PRESIDENT’S MESSAGE

WE ARE PROUD TO ANNOUNCE that at the 2015 National Conference, held in New Orleans, LA, your New Jersey Chapter was awarded Chapter of the Year for 2014. This achievement was bestowed on our Chapter by the National Office for our accomplished hard work and perseverance by our dedicated Board of Directors and you the members for your support of our Chapter.

Also, Marc Standig, EA, received the 2014 Chapter Person of the Year Award, in recognition of his exemplary work in the area of Chapter Leadership. As you know, Marc keeps us abreast of IRS and State facts, through his e-mails and Facebook postings.

For those of you who could not make the National Conference, I hope you took advantage of attending National’s Tax Forum & Expo in Philadelphia, PA.

Both the Conference and Tax Forum are excellent opportunities to earn CEs, network with other members, and meet with the instructors for their views on topics of interest.

HIGHLIGHTS OF UPCOMING EDUCATION:

On the evening of September 30th, we are holding a free 2-hour Seminar on Strategic Planning Issues for the Elderly, Integrating Social Security and other Government Benefits, impacting the 1040, given by John Callinan Esq. involved in Estate Planning and Elder Law. The following day (October 1st), is our NJ Annual Conference, a full-day seminar, featuring Kathryn Keane, EA. She will be discussing ACA Updates, Form 3115, NOL’s and Ethics. In order to receive CE on the free 2-hour seminar, at this multi-day event, you must attend both sessions.

At the NJ Annual Conference, we are holding our Charity Auction. Please bring items to Auction off. Your bidding to purchase items will benefit our Valerie Fund Charity, fighting Childhood Cancer and Blood Disorders. So, let’s all donate to help those children have a better life.

At the end of the month (October 29th), we have scheduled a seminar on "What to Do When the IRS Comes a Callin’." This is a Representation Seminar on how to handle clients in matters concerning problems encountered with the IRS. This full-day seminar includes speakers from the IRS and Practitioners side. Speakers include Lyle Lauterbach, former Local Taxpayer Advocate, Robert Glantz of IRS CI and Frank Agostino Esq.

On December 10th, NINATP is presenting a half-day seminar on Identity Theft. At this seminar, you will learn how the IRS is combating the problem using aggressive strategies of prevention, detection and victim assistance. Here again, we have IRS to speak on the burden placed on its victims.

Our Chapter events are held at the Hotel Woodbridge Metro Park, in Iselin, NJ. For more information and to register, log onto the National website (www.natptax.com) and visit the NJ Chapter education page.

Besides presenting our well known Educational event, the NJ Chapter holds multiple charitable events during the year. Members supported The Valerie Fund. We also collected box tops in support of the Midland School that aids the school in its programs. Many members continue to support our NINATP Campership Program for Special Need Boy Scouts. We applaud you for your past contributions and support, and hope you will continue your generosity.

Our Scholarship Program continues to thrive. We had many applications last year to choose one Scholarship winner. All candidates showed distinguished credentials. The choice was difficult. Thank you to all our members who continue to let their clients, friends and neighbors know about our program.

Please remember to lean on NATP to help our clients. At the National level, please use the research available as well as the tools and worksheets you can find on the website (www.natptax.com). NINATP also has a website with helpful links and a list of NJ volunteers to answer NJ questions (www.ninatp.com). Last, but not least, is our own NINATP Facebook page. Join in on the discussions among fellow NJ preparers. Watch for further updates and announcements on Chapter News.

Mario Tripaldi, EA, MST
NJ Chapter President

IF YOU ARE READING THIS ARTICLE in the NJ-NATP Taxing Times newsletter, then you may be interested in the living and breathing news that can appear on your monitor every day at the NJ-NATP Facebook® page. If you already are a member of Facebook® then all you have to do is navigate to the NJ-NATP page and join the crowd! You can read current tax postings, ask questions and provide answers. One recent post provided the link to the IRS suggestions page. It’s the page on the IRS website where practitioners, or anyone interested enough, are able to propose changes to forms and publications: http://www.irs.gov/ uac/Comment-on-Tax-Forms-and-Publications. Maybe you didn’t know this existed. The people who participate with the NJ-NATP Facebook® page recently found this post. Just ask to join – it’s that simple. You won’t have to supply any non-public personal information. You will not get a call from the Tax Department demanding that you transfer your tax liability on to a vanilla debit card to pay your debt. You will enjoy being a member of a vibrant and supportive community.

