

August 2016

# NY NATP E-News



**NEW YORK**  
THE FIRST CHAPTER

## 2016 NY Chapter Board

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Karl Herba, EA  
Chapter Vice President

George Powers, EA  
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Christopher Bertuglia,  
EA  
Chapter Treasurer

Nick Kounios, EA  
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State Office Director

Richard Rottkamp  
Education Chair

## President's Message

I hope everyone is having a great summer. I am just back from the NATP National Conference that was held in Indianapolis, Indiana at the JW Marriott. The conference is always a great experience and I saw many of our members there. It is great to attend these conferences and pick up some "nuggets" of knowledge you may not have thought of before, or to just to confirm what you already knew. But one of the best parts is networking with fellow members. Next year's conference will be held August 7-10 in Washington, D.C. at the Marriott Wardman Park. Mark your calendars.

I had the pleasure of attending the Presidents Meeting at the National Conference on Monday in which many ideas were talked about focusing on how to make the chapter membership experience better. Since I have been President of the New York Chapter, I have fielded many phone calls and emails asking how a member can get more involved with the Chapter. One way to get more involved is to join the Board of the New York Chapter. We have several openings on the Board since some Board members are rotating off due to their term expiring. Our Annual Meeting for the New York Chapter is on October 28<sup>th</sup> 2016. It will be held during lunch hour and we will be looking for new Board Members to fill the vacating positions of those Board Members. The Education Committee is holding their "Essentials" seminar on the same day, so this would be a great opportunity to attend our Annual Meeting and receive some educational credits. I hope to see many of you there.

I would like to congratulate **Nick Kounios** who won the **Chapter Person of the Year** at the National Conference this year. Nick is our (NY) immediate Past President and is a valuable member of our Education Committee and Board of Directors.

As part of the National Conference there is an event called Chapter Showcase where all of the member states host a table of gifts, games, raffles and giveaways to raise money for a charity located in the host city. I'm pleased to announce that the NY Chapter raised \$1,140 by raffling off an iPad Pro. I would like to thank the NY Chapter members for all their help to make this year's raffle a roaring success. Those members helping at our table that night were **Kelly Lent-Paul, Larry Burlingame, Alberto Crespo and Edward Nisanov**. Thank you for all your enthusiasm and help.

Rick will tell you that the Education Committee has been hard at work with their Summer Series of educational seminars. There were three seminars already held in Saratoga Springs, NY, Hauppauge, LI and in Rochester, NY. You still have time to attend the remaining Summer Series educational seminar that are being held in New York, NY August 29<sup>th</sup>. Day 1 we will be discussing the ins and outs of preparing S-Corporation tax returns. Day 2 is our Business Tax Seminar. Please visit our Chapter's website ([www.NewYorkNATP.com](http://www.NewYorkNATP.com)) for the details on that seminar along with the registration form.

The Education Committee has put together a great Fall Series of education. Look later in this newsletter for more information.

**Edward L. Arcara, CPA**  
*NY Chapter, President*

Chapter Person of The Year!

Nick Kounios

**Nick Kounios, our NATP New York Chapter Success Story**

I met Nick Kounios many years ago when he first joined the NATP New York Chapter Board of Directors. We all quickly learned that Nick was a great guy and was always willing to help where needed. Nick's background was in finance but he was determined to become better educated in tax preparation and build up his tax business. After several years Nick decided he wanted to teach for the Chapter. At first I was not sure if he was knowledgeable enough but I never saw anyone work so hard or be better prepared as Nick. He was successful at teaching right from the start and today he is one of our most highly rated instructors. For the last several years Nick has been my partner out on the road teaching, and I could not ask for a better one.

During those early years Nick would call and ask me questions at night during tax season about issues that had come up that day. We would joke that he would have to buy me a beer for each question I was able to answer, but I do not believe anyone could actually drink that much. Not to mention that with Nick being so fiscally responsible, getting him to buy a drink was usually a challenge to say the least. But to be honest I really enjoyed those phone calls, I still do, except often times now I'm the one asking him the questions.

