

NY NATP On Demand Webinars!

Check out Page 2 for more
information!

On Demand webinars are available
until April 30th 2023!

**Save the Dates for the Summer
Series on Page 2!**

State Office Hours and What We Can Do for You

The NY NATP Office Hours for the tax season is Monday, Tuesday, Thursday and Friday from 10 AM to 5 PM. Other times, e-mail is best. Please remember, we are volunteers too, working the phones while running our own tax practice.

We can not answer federal questions. We can help out with NYS and NYC questions, although we may need to get back to you.

We use email for emergency communications, so please don't opt out of the Constant Contact e-mail!

E-News

New York Chapter of NATP
Monthly Newsletter

February 2023

Want to get involved?

Email NewYorkNATP@gmail.com! There is no time requirement, if you can spare an hour we can find something for you to do! None of the work needs to be done during tax season! If you can help email us!



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NewYorkNATP.com

This Month's Issue

- Webinar Series On Demand
- Summer Series Save the Date
- Plotting Course to EA
- From Webinar Corner
- FAQs from the State Office
- Did you know?

Contributors:

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2023 NY NATP Summer Series

NY NATP 2022-2023 Webinar Series

The NY Chapter of NATP is finishing up the details of our 2023 Summer Series! As soon as the details are confirmed, and registration is open we will let you know!

Day 1: Preparing S-Corporation Returns (8 CE) Basic Level: Many tax professionals are expanding their client base to include business clients and, as a result, they need to know how to prepare business returns. This course is designed for tax professionals who are new to preparing S corporation tax returns. The course material will guide tax professionals through Form 1120-S, *U.S. Income Tax Return for an S Corporation*, and the accompanying schedules. A comprehensive example showing how to apply the guidance ties everything together the end.

Day 2: Intermediate S-Corporations (8 CE) Intermediate Level: This course is geared towards tax professionals who prepare S corporation returns and have a basic understanding of S corporation taxation. Tax professionals may expand their expertise in S corporation returns by attending this course, which examines key topics such as reasonable compensation, built-in gains tax, shareholder loss limitations, stock and debt basis, including Form 7203, and distributions. It finishes by analyzing the tax consequences when S corporations experience a change in shareholders or shut down the business altogether and liquidate the corporation.

Preparing a Basic IT 201 Tax Return IT203 Nonresident and Part Year Resident

Presenter: Dan Paoletti, EA

Presenter: Richard Rottkamp, EA

Cost: \$30

Cost: \$30

On Demand until 4/30/23!

On Demand until 4/30/23!

Preparing a Basic IT 201 Tax Return Late Breaking NYS Update IN SPANISH

Presenter: Joseph E Rodriguez, EA

Presenter: Kathryn M Keane, EA

Cost: \$30

Cost: FREE (Available to NY NATP Members only)

On Demand until 4/30/23!

On Demand until 4/30/23!

This webinar is the same as the December 20th webinar, just presented in SPANISH

*No CE is available for on demand courses

This class does not qualify for the NYS Preparer Registration credits

Locations/Dates

We have 6 locations for Summer 2023

Week of July 31: Westbury at the Viana Hotel & Rochester Area at Del Lago

Week of August 7: Fishkill at the Hyatt House & Albany at Hilton Garden Inn Albany Airport

Week of August 14: NYC at the 3 West Club & Hauppauge at the Radisson

Plotting the Study Course to the EA

Suggestions to guide you on the Path to Becoming an EA

Kathryn M Keane, EA, Brooklyn

So many have asked the State Office for guidance in taking the EA Exam. There are many resources available. Over the coming months, we will lay out some ideas and suggestions on tackling the EA Exam. Please share with us at NewYorkNATP@gmail.com any ideas or comments.

This month, we are talking about plotting out your study plan. First step, what kind of learner are you? Some of us are blessed with photographic memories seeing something once and always retaining it while others take a bit longer. Others get things by reading, while other are auditory and need to hear the info as well. There is some things that you just have to work through in order to really understand. Determining your learning style is important to devise a study plan that works best for you. I used Education Planner (<http://www.educationplanner.org/students/self-assessments/learning-styles-quiz.shtml>) to help guide myself when I did some testing a few years ago.