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Welcome New Members

In the second quarter of 2014, the NJ Chapter welcomed 17 new members:

- **MARIA ADAMES**
  - Irvington
- **CAROLE BARON**
  - Somerset
- **THOMAS CARROLL**
  - Rockaway
- **RICHARD CURCIO**
  - Point Pleasant
- **LLOYD GURIAN**
  - Jackson
- **RAYNAL S HARRIS**
  - Newark
- **JOAN M HERBST**
  - Cream Ridge
- **TERRI JONES**
  - Phillipsburg
- **PHILIP KATZ**
  - Jackson
- **PATRICK KERLIN**
  - Rahway
- **GREGORY LOVE**
  - Manasquan
- **KARL PRESTON**
  - Cherry Hill
- **CHRIS QUESADA**
  - Scotch Plains
- **SAMMY SALEH**
  - Edison
- **LYNNE SCHWARTZ**
  - Ocean
- **MOUHCINE SGHIR**
  - Trenton
- **MICHELLE ANN SUTTON**
  - Mays Landing

Please join the NJ Chapter at any or all of our many education events. If you ever have any questions, the contact numbers of the NJ Board of Directors are on the back page of the newsletter.

TAX TIP OF THE QUARTER - FALL 2015

**NJ Updates**

- **Homestead Benefit Applications** were mailed to NJ homeowners. Deadline to file 2013 application is October 30, 2015.
- **2014 Senior Freeze (PTR) Applications extended to October 15, 2015.**
- **NJ Earned Income Tax Credit** increased from 20 percent to 30 percent for tax years beginning on or after January 1, 2015.
- **NJ Alternative Business Calculation Adjustment** will increase for 2015 to 40% from 30%.

**Recent IRS Court Case**

The court case Sophy deals with the mortgage interest acquisition limits for two unmarried taxpayers who co-own their principal residence. The question in this case is whether the limitations are to be applied per taxpayer or per residence. IRS limited the interest to a combined amount of $1 million for acquisition debt and $100K for home equity debt per residence. In 2013, Tax court had ruled in favor of the IRS. However, in a recent decision, the 9th Circuit Court of Appeals ruled in favor of the taxpayers applying the limit per taxpayer rather than per residence. You can find the Tax Court case by going to www.ustaxcourt.gov, click on the Opinion Search tab and enter the name Sophy as the Case Name.

Philadelphia Taxes

BY MARY ROSE MARTINO EA

**LIVING HERE IN SOUTH JERSEY**, we have all gotten used to preparing taxes for our clients who live in Jersey but work in Philadelphia. Fill out a NJ Schedule A to receive the credit for a tax paid to another jurisdiction and the client is for the most part done.

However, the atmosphere of the office significantly changes, when the client says, “Oh I bought some property in Philly and starting renting it” or “I started working for myself in Philly, does that make any difference?”

Your thoughts go to “Oh no, that means BIRT (formerly BPT) and NPT. Where do I start?”

First item is to make sure that they are registered with Philadelphia and have a City Identification Number. With that in hand, you can start doing city taxes. The BIRT is a tax on revenue over $50,000 in 2014, $75,000 in 2015 and $100,000 in the future. NPT is a tax only on your profit.

The Net Profit Tax (NPT) is rather straightforward. After calculating the profit from the enterprise it is necessary to apportion the profit to income in Philly and total income, this is done on Worksheet NR3. If all the income is earned in Philly, the apportionment factor is 1. That factor is entered on Worksheet B and the Nonresident Net Income is calculated and entered on line 3 of the NPT. Line 3 is then multiplied by the decimal number and you have the Tax due. This sounds like the end except that line 6 gives you a credit for 60% of the tax paid for the Business Income and Receipts Tax (BIRT). So, putting this off for the moment, you attack BIRT.