For years now I have told Nick that no one has ever benefited more from being a part of the New York Chapter than Nick. The amount of knowledge and experience he has received from his hard work and relationships with all the board members has helped him tremendously over the years. I watched Nick rise through the ranks of our Chapter. He became our President and did such a fantastic job that he was reelected twice. I can no longer remember a time that Nick was not playing a major role in our Chapter.

Nick has worked hard for our New York Chapter but he will tell you that his hard work has paid off ten times over in both his business and personal life. This year Nick's hard work was recognized by our National Association when they selected Nick Kounios as the winner of the 2016 NATP Chapter Person of the Year Award. This is a very prestigious award, and has become even more so now that Nick has been added to the list of award winners.

Nick, at this time all of us on the New York Chapter Board of Directors and Education Committee want to congratulate you and let you know how proud we are of you. But no one is more proud of you than me, I know how hard you worked and how much you deserve this honor. Congratulations my friend!

Rick

Richard H. Rottkamp, EA  
Past President, NATP New York Chapter

## Education Corner – Richard Rottkamp

Hello all and welcome back to our NY Chapter Newsletter! Rick Rottkamp here and I am happy to report that George Powers and I are the Co-Chairs of the 2016 Chapter Education Committee. The committee has been busy putting together this year's Summer Series and we are currently working on the Fall Seminars which will start the third week of October. There is still time to sign up for the Summer Series, please see the schedule at the end of this newsletter.

This year's Fall Seminars have really come together nicely and not only will we all have some fun, everyone will be taking some great information back to their office after attending. This Fall we will be covering Schedule C, Schedule E, an all-new Tax Season Issues class as well as New York Hot Topics. We will also have a NY State Department of Taxation and Finance speaker covering current NY tax preparation items. At this time George and I would like to thank the entire Education Committee for all their hard work, none of this would have been possible without all of you, thank you. The Fall Season schedule is included in this newsletter.

I would also like to welcome our new 2016 NY Chapter Executive Committee, President Ed Arcara, Vice President Karl Herba, Secretary George Powers and Treasurer Christopher Bertuglia. I personally have had the extreme pleasure of working with each of them during the past several years and I am happy to report that our NY Chapter is in great hands.

And most importantly at this time I am very proud to congratulate our Past President, Nick Kounios for winning the NATP Chapter Person of the Year Award. Nick I know how hard you worked over the years for our NY Chapter and I could not be happier for you. You really deserved this award my friend and we are all very proud of you. Now get back to work, our Chapter still needs you.

For your information I added below the update to New York's STAR property tax relief program. New homeowners will receive their STAR rebates by check rather than a reduction in their property tax bill. See below and now when the phone calls start with everyone asking why they received a check in the mail you will be ready with the answer, as usual.

**Richard Rottkamp**  
**Education Chairman**

### [New NY Chapter Website!](http://newyorknatp.com)

The New York Chapter has been working hard this summer to launch a new website where members can get up to date information and announcements. Please add <http://newyorknatp.com> to your favorites! You can visit our site to receive messages and announcements from our President, current and upcoming class schedules, Federal and NYS tax information, links to our newsletter and contact information. You can also send messages to us directly from the website. You will be able to obtain your electronic copy of texts from our website as well by using the link at the top of the page. Come visit us!

## STAR property tax relief

### What's new

There have been some changes in how certain homeowners will apply for STAR, and in how they receive their STAR benefit. The STAR Program continues to provide much-needed property tax relief to New York State's homeowners.

#### **New applicants who qualify for Basic or Enhanced STAR**

- You will register with New York State instead of applying with your assessor.
- You will receive a STAR credit in the form of a check, rather than receiving a property tax exemption (if you qualify for STAR). The dollar value of the credit will be the same as the property tax exemption.

#### **New applicants who qualify for Enhanced STAR** (or who will qualify in the future)

- You do not need to register separately to receive the Enhanced benefit if you've already registered to receive the Basic benefit.

