

Does Your Business Have a Sexual Harassment Prevention Policy In Place?

NYS, Tax Reform and 529 Plans

Want to find out more? See page 2 for the full article.

You are Required to Do So!!!

Do you have Tax Season Issues?

See Page 5 of the newsletter!

Send them to the NY Chapter!

Find out more on the final page of the newsletter

E-News

New York Chapter of NATP
Monthly Newsletter

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NYC Tightens Signage Regulations on ALL Preparers Doing Business within NYC!

For more information see pages 3-4 of the newsletter!



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This Month's Issue

- NYS, Tax Reform and 529 Plans
- NYS Tightens Signage Requirements
- Does your business have a Sexual Harassment Policy
- Education News
- Networking

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Nick Kounios, EA

NYS, Tax Reform and 529 Plans

The Newly Allowed Expenses

Tax Reform expanded the definitions of qualified education expenses for using Section 529 plans. If you are not familiar with those new definitions check out <https://www.irs.gov/newsroom/529-plans-questions-and-answers>.

New York State, as of December 12, did NOT accept the new definition. Until the NYS law is changed, monies taken from a NYS 529 plan to pay for qualified elementary or secondary (high school) are non-qualified distributions. This means the distribution is FULLY TAXABLE on the New York State tax returns, including non-residents with NYS 529 plans.

Rollovers from a 529 to an ABLE

Tax Reform allows for a rollover from a 529 to an ABLE as a tax free distribution. The amount of the rollover when combined with other contributions to the ABLE for the tax year can not exceed the annual limit of \$15,000. For New York State purposes, the rollover from a NYS 529 to an ABLE will not be a taxable event.

If you are not familiar with the NYS 529 plan, check out www.nysaves.org. Information about the NYS ABLE program can be found at <https://osc.state.ny.us/savings/able.htm>.

Written by: Kathryn M. Keane, EA

NYC Tightens Signage Regulations on ALL Preparers Doing Business within NYC

NYC has amended the Administrative Charter **requiring all paid preparers provide itemized receipts, post minimum fees, and disclose fee structure statements as well as provide a written estimate if requested.** The Chapter specifically requested from the NYC Department of Consumer Affairs (NYC DCA) clarification concerning EA and CPA members. Historically, the only requirements NYC made of EAs and CPAs dealt with RAL (Loan) products. NYC DCA responded that EAs and CPAs are NOT exempt from the new signage and billing requirements.

EA and CPA are exempt from the other requirements such as Taxpayer Bill of Rights.

Below is the information provided to the Chapter from NYC DCA.:

Licensed CPAs and/or Enrolled Agents are not automatically exempt from the requirements of section 5-66 of Title 6 of the Rules of the City of New York. In order to determine whether you are exempt, you should review the definition of a “tax preparer” and the exemption language of section 5-66(g), copied below.

Section 5-66(a) defines a “tax preparer” as:

[A]ny individual or business that prepares any income tax return, for a fee, to obtain or retain clients, or in connection with the sale of items or services. It does not include an individual employed to prepare tax returns by another individual or business entity if that individual makes clear that he or she is only an employee and that his or her employer will sign the taxpayer's return.

There is also an exemption under section 5-66(g) for tax preparers who fit the following description:

(g) Exemption. Any individual or business which prepares income tax returns as an adjunct service to year-round fiduciary activities provided in the regular course of business for its customers is exempt from this section. If the business also offers individual tax return preparation services which are not related to such fiduciary activities, this section applies to those services.

Example: A bank trust department offers its services for a fee as trustee on personal trust accounts. The bank advertises that preparation of the beneficiaries' personal income tax returns is available to the beneficiaries of any trust for which it is trustee. This section does not apply to this tax preparation service. If, however, the bank has an agreement with a tax preparation service, under which the service would supply tax preparation services to the public at various branches of the bank, the bank is subject to this section. If the bank provides the service by its own employees, it is subject to this section.

NYC Tightens Signage Regulations on ALL Preparers Doing Business within NYC continued...

If you fall within the definition of a “tax preparer” and do not qualify for the section 5-66(g) exemption, you must comply with the requirements of the rule, including posting the necessary signs and providing the appropriate disclosures. In addition, licensed CPAs and/or Enrolled Agents must also comply with the requirements under § 20-741.1 of the NYC Administrative Code regarding Refund Anticipation Loans (“RALs”).

In terms of the signage requirements you describe in your email, section 5-66(c)(1) of the Rules of the City of New York applies to “[t]ax preparers that advertise their tax preparation services in a manner designed to reach the general public” Nevertheless, a person may be said to be engaging in advertising in a manner designed to reach the general public by, for example, maintaining a public-facing sign at an office stating that a person is a tax preparer or provides tax preparation services.

