August 2017

NY NATP E-News

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President's Message

I hope everyone is having a great summer. I have just got back from our NATP National Convention in Washington, DC. I thought the four-day program that the National Office put together was great from both the standpoints of educational sessions offered, to the many networking events that were available. Next year's annual conference is going to be in Anaheim, CA., from August 6th through the 9th.

This fall the NY Chapter of the NATP is going to conducting their annual meeting on October 23rd at the Turning Stone Casino & Resort in Verona, NY. As in the past the Education Committee will be presenting their two-day seminar event on the 23rd and 24th and our annual meeting will be conducted during the lunch break on the 23rd. It is always a great event and I look forward to see many of our members there.

This year we have many NY NATP Board members rotating off the Board due their expiring terms and do need to fill several anticipating openings on our Board. We ask that our members consider getting more involved with our Chapter and running for the Chapter Board is a great way to do this. If you would like to put your name in or nominate someone whom you feel would be a great candidate, I ask that you contact our Nominating Committee Chair, Mike Novick at Mike@mpntax.com. Since it does take time to review each Board Candidate, we ask that you put forth your name of nominee soon. The members attending our Annual Meeting will be asked to vote for all the nominees during the lunch meeting at our Annual Meeting on October 23rd.

At last year's Annual Meeting, I talked about trying to form "Communities" within our Chapter that will be made up of members in your local area that you can get together and share thoughts and experiences by networking with other members. The concept was that we need a forum that allows the members to network with other members without having to join the Education Committee or the Board of Directors since our membership is so spread out within the state. My feeling was that there are probably enough members within your surrounding community that you can network with. As I traveled throughout the state this year and talked to members that were excited and would like to be a part of this concept. Within the coming weeks I will be reaching out to those members.

We are continuing to increase the capabilities of our new NY NATP website (www.newyorknatp.com) so that members can get quick information about what is going on with our Chapter along with being able to electronically register and pay for the NY Educational seminars along with downloading their course materials and CE Certificates. We have had some feedback on the new website and are making improvements to make sure your experience with the new website is a good one.

Continued…

We are just concluding our Summer Education Series in New York City and Long Island. The Education Committee is working on putting together another great season of Educational Seminars for the fall of 2017. We will continue to update our membership on the NY NATP activities as they become available.

I hope to see many of you at our Chapter annual meeting on October 23, 2017 at Turning Stone.

Edward L. Arcara, CPA
NY Chapter President

Want to join the NY NATP Board of Directors?

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Save the Dates!

NATP Tax Forums
Atlantic City, NJ September 18-19, 2017
Las Vegas, NV September 26-27, 2017

NY NATP Annual Meeting
Turning Stone (Verona, NY) Monday, Oct 23,2017

Cyber Security & ID Theft Tip of the Month- Protecting Decedents

By Dan Paoletti, EA

You would think that identity theft stops when one passes on. On the contrary, more than two million deceased Americans become victims to identity theft annually. Recently deceased persons are ideal targets to identity thieves, mainly because it is highly likely that no one is closely watching the decedent's finances.

When one dies, there is a system in place at the Social Security Administration called the “Death Master File.” Once a decedent is added to the registry, it suspends future use of their Social Security number and stops any benefits they may have been receiving. Credit reporting agencies also have access to this system, so they can update their records to help stop the opening of fraudulent accounts. The system usually works pretty good, but sometimes it is slow to update! If the decedent continues to receive SS benefits, or bills show up in the mail from a creditor the decedent didn’t have a previous relationship with, this may be a sign of a problem.