When you register for the STAR credit, the Tax Department will automatically review your application to determine whether you are eligible for the Basic or Enhanced STAR benefit amount.

If you	then you
are receiving a STAR exemption and purchased your current home <b>prior to May 1, 2014,</b>	don't need to register; you will continue to receive the STAR exemption. To learn more, see <a href="#">STAR Exemption Program</a> .
purchased your home <b>between May 1, 2014, and August 1, 2015,</b>	need to <a href="#">register to receive the STAR credit</a> if: <ul style="list-style-type: none"> <li>• you bought your home after the <a href="#">2015 STAR application deadline</a>, or</li> <li>• you did not apply for the STAR exemption for your home by the 2015 application deadline.</li> </ul> Otherwise, no action is necessary; you will continue to receive the STAR exemption.
purchased your home <b>after August 1, 2015,</b>	need to <a href="#">register for the STAR credit</a> .

**Don't forget that if you do tax returns in New York state and are not an EA, CPA or attorney you need to register and complete New York training credits!**

**Number of hours of continuing education coursework you are required to take:**

If you:	then you:
are a commercial preparer who prepared <b>ten or more</b> New York State personal income tax returns during the years 2012, 2013, and 2014	<p>must take <b>four hours</b> of continuing education coursework by the end of December 2016.</p> <p>This year, you will be required to take nine required classes and one elective class. You may choose any one of the four elective classes offered to complete your requirement.</p>
are a commercial preparer who prepared <b>fewer than ten</b> New York State personal income tax returns during the years 2012, 2013, and 2014	<p>you must take:</p> <ul style="list-style-type: none"> <li>• <b>16 hours</b> of continuing education coursework by the end of December 2016, and</li> <li>• <b>four hours</b> of continuing education coursework each year after that.</li> </ul>

**Tax Return Preparer Certification course offered by IRS**

If you complete the IRS course for tax preparers, it **will not** count towards your New York State continuing education coursework. The IRS course is valuable because it focuses on the preparation of the federal return which is the basis of the New York State return. However, it is important for individuals who prepare New York State returns to understand the differences between the New York and the federal returns.

**Competency exam**

All commercial tax return preparers must pass a competency exam. More information about the exam will be available soon.

**How to enroll in classes – IMPORTANT!**

You must use the Statewide Learning Management System (SLMS) to enroll in classes. All courses will be completed and are **free**.

## Airbnb – Problem?

There has been much talk about Airbnb in New York City this past spring. Some of which is important to inform your clients. There has been huge growth in the number of people who have started to use Airbnb and equivalents in the past couple of years. With that said, there has been discussions on how renting out your apartment may not be legal for various reasons and how the local government has started to crack down on illegal rentals.

The majority of Airbnb income comes from short term rentals, rentals less than 30 days. In New York City, particularly, there are laws for apartment buildings (Multiple Dwelling Law) which some Airbnb short term rentals violate. In addition, short term renting of your apartment may violate your lease with your landlord. If your apartment is subject to rent control or rent stabilization, you will need to review the code to make sure you are not in violation by renting your apartment out.

Short term rentals in New York City can be classified as a hotel in some instances. In this case, you will need to collect sales tax (hotel tax) from your guests and file the appropriate returns in addition to reporting the income on your personal income tax return. Additionally, if your rental is classified as a hotel, you will violate the fire code as your apartment building will not have the proper fire code that actual hotels have.

I have included some links below which are very helpful. I urge you to take a look and familiarize yourself with the laws and requirements as it would be beneficial to let your clients be aware of what is going on.

