June 9, 2010 (archived\* for later viewing)  
**Time:** 2 p.m. Eastern

This FREE broadcast is for:  
All Paid Tax Return Preparers

**Learn about new requirements for tax preparers including:**

- Preparer Tax Identification Numbers (PTIN)
  - Registration
  - E-file mandate
  - Competency testing and continuing education
- Preparer tax compliance verification checks

**How to register for the session:**  
<http://www.visualwebcaster.com/event.asp?id=68828>

Visit [www.irs.gov](http://www.irs.gov) and search *Webinars* for information on other programs available.

## OFFICERS & DIRECTORS

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1st Vice President	Stephen Douglas	308-382-6082
2nd Vice President	Scott Masek	402-564-7138
Secretary	Eric Hansen	402-333-1323
Treasurer	Jon Tonniges	402-747-3381
Executive Secretary & Publications & Promotion	Mandy David	402-764-2314
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Director District 1	Harvey Breasch	402-896-5191
Director District 2	Larry Heyen	402-761-2726
Director District 3	Lee Preston	308-991-1098
Director District 4	Carol Child	308-282-0842
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	Jeff Bring	402-466-8000
	Mandy David	402-764-2314
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	Leota Janousek	402-421-6878
	Jack Pekny	402-564-7138
	Donna Trompke	308-745-1576
Legislative	Ken Brauer	402-488-2400
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Constitutional By-laws	Ray Scholl	402-462-9532
Past President Advisory	Ray Scholl	402-462-9532

## UPCOMING EVENTS FOR 2010:

<b>June 3</b>	NSIA Board Meeting HiMark Golf Course Lincoln, NE
<b>August 18-21</b>	NSA National Convention Arlington, VA
<b>September 22</b> <b>September 23</b> <b>September 24</b>	NSIA Board Meeting NSIA Annual Meeting Business Entity Seminar Marina Inn South Sioux City, NE
<b>November 4-5</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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