After you figure out your learning style, check out the sample exams which can be found at <https://www.irs.gov/tax-professionals/enrolled-agents/special-enrollment-examination-questions-and-official-answers>. The sample questions will help you decide which test you will take first. There are two very different methods of preparing: crunch or munch.

Crunching is what I call the immersion, short term, cramming into short term memory. Michael “Mike” Novick, a Past President of NY NATP shared his EA path. He writes “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). “

Munching is what we call in my office the slower process where a tester tackles the volumes of material over time. Dan Paoletti, EA, a current Board Member of NY NATP and current Education Committee Chair from the Southern Tier, shared his strategy. He writes “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.”

Next month, we will share memory pegs, tips and other helpful info. For now, please free feel to e-mail me at info@macanta.com with any questions or comments.

From the Webinar Corner

Small Business Modification and the Related Parties

Original Question:

Now that the Small Business Modification (S-201) can be used by shareholders of a NYS S corporation, can the taxpayer claim this modification if the only employee is the shareholder themselves?

NYS responded with:

“Tax Law Section 612 (c) (39) does not exclude a New York S Corporation from taking the modification because the sole employee is also a shareholder.”

Need More information?

If you need more information on this modification, see the [Instructions for IT-225](#). The instructions offer the clearest detail while the State finishes up the “What is New” section of their website.

NYS is still de-coupled from NYS on TCJA!

Many callers have questioned if NYS has repealed its position on TCJA items such as Alimony and the increase in AGI to permit the Child Tax Credit. The answer is no.

NYS still uses the old (Pre-Tax Reform) rules for Alimony. If it would have been taxable to the recipient pre-TCJA, then it is deductible. The lesson—just because the alimony is not a federal tax issue for divorces finalized after 12/31/2018, it is a NYS tax issue. We covered this in our fall text book.

For NYS, the Empire Child Tax Credit does not use the higher MAGI limits used for federal. That is why your higher income clients did not get those checks this summer and you do not see the Empire Child Tax Credit on the return.

Top 5 Frequently asked questions at the State Office:

- 1) **NYS Preparer Registration:** Many people are confused about whether they must register as a tax preparer in NYS. It is our most asked question at the State Office, we have a cheat sheet available at the end of this newsletter, but the basics are:
 - a. EAs, CPAs, PAs, Attorneys and employees directly supervised by the above and Volunteer Preparers ARE EXEMPT, they do not have to register, take the classes or pay the fee for a NYPTRIN
 - b. It does not matter where you live or work, if you are NOT EXEMPT, and will be paid to prepare even 1 NYS tax return for a fee, you MUST register and take the classes.
 - i. If you prepare MORE THAN 10 returns, you must also pay the fee for the NYPTRIN (approximately \$100)
- 2) **Do NY NATP Classes count towards my NYS Preparer Education requirements?** NO! NYS does not allow anyone other than NYS DTF Speakers to give CE towards the Preparer Education requirements. If the speaker is NOT EMPLOYED by NYS DTF, they cannot give credits toward your DTF Education Requirements. Currently, the classes are offered online through the SLMS system on tax.ny.gov, no live classes are currently available.
 - a. For 2022, NY NATP hosted DTF speakers at our Day 2 Seminars, as such NYS DTF gave 1 CE of credit for the portion of the day taught by the NYS DTF speaker, only the hour taught by DTF was eligible for this credit. It is our plan to continue to host DTF speakers on our NYS Topic Days going forward.
 - b. Keep in mind, CPAs who require state education: The NYS Preparer Education is separate from your requirements for the CPA license. CPAs are exempt from taking these DTF classes but can opt in to DTF's education if they choose.
- 3) **Will I get CE for this webinar?** NY NATP Webinars (and any Chapter of NATP webinars) are not eligible for Federal CE. Only Federal topics are eligible for Federal CE, State topics are never eligible for Federal/IRS CE. It is a requirement of our charter with NATP that we (State Chapters) are forbidden to offer Federal topics via webinar to our members. We are allowed to offer State and Practice Management topics only. When applicable, NY NATP webinars can offer NYS Credits for NY CPAs for State topics. All the 2022-2023 webinars offered NYS Credits for the live broadcast, On-demand cannot offer credit.

