



National Association
of Tax Professionals

Chapter Board of Directors

Mass Communications

The newsletter of the Massachusetts Chapter
of the National Association of Tax Professionals

June, 2009

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MASS SALES TAX REFUNDS

(or, can you top this one?)

A MA retailer decided to initiate a new refund policy for returned merchandise. If returned within 60 days of purchase, full refund; if returned beyond 60 days, a partial refund based on a sliding scale; no refund after 180 days.

Issue: Is the sales tax collected subject to the same refund policy?

Answer: No—but wait, this isn't as good as you might think. "...the statute is explicit: a purchaser may obtain a refund of the entire sales tax previously paid on returned merchandise...No deduction from the amount returned to the customer is allowed except for an 'established handling fee.'" [LR 09-04].

However, the statute also says "...when the property is returned within 90 days from the date of sale, and the entire sales tax paid is returned to the purchaser." [MGL Ch. 64H, Sec. 1 – Definitions] That's the good news.

The bad news is that, if the return occurs after the 90 day period as specified in the statute, "the customer is not entitled to any refund of sales tax paid." [LR 09-04]

Try this one on your friends at your next cocktail party and see how they react to the law. Keep in mind that the retailer is just the conduit for sales tax; it is the Commonwealth which has a hammer lock on your money beyond it's 90 day refund policy!

MASS. CHAPTER – NATP
FINANCIAL STATEMENT

Statement of Assets, Liabilities and Net Assets
Cash Basis
As of May 28, 2009

Assets

Cash – Checking Account	10,876
Cash – Savings Account	5,955
Cash – Certificate of Deposit	<u>10,944</u>

<u>Total Assets</u>	<u>27,775</u>
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Liabilities

<u>Total Liabilities</u>	<u>-0-</u>
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<u>Unrestricted Funds</u>	<u>27,775</u>
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<u>Total Liabilities and Net Assets</u>	<u>27,775</u>
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Statement of Receipts, Disbursements and
Changes in Net Assets – Cash Basis

Six Months Ended May 28, 2009

Unrestricted Net Assets

Revenue:

Chapter Function – Education	9,988
Membership Dues	3,111
Interest Income	<u>139</u>

<u>Total Income</u>	<u>13,238</u>
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Functional Expenses

Program Services:

Chapter Function – Education	7,435
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Supporting Services:

Education Chair Stipend	75
Newsletter	533
Office Supplies and Other	237
President's Stipend	<u>225</u>

<u>Total Functional Expenses</u>	<u>8,505</u>
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<u>Increase in Unrestricted Net Assets</u>	<u>4,733</u>
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Net Assets at Beginning of Period	<u>23,042</u>
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<u>Net Assets at End of Period</u>	<u>27,775</u>
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**NY STATE REGISTRATION AND
REGULATION OF TAX PREPARERS**

As part of it's state budget bill for 2009, the State of New York has enacted tax preparer registration and regulation. Here is a brief summary.

The law requires registration of all "tax preparers." Excluded from the definition are those who are already registered and/or regulated under state law (PAs and CPAs), their employees, volunteer preparers, etc. EAs must register because they are not state licensed. All others not specifically excluded must register. The threshold for registration is the preparation of one NY state tax return for compensation.

"Commercial tax return preparers" are required to pay an annual fee of \$100. All preparers (whether registered or exempt from registration) are included in this category IF you prepared fewer than ten returns in the preceding calendar year (2008) but will prepare ten or more returns for the current calendar year (2009). A casual preparer of fewer than ten NY state tax returns in a given year would usually not be required to pay an annual fee.

Registration will be electronic. Legislation has been introduced (but not as yet passed) to bring NY City tax laws "into closer conformity with NY State tax laws." There are at least three bills being considered in each branch of the NY legislature to amend provisions of this new law.

HOW TO OBTAIN COPIES OF W-2 FORMS AS ACTUALLY FILED

Ever find yourself in a situation where you need to see an actual W-2 form as filed with the SSA? Here is the procedure:

1. *Call the Social Security Admin. at 1-800-772-1213. Do not respond to the prompts; wait for a live person, who will ask the necessary questions.*

2. *You will receive Form SSA-7050 to be completed and returned, along with payment (currently \$30 per year, per person).*

3. *Expect a wait of 4-6 weeks before SSA will turn-around your request.*

Why would you ever need the actual form? If the IRS issues a correction due to an omitted W-2; you don't have the form and the client's former employer is out of business. The IRS information will not include state tax withheld and you will need this to amend the state return and claim the credit.

ANNUAL MEETING NOTIFICATION

In accordance with the requirements of our by-laws, this is your official notice of the chapter's annual membership meeting to be held at the Holiday Inn, Mansfield, MA on Thursday, October 22, 2009 at 12:00N. All members are invited. More information to follow.

MASS HEALTH CARE MINIMUM CREDITABLE COVERAGE

Effective January 1, 2009, the minimum creditable coverage standards for health insurance in MA include:

*A comprehensive set of services (doctor visits, hospital admissions, diagnostic surgery, mental health and **prescription drug coverage** (emphasis added)).*

Doctor visits for preventive care that are not subject to a deductible.

A cap on deductibles of \$2,000 for an individual and \$4,000 for a family.

An annual maximum on out-of-pocket spending of no more than \$5,000 for an individual and \$10,000 for a family.

No caps on total benefits for a particular illness or for a single year.

No policy which covers only a fixed dollar amount per day or stay in a hospital, with the patient responsible for all other charges.

A cap on any prescription drug deductible of \$250 for an individual and \$500 for a family.

*Source: Fall, 2008 letter to employers
From MA Health Insurance Connector.*

Welcome to new and recently reinstated NATP members. You are also automatically members of our state chapter.

*Robin Daiell, EA
Bonnie Hepburn, CFP
Lois Miskinis
Fabio Henrique Motta
Harold E. Strong, EA
Roger M. Wolf, EA*

*Littleton
Acton
Greenfield
Oak Bluffs
Waltham
Leominster*



MASS
COMMUNICATIONS

The newsletter of the Massachusetts Chapter
of the National Association of Tax Professionals

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Annual Meeting and Seminar

October 22, 2009 – Mansfield, MA