Here are some steps to consider for protecting the sensitive information for our deceased loved ones:

- Account for the deceased’s cash, credit cards, wallet or purse, especially if they had recently entered the hospital or a nursing home. Cancel credit cards and identify anything that may be missing as soon as possible. Report anything suspicious to the police.
- Limit information provided on social media websites and in obituaries. Particularly, the decedents’ home address, birthdate and mother’s name. If the deceased had a Facebook page or other similar account, scan them for sensitive identifying information that may be posted there. Delete that information or close the account, if you have the login information. If you want to keep the account open to memorialize the loved one, adjust the account settings to limit access to only trusted family and friends. Contact the social-media site if you have any problem deleting sensitive information.
- If the decedent was the only person living in their home, have the mail either held at the post office or forwarded to the Executor or Administrator of the estate. If neither of those responsible parties arise, then have the mail forwarded to whomever is marshaling the assets and affairs of the estate.
- If either ID theft is suspected, or if you wish to be proactive in preventing theft, send letters of notification along with a death certificate to government authorities like the IRS, SSA, DMV. Also notify the decedent’s creditors and financial institutions. You can identify creditors of the decedent by pulling a credit report from AnnualCreditReport.com, or at one of the big 3 credit reporting agencies. Of course, this should only be done by those individuals properly authorized to do so!

Be a shining star to your clients by sharing this information with them in the event that they experience the loss of a loved one. Whether you are notified by the passing directly from your client, or come of knowledge of it through an obituary or social media posting, take a moment to not only offer your condolences, but to pass along these tips to help protect them and their loved one during such a vulnerable time. It will provide them with a sense of security, and add value to the professional relationship you have with them!

Fall Series Lineup!

Essential Class:

Retirement Tax Issues: Examines tax treatment of qualified retirement plans, QDROs, annuities and Social Security. How to identify retirement income and how it impacts all tax returns. Safe harbor method of calculating taxable income, calculating taxable Social Security benefits and Lump Sum election will be covered. (2 CE Cir. 230 preparers)

Exploring Education Tax Issues: Examines the usual and unusual situations when we have an educational deduction or credit. Due diligence, AOTC, LLC, 529 plans, 1095T and Coverdell will be covered with examples and the pecking order in which they are applied. You will elevate your tool kit to handle education issues with this class. (2 CE Cir 230 preparers)

Tax Season Issues: Every year our education committee members get stumped by an unusual situation. Included this year are: basis calculations, reporting gifts to children or siblings, amounts that need to be included on 1099-MISC, recognition or non-recognition of gain or loss, custodial issues and use of Form 5329 to either calculate or exclude early distribution penalties. (2 CE Cir. 230 Preparers)

NYS Update & Hot Topics: Driver's license mandate, NYS refund hold program, NYS Energy Credit with examples, NYS small business subtraction modification with examples. (No federal CE)

NYS DTF: A representative from the NYS Department of Taxation and Finance will discuss recent issues facing NYS. (0 federal CE; 0 CE for NYS)

IT201/203 Class: This is the perfect course for office staff, new preparers or experienced preparers wanting a complete review of the New York personal income tax return. Learn what your software program doesn't do for you!

Fall Series Dates

October 19-20- Middletown
October 23-24- Turning Stone
October 25-26- NYC
October 27-28- Carle Place
November 2- Fishkill
November 27-28- Hauppauge
October 19-20- Riverhead
October 25- Rochester
October 26-27- Buffalo
October 30-31- Albany
November 3- Binghamton
November 29-30- Tarrytown
December 7-8- Queens

New! Register Online: http://newyorknatp.com/education/

For more information on hotels, pricing and a printable registration form visit:
http://newyorknatp.com/files/2017-Fall-Schedule-and-Descriptions.pdf

Not an NATP Member Yet? Join Today, Save $28

NATP is the leading organization dedicated to tax professionals and the clients they serve.

We encourage you to become part of the NATP family! Not only is Chapter membership included with your general membership, but you'll also receive access to our expert education, publications and updates, research services, business tools and a community of equally dedicated professionals.

Become a member today and receive $28 off the regular price of membership.

Use code **CHAPTER2017** to receive the discount.

When joining, be sure to include the state Chapter that recruited you in the field that asks, "Who recommended you to NATP?"

If you have any questions, call Member Services at 800.558.3402, ext. 3, or email National at natp@natptax.com.