4) **Where is my CE Certificate?**

- a. If you took a Live Class with a Federal topic (Summer Classes or Fall Day 1), please look in your NATP account under "My CPE Certificates". This can be found in the "My Account" tab in the upper right corner of the NATPTax.com homepage.
- b. If you took a Live NYS class (Day 2 in Fall) or a webinar, please contact NewYorkNATP@gmail.com with your full name (as it should appear on the certificate) and the Seminar/Date/Location of the class and a certificate will be issued.

- 5) **I had an issue with my class!** You must write it on your evaluation or send an email to NewYorkNATP@gmail.com! Be specific, be direct, don't sugar coat it! While telling an instructor/board member may be cathartic and helpful in the moment, the entire board needs to hear it, the only way we can get the entire board to hear and understand the issue is to see it in writing. Write it on your evaluation or send it via email. While we can take complaints verbally, in person or on the Chapter phone line, it is much more effective when everyone can read the comments firsthand and refer back to the issue when necessary. Any and all information you can give us as to the nature of the complaint will be helpful. The more specific you can be the more effective we can be in fixing the issue going forward. The issues can be about topics, locations, instructors, books etc. Additionally, if someone went above and beyond to help you, we can also take your comments and pass them on as well.

NYC Tax Professionals—Here is what NYC is looking for when they visit your office!

New York City Department of Consumer and Worker Protection oversees the tax industry in New York City. They visit and inspect tax offices. While CPAs are generally not impacted by these rules, most of everyone else is.

Here is the link to the inspection checklist the City inspector uses; check out:

<https://www.nyc.gov/assets/dca/downloads/pdf/businesses/TaxPreparers.pdf>



Newsletter Committee:

Kathryn M. Keane, EA
Christina Parisi &
Tricia Santana

Want to help out on the Newsletter? We need you!

The newsletter needs many types of help, from ideas on articles to writers, even a drawing. Please reach out to Kathryn Keane at info@macanta.com if you can help out.

We are looking for articles on:

- New credits
- Hiring and Retaining Staff
- Work/Life Balance
- Building a Practice
- Exit Ideas
- Anything!!!!

Did you know?

If you need more info, email: newyorknatp@gmail.com

New York Governor's Fiscal 2024 Budget Proposal Calls for New Tax Credits

New York Gov. Kathy Hochul (D) released her fiscal 2024 executive budget, which proposes raising the top rate of the payroll mobility tax; establishing a new tax credit for the creation and expansion of child care; modifying the investment tax credit for farmers; expanding the state's film credit program; creating a New York City biotechnology credit; lowering penalties for underpayments of taxes by businesses affected by a disaster; and raising the cigarette tax from \$4.35 to \$5.35 per pack.

New York Comptroller Reports on 2022 Local Sales Tax Revenues

The New York comptroller announced that for calendar year 2022, local sales tax collections statewide increased 12.7 percent from 2021; the comptroller noted that collections have returned to "higher-than-pre-pandemic" levels and stated that 2022 has thus provided "very strong year-over-year growth."

New York Taxpayers Encouraged to E-File Returns, Choose Direct Deposit

The New York State Department of Taxation and Finance has encouraged taxpayers to file their tax returns electronically and choose direct deposit to receive their tax refunds, observing that doing so will enable them to get the refunds up to two weeks earlier than if they filed paper returns.



NYS Preparer Registration and Education Requirements

Generally, if you're preparing a New York State tax return or facilitating a NYS RAL/RAC, you must register annually with the NYS Tax Department. If you're preparing NYS returns, you may also need to complete continuing professional education (CPE) requirements and possibly pay a registration fee (\$100)

Unless exempt, you must register, or renew your registration, as a tax return preparer, facilitator, or both with the NYS Tax Department for every calendar year in which you:

- Will be paid to prepare a substantial portion (or all) of any NYS tax return, or
- Will facilitate a refund anticipation loan (RAL) or refund anticipation check (RAC)

This includes preparers who do not live or work in NYS! If you are preparing NYS returns for a fee THIS APPLIES TO YOU, unless you meet the exemption requirements below.

Do I have Education Requirements?

IRS continuing education courses for tax preparers do not count toward your required New York State hours of coursework.