If you are a licensed CPA or Enrolled Agent, you are exempt, however, from the remaining requirements of Subchapter 8 of Chapter 5 of Title 20 of the New York City Administrative Code and Subchapter H of Chapter 5 of Title 6 of the Rules of the City of New York.

For the full text of this Administrative code, please visit the below link:

[http://library.amlegal.com/nxt/gateway.dll/New%20York/rules/title6departmentofconsumeraffairs/chapter5unfairtradepractices?f=templates\\$fn=default.htm\\$3.0\\$vid=amlegal:newyork_ny\\$sanc=JD_T06C005_5-66](http://library.amlegal.com/nxt/gateway.dll/New%20York/rules/title6departmentofconsumeraffairs/chapter5unfairtradepractices?f=templates$fn=default.htm$3.0$vid=amlegal:newyork_ny$sanc=JD_T06C005_5-66)

Does Your Business Have a Sexual Harassment Prevention Policy In Place? You are Required to Do So!!!

NYS requires businesses to implement a written policy on Sexual Harassment Prevention. Additionally, all employees must participate in interactive training before October.

NYS has created templates that can be easily personalized for your tax practice and your clients' businesses. They also have training videos that can be used to train staffs.

For more information, check NYS' website at <https://www.ny.gov/combating-sexual-harassment-workplace/employers>.

It's Never Too Early to Think About Education!

The Chapter met in January and pulled together a great two day seminar for the Summer. The plan is to hold them in six locations during August and early September. We are in the process of obtaining approval from the NATP. (All Chapter Education must be approved by NATP before we can really talk about it). We are hoping to get it all complete in time for the March newsletter at the latest.

The Fall series will return to more locations! We are completely revising our IT 201/203 text. Since we are all volunteers, most of the logistics will take more time. We hope to get everything finalized by May 1. We will share sites, dates, and topics as they get approved.

NY Chapter Networking!

On January 17, 2019 a networking meeting was held of the Westchester NATP at the Mt. Kisco Diner from 4-7pm. The meeting was chaired by Nick Kounios, a NY NATP Board member.

I would like to share with you how happy and excited I was to be a part of this meeting. We had a great turnout and it was nice to have dinner with my fellow NATP members. Without a set agenda, we were able to discuss various topics in a relaxed atmosphere and we accomplished a great many things in the 3 hours we were there.

During our dinner we were able to introduce ourselves and our practices, spending the time to get to know each other better and discuss the upcoming changes set to take place this season, along with how we can help one another. It was a great networking experience and we are looking forward to building lasting relationships.

We discussed QBI, the new schedule E and exchanged different “tax stories” we have experienced and how we dealt with them. It was enlightening to be able to talk in an open forum and hear how fellow NATP members deal with different situations and offer alternative solutions if needed. We also discussed what topics we would like to discuss at future meetings, including;

Challenges during tax season and what we would like to change for the next year, NYS Challenges

Marketing, Information on how to be considered to become a NY NATP Board/Education committee member and the requirements/expectations of said members.

I was encouraged by the enthusiastic response to the meeting. Several members reached out to me afterwards and expressed their appreciation for the information they received and how they are looking forward to additional meetings.

We all agreed that the location of the meeting was convenient for everyone and made plans to hold a meeting on May 16 at 4pm. We are all looking forward to it and hope that more will be able to attend.

Best Regards,

Nick Kounios, EA

If you are interested in joining a networking meeting in your area, please email info@macanta.com with your name, contact info and the area you live in so we can setup more networking opportunities for our members.

Tax Season Issues?

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Did you have a taxpayer who asked a tricky tax question that you just couldn't answer?

Did you encounter a tax issue not common in your practice and need some guidance?

Send them to the NYS Chapter!

For the past four years, we have gathered your questions and sticky situations into our Tax Season Issues Module for our Fall Series and it has been a HUGE hit!

For this coming year we would love to keep Tax Season Issues fresh and exciting for our seminars, but we can't do it without your help!

Send your "Tax Season Issues" to Rick Rottkamp at rh1040@aol.com

You may just find the answer in our 2019 Fall Seminar!

NY Chapter Founders Award

Ralph Sommers
2013

Wendy C. Loomis
2014

Karl Herba
2015

Dwayne "Rocky" Rhodes
2016

Kathryn M. Keane
2017

Purchasing a Quickfinder?

Will you be buying a Quickfinder for the coming season? The NY Chapter receives a donation for each book ordered when you use the Association Code below, mention NATP or use the Special Order Form provided at:

<http://newyorknatp.com/quickfinder-purchase/>

Quickfinder Association Code Q680

You also receive a discount when you mention our codes!

The NY Chapter THANKS YOU FOR YOUR SUPPORT!!



Newsletter Committee:

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Tricia Santana