<https://www.airbnb.com/help/article/868/new-york--ny>

<http://rew-online.com/2015/05/13/new-yorkers-need-to-educate-themselves-on-airbnb-issues/>

<http://www.newyorklawjournal.com/id=1202754157086/Airbnb-Encounters-Legal-Barriers-in-NYC>

[http://www.nytimes.com/2015/06/17/your-money/lodging-taxes-and-airbnb-hosts-who-pays-and-how.html?\\_r=0](http://www.nytimes.com/2015/06/17/your-money/lodging-taxes-and-airbnb-hosts-who-pays-and-how.html?_r=0)

[https://www.tax.ny.gov/pubs\\_and\\_bulls/tg\\_bulletins/st/hotel\\_and\\_motel\\_occupancy.htm](https://www.tax.ny.gov/pubs_and_bulls/tg_bulletins/st/hotel_and_motel_occupancy.htm)

### ***Don't forget!***

***Annual meeting October 28<sup>th</sup> in Fishkill NY!***

- Come learn, eat, network and participate in your chapter!***
- We will be presenting the Essential Annual Seminar.***

*Coming this Fall to a site new you!*  
*Essential Annual Seminar*  
*topics include...*

Get registration form @ [www.newyorknatp.com](http://www.newyorknatp.com)

- ***Schedule E Rental Activities:*** Determine if activity should be reported on Schedule E, C or line 21 if at all; Differentiate between real and personal property, active trades or businesses and short, long and mid-term rentals; Examine deductible expenses and substantiation requirements for “reasonable” rental expenses; Calculate mortgage interest and real estate tax allocation when personal use is present (2 CE Cir. 230 preparers)
- ***Schedule C Small Business Clients:*** Explain hobby rules; Recognize and report startup costs; Understand Form 1099; Review Schedule C due diligence; Examine retirement plans for small businesses (2 CE Cir.230 preparers)
- ***Tax Season Issues:*** Better understand retirement plan contributions and distributions; Explain education credit and qualified higher education expenses; Discuss Kiddie Tax rules; Understand basis of inherited property; Examine several Schedule A deductions (2 CE Cir 230 preparers)
- ***NYS Update & Hot Topics:*** This session focuses on the latest from Albany including any new tax legislation, advisories and memos and addresses any recent changes and trends in New York State tax law. (No federal CE)
- ***NYS DTF:*** A representative from the NYS Department of Taxation and Finance will discuss recent issues facing NYS. (No federal CE)

Albany – Wed, 11/30  
Buffalo - Mon, 10/24  
Fishkill - Fri, 10/28  
Long Island - Thurs, 12/1  
New York City - Mon, 11/28  
Plainview - Mon, 10/24  
Rochester - Tues, 10/25  
Syracuse - Thurs, 10/27  
Tarrytown - Mon, 11/28  
Queens - Wed, 11/30

Stay tuned – next newsletter will have information on ordering your Quickfinder!

Want to learn or update your skills on New York IT-201/IT-203?

Come to our **Comprehensive IT-201** class this fall! It's one the only one of it's type.

Binghamton – Thurs, 12/1  
Fishkill - Sat, 10/29  
Long Island - Fri, 12/2  
New York City - Tues, 11/29  
Plainview - Tues, 10/25  
Rochester – Wed, 10/26  
Saratoga – Thurs, 10/27  
Tarrytown - Tues, 11/29

- ⇒ Complete explanation of IT-201
  - ⇒ Discussion on Residency issues
  - ⇒ Non-resident tax rules (for New York Income)
- Get registration form @ [www.newyorknatp.com](http://www.newyorknatp.com)

**Watch for our newest class – basic tax preparation!**  
**- Location and dates to be announced!**

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**NY Chapter  
Founders Award  
Past Winners**

Ralph Sommers  
2013

Wendy C. Loomis  
2014

Karl Herba  
2015

We're on FaceBook!  
Search for NY NATP!



If you would like to see something on our new website, from our education committee or a new level of service from your state chapter let us know. We are here to provide you as much value for your membership as we can. Your input helps!

We have started discussions on regional (local) meetings. If you have a desire to host or be a local leader please contact the state office @ [www.natpstateoffice@att.net](mailto:www.natpstateoffice@att.net)

Please check out the website for application for the John Hnat Scholarship!

<http://newyorknatp.com/john-hnat-scholarship/>

(must be in by October 8<sup>th</sup>)