If you have not previously registered and you are registering for the first time with New York State, you must complete the curriculum titled:

- "2023 Registration Education Requirements - 16 Qual."

If you registered in 2022 and you completed the "2022 Registration Education Requirements - 16 Qual", or "2022 Registration Education Requirements - 4 CPEs", you must complete the

curriculum titled

- "2023 Registration Education Requirements - 4 CPEs"

UNLESS EXEMPT, these courses must be completed before you prepare your first NYS tax return in 2023.

Do I have to Pay the Fee?

If you qualify as a "commercial tax return preparer", you must pay a \$100 registration fee when you register.

A commercial preparer is any NON-Exempt individual who:

- Will be paid to prepare at least one New York State tax return in the current calendar year (2023), AND
- Was paid to prepare 10 or more New York State tax returns in the previous calendar year (2022);

OR

- Will be paid to prepare 10 or more New York State tax returns in the current calendar year

Am I Exempt?

Exempt/excluded from the definition of tax return preparer are:

- Attorneys,
- Certified public accountants (CPAs),
- Public accountants (PAs),
- Enrolled agents (EAs),
- Volunteer tax preparers,
- Employees who are supervised by attorneys, CPAs, PAs or EAs
- Employees of a business preparing only the business' tax returns

For CPAs/Attorneys you do not need to be a NYS CPA/Attorney to be exempt, all CPAs/Attorneys are exempt from education/registration no matter where they are registered.

How to Complete Registration/Education

Complete your FREE courses using the NYS's online Statewide Learning Management System (SLMS).

SLMS is an external website, you access it through your Tax Department Individual Online Services account (tax.ny.gov)

- Log in to (or create) your Individual Online Services account.
 - **MUST BE AN INDIVIDUAL ACCOUNT, NOT A TAX PREPARER ACCOUNT**
- Select the ? Services menu in the upper-left corner of your Account Summary homepage.
- Select Tax preparer registration program, then choose Take required education from the expanded menu.
- On the Registration and Continuing Education Training Tax Return Preparers page, select SLMS.
- Your required coursework will be grouped together in one curriculum. If you complete the required curriculum, you will meet your continuing education requirements.
 - If you completed the 2022 Registration Education Requirements - 4 CPEs curriculum, you will automatically be enrolled in the 2023 curriculum;
 - For all other users, complete the following steps:
 - Access SLMS from your Online Services account
 - In the search box, type 2023 Registration Education Requirements.

- Select Register next to the appropriate curriculum title (refer to the "DO I have Education Requirements" section above).
- On the Review Information page, select Submit Registration
- On the Registration Confirmation page, select the Learning Home icon to return to the Learning Home page
- On the Learning Home page, select My Learning in the left-hand Quick Links menu
- On the My Learning page, locate the class title and select the corresponding play icon in the Launch column
- On the Table of Contents page, select Launch (or Re-Launch if you are resuming the class)
- A new window or tab will open with instructions on how to begin the online learning
- If you finish a class, the status will show as Completed on the My Learning page

The Basic Breakdown:

If you are exempt (see above), this does not apply to you!

Regardless of where you live or work:

If you are NOT exempt, and will be paid to prepare even one (1) NYS return you **MUST** take the required courses, no fee is required if preparing less than 10 NYS returns.

If you are NOT exempt, have been paid to prepare at least 10 NYS returns in 2022 and will be paid to prepare even 1 NYS return in 2023, you must take the courses and pay the fee.

If you are NOT exempt, have never prepared, or never been paid to prepare, a NYS return in the past, but will be paid to prepare 10 or more NYS returns in 2023, you must take the courses and pay the fee.

Is there a Penalty for Non-compliance?

If you're required to register and fail to do so, NYS may charge you:

- \$250 for each calendar year you do not register
- \$50 per return for not paying the registration fee, if applicable, up to \$5,000 in a calendar year

Still Confused about Your Requirement? Contact Us!

Email NewYorkNATP@gmail.com or call 800-822-3260 any Monday to Thursday 10 a.m. to 5 p.m. EST.

Please share this information with any friends/colleagues preparing NYS returns from out of state as well! It applies to them too! We are happy to answer their questions (on this topic) even if they are not from NY.

**More Info from NYS Tax
Department**