2017 NATP National Conference and Expo

By Chris Bertuglia

We are back from the National Conference that was held in D.C. and it was a great success. From the 4 days of classes to a presentation from IRS Commissioner John Koskinen, there was much to learn and bring back to the office. The NY Chapter held is annual meet and greet for its NY members after the charity event. Thank you to all who came out this year, we had a big turnout. The meet and greet is a great opportunity for us to meet the members that we serve. Networking with other tax professional is a great way to exchange ideas and knowledge, open new doors and widen your support network. We look forward to seeing you at our fall events coming up as well as the next National Conference which will be held in Anaheim, CA August 6th to 9th, 2018. For more information on the NY Chapter fall events please visit our website www.newyorknatp.com and click on the education tab.

Best Practices Tip of the Month:

IRS Form 12153 CDP -The Process Of Requesting A Collection Due Process Hearing

Notices of Levy & Liens are to be taken seriously. Clients hand us these notices and they should be addressed TIMELY or they will result in liens & levy. I do representation work for clients for unpaid taxes (trust funds) and am fully aware of meeting the deadlines. You don't have to be an expert in this area to temporarily help your client while other arrangements can be made , specifically filing a " circuit breaker" or buying time. . If you cannot or do not want to handle the case, advise the client so other arrangements can be made.

TIP: follow up before it escalates as clients have a way of conveniently forgetting!

The IRS delivers a Notice of Intent to Levy by sending the taxpayer a “Final Notice of Intent to Levy-Notice of Right to Hearing” via certified mail. The purpose of this notice is to provide the taxpayer with the right to request a hearing with an IRS Appeals Officer to discuss delinquent tax debt collection alternatives. The client has 30 days from the date of this notice to request his/her Collection Due Process (CDP) Hearing by completing IRS Form 12153.

2018 John Hnat Memorial Scholarships

The New York Chapter of the NATP will offer scholarship awards in the memory of John Hnat in 2017. John was our Chapter’s Past Vice President and was honored as the NATP 2003 Chapter Person of the Year. He believed strongly in the New York State Chapter and was always willing to do what was required to make our chapter a success.

In 2017 the Chapter offers two scholarships, one for the NATP-NY Essential Annual Seminar and one for the NATP-NY Chapter Comprehensive IT 201/203 Seminar. 2017 is the ninth year that we will offer these scholarships!

The 2017 Winners will be eligible to use their Scholarships toward a 2018 NY NATP Fall Seminar.

The winners will be chosen randomly during our October 23, 2017 Annual Meeting at Turning Stone (Verona, NY). **All applications must be submitted by October 6, 2017.**

Just a reminder for the 2016 Scholarship Winners, you must contact the State Office to utilize your Scholarship!

Richard Rottkamp
Chair, Education Committee

Path to an EA returns in our next issue! Stay Tuned!

My Personal EA Experience by Mike Novick, EA

Believe it or not, I sat for the SEE in 1981 on a dare. 2 of the preparers in my Block district had successfully taken the test and one of them said "I dare you to take it." I was a 20 year old college student at the time (translation: cocky kid) so even though I had only been preparing (individual) tax returns for 3 seasons, I went for it.

I felt confident that I could pass Part 1 cold (and I did). Since I had absolutely no exposure to entity or transfer taxation, I crammed as much information as possible into my short term memory. It partially worked since I passed Part 3 (corporate, fiduciary, estate & gift) by 4 points although I failed Part 2 (Schedule C, business expenses and partnerships) by 3 points. (I went back in 1982 and retook Part 2 successfully). Part 4 (Ethics and IRA's) proved to be no problem.

At the time, I probably didn't appreciate the magnitude of my achievement but in retrospect, it had a profound effect on my career. Originally, I planned to prepare returns through my 4 years of college and that would be it. Along the way, I started realized how much I enjoyed the interaction with taxpayers as well as the mental stimulation that I get from solving tax problems.

Why I Became an EA by Guy Leopold, EA

I have always loved working with numbers. At the age of nineteen I decided that I wanted to learn all I could about taxes. I believed that if I knew what was deductible and what was not I could pay less tax. Mind you, I had nothing that I would be able to deduct nor enough income to be paying much of anything. Fortunately, I did not know that.

My foray was to read as much as I could and to dissect a tax return in order to understand where things went. I knew I was a numbers nerd long before this. When I began reading a publication called the Research Institute of America in bed each night, this only confirmed it. The more information I read the better I understood some of the concepts. When I started to prepare tax returns it was long before computers were being used en masse. Each return was prepared with a pencil. Being a rather anal fellow, I would prepare the final copy by typing it out on an IBM Selectric typewriter.

One of the first forays into more advanced tax was when NYS offered its first Amnesty program in 1985-86. I helped a friend prepare all the back taxes and then apply for amnesty. I joined NATP 26 years ago. I took classes with NYS as well as the 1040 and 1040 Extra. Eventually I decided to become an enrolled agent. I was filled with fear that I was not smart enough or educated enough. I decided to take the Enrolled Agent class that was offered by NATP having faith that I would be taught and prepared by their instructors to take the test. That is exactly what happened. I took copious notes and listened carefully to the instructor because I knew that he had walked this path, obtained his license and sincerely wanted to help me to do the same.

I passed all parts but one and studied hard then took that part again. I was in disbelief when the results came in the mail and found that I had passed. I would now be licensed by the Internal Revenue Service. I was so proud of myself and grateful to NATP for their support and encouragement.

Continued…

Why I Became an EA by Guy Leopold, EA

I continue today to do service for my chapter when able to. I take classes each year with NATP to not only further my knowledge but to help reinforce and shed light differently on the same subject matter I have heard before. More often than not, I have an ah ha moment with the NYS instructors.

Today I am grateful that I have a tax and accounting practice that I love. I am fortunate to have three full time people that work with me. I am proud to be able to call myself an Enrolled Agent and a member of NATP.

My Path to an EA by Dan Paoletti, EA

Why I became an EA:
While my current career path has not led me to a College degree, I had earned almost 50 credits of Accounting course work before I started in the tax business. That education is in addition to 10 years of on-the-job tax experience before I sat for the EA exam. What began as a yearning to validate my experience and expand my knowledge turned into a lifelong career; achieving an EA license became my college degree!

I live and breathe customer service. New & existing clients alike bring me diverse tax situations and are continuously looking for my help.. Without my EA license, I was not always able to fully intervene with IRS staff on my client's behalf, nor I could not access their IRS account information. I found that I was not able to service my clients to the full of my potential. My EA license gives me full autonomy when handling client engagements, and gives my clients satisfaction that I am fully capable of addressing and resolving their issues.

How it changed my practice:
Attaining an EA license gave me not only new knowledge, but also a new confidence. It allows me to serve a diverse clientele especially when they are contacted by the IRS or a State entity regarding their filings. This created momentum for my practice; each passing season provides me with increased opportunities for new work. After 8 years of being EA licensed, I have all the year-round work I can handle, in addition to the freedom of being able to pick and choose the work I take in, if I so desire.

Biggest Challenge:
Overcoming fears of testing! I was not a good test-taker in school, and school was many years in my past! I get distracted very easily by noises or movement around me while I am trying to concentrate. Additionally, I was apprehensive about taking a test in a strange place with other people around, under time constraints.

Carving out time in my busy schedule to study was an issue too. With job and family responsibilities, I couldn't seem to get started in my quest. So, I rallied my family together, explained what accomplishing

my EA license meant to me both personally and professionally, and with their blessing and support, I achieved my goal in earning my license.

Old Test vs New Test:
I was fortunate to live in the era of the “new test.” The "old test" consisted of limited test dates, traveling several hours to a major city and sitting through a 4-part test that had to be taken all at once over the course of two days. With the “new test", I was able to take each part separately and at a time convenient for my schedule. This allowed me to study up for “Part One: Individual Taxation” the section I knew most about, go into the testing center, take my test and before leaving the testing center, I knew if I had passed or not. Passing the first test gave me the confidence I needed to continue on. In the "old days", you had to take all parts of the test together, which was an enormous amount of information to retain. Then, it took a number of weeks before you heard back about your results. I feel very fortunate to live in the day of the “new test.”

Suggestions for Success:
For me, I needed a block of about 5 weeks straight, studying at least 3 hours per day, to successfully pass each part of the EA exam, or SEE (Special Enrollment Exam). It was nice to be able to take a break between parts and decompress. Once I passed my first test, my excitement grew, and I wanted to get right back at it. I passed all three parts in about 15 weeks. Each test section is valid for 2 years once passed. So, keep in mind, if time and life limits you, you can have 2 years to accomplish all three parts.

Concentrate on one part at a time. I suggest beginning with Part 1 - Individuals first. This is the section, you undoubtedly will know the most about just from your experience already in the field, and you will most likely succeed on your first try. This will get all the apprehension of the testing and the testing center out of the way. You’ll have great confidence to go on to the next part!

Purchase a high-quality learning system that includes text books, computer automated quizzing & tracking of your progress and that has a testing simulator. I used Wiseguides, but there are other fine, complete systems such as Gleim and Exam Matrix, too. NATP offers text books, webinars and live seminars as well for extra reinforcement of knowledge. NATP offers the Part 1 review course at no-charge to members! The testing simulator will operate and feel pretty much like the testing center software. The testing simulator not only tracks your score, but also identifies your weak areas for further review and study. Studying from IRS materials and Pubs is daunting, time consuming and demoralizing. A high-quality learning system will greatly reduce the time needed to prepare!

Practice, Practice, Practice! After you have completed your textbook study and quizzes, use your testing simulation software until you consistently achieve a passing score. You will develop a feeling of confidence and know when you are ready to schedule your test!

You can schedule a time to sit for a SEE part within days to two weeks of registering with Prometric, the IRS’s vendor for administering the SEE. You register for each part separately at your convenience. There are over 8,000 Prometric testing centers in 160 countries. There will most likely be one close to you.

When testing, don’t second guess your initial answer; your first choice is most likely the correct one.

The testing center software (and simulation software) allows you to mark questions that you are not sure of so you can easily go back later for a second look. Many times, a later question will give an insight for the answer to a previous question.

Many questions can be answered by eliminating the wrong answers first. So, if you are stuck, eliminate the incorrect ones first and the correct answer may become obvious.

Use all of the allotted time. Currently, each part of the SEE is 100 questions and you are allowed 3 hours per section. Go through the complete test first, give each question an answer, marking the ones you are not sure of. Once all the questions are answered, use the balance of the time to review and/or revise your marked questions.

All questions are multiple choice and many require a calculation. Don't sweat it! They are not long calculations. Just enough to prove you understand the theory of the question. Prometric will supply you with a calculator, pencil and scrap paper. You are not allowed to bring any outside materials into the testing center.

Did you sit for the RTRP exam back when it was in existence? The experience is pretty much similar except there will be no reference materials available for help.

Investigate the SEE program at www.irs.gov/tax-professionals/enrolled-agents/become-an-enrolled-agent and www.prometric.com/IRS. It will help you to thoroughly understand the process including scheduling tests, submitting to the IRS for licensing and future requirements for continuing education.

Google "SEE Exam" for other tips and information on taking the exam.

My last bit of advice for success is to get everybody in your life onboard with you and make sure they understand the time commitment and support your endeavor!

Path to an EA returns in our next issue!

If there is a question you have about becoming an EA, send it to us at info@macanta.com and we can include it in future issues.

Why did you become an EA? Feel free to send your path/experience to info@macanta.com

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NY Chapter Founders Award Past Winners

Ralph Sommers
2013

Wendy C. Loomis
2014

Karl Herba
2015

Dwayne "Rocky" Rhodes
2016

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Apply code **CHAPTER2017** at check-out to get the discount.

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