The BIRT is calculated using one of two methods but for this discussion we will only discuss Method 2, this uses income as reported to the IRS. A side note is that when a business files its first BIRT, it must elect either Method 1 or Method 2 and it is then bound by the election. Further research should be done to decide which method is best for your client.

Starting with Schedule C-1, compute the apportionment factor to be applied to the net income. The factor is then entered on line 6 of Schedule B to give you the Income apportioned to Philadelphia. Next complete Worksheet S to calculate the Statutory Net Income Deduction to enter on line 10 of Schedule A. This is a new deduction beginning in 2014. Complete Schedule B to find the Tax Due and enter it on line 1 of the BIRT form. Schedule D must now be completed to calculate the tax on gross receipts and this number is entered on line 2 of the BIRT. Line 3 adds line 1 and 2 giving you the BIRT due for that year. This number is then doubled as there is a mandatory estimated payment for the next year and the form completes rather easily from there.

Having calculated BIRT, you can now complete the NPT. Complete Worksheet K of the NPT and enter line 4 on Page 1 line 6a as a credit and complete the form.

The calculation of the BIRT and NPT can appear to be daunting but with patience and a step by step method, the taxes are calculated and everyone stays compliant. This exercise might be one to practice in the off season so that you are comfortable when your clients appear.
CLIENT PRIVILEGE

RECENTLY ON A NJNATP FACEBOOK@ POST, several members had a discussion about preparers offering legal advice, or more specifically not offering legal advice. I believe that this is a common problem for all of us when our clients ask us those important questions. They trust us and look for guidance from us on many fronts. Just like attorneys, clients trust us with their confidential information.

Tax preparers (EAs, CPAs and non-credentialed) have certain privileges like an attorney when it comes to our clients’ confidential information. IRS Circular 230 requires that we safeguard our client’s personal and confidential information. We have an obligation to obtain our client’s permission to release information to any third party. Other than the Kovel Privilege that protects us when hired by an attorney, federal law does not recognize an accountant-client privilege. We are required to hand over or produce documents to the IRS per Circular 230, Section 10.20.

So how do we protect ourselves from our clients? First, if you are not an attorney, don’t practice law. Be careful when offering advice to a client. Always remind the client that you are not an attorney and recommend that they seek legal counsel when necessary. For example: forming an LLC on a client’s behalf is a form of practicing law. Require the client to do their own LLC formation and then obtain the federal ID number and register the client with NJ. Legal contracts and agreements should always be reviewed by an attorney.

Last, all preparers are bound by Circular 230. Do you have a copy handy? In June 2014, a new Section 10.35 was added to Circular 230 to address practitioner competence. Under this new provision, a practitioner must possess the necessary competence to engage in practice before the IRS. That competency requires that tax preparers possess the appropriate level of knowledge and skill to take on an engagement. A practitioner may become competent for the matter through various methods including consulting with experts or studying the relevant law.

IF YOU WANT TO CHEAT ON YOUR WIFE DON’T ALSO TRY TO CHEAT THE NJ DIVISION OF TAXATION!

BY ROBERT D. FLACH

I WAS RECENTLY REMINDED OF A STORY told to the attendees of the NJ-NATP chapter’s annual January “Famous” State Tax Seminar many years ago by then Director of the NJ Division of Taxation Bobby Thompson, who left office in disgrace after “making discretionary decisions while under undisclosed conflicts of interest caused by their receipt of meals, entertainment, golf outings and other gifts” from OSI, the outside collection agency hired by the Division of Taxation to collect outstanding NJ taxes.

At the time states like New Jersey had much more success raising revenue from aggressive sales and use tax collection programs than from audits of income tax returns.

The state’s special sales tax audit initiative would target NJ businesses where pretty much 100% of gross receipts are subject to sales tax – like pizza parlors, liquor stores and taverns. NJDOT would get purchase information from vendors who supplied the business selected for audit with “cost of goods sold” items (i.e. wholesale pizza dough and liquor purchases), get a price list or menu from the business being audited, verify inventory numbers, and, using industry standards for spoilage and theft, “back into” what the business should have reported in gross sales subject to sales tax. If this was more than what was actually reported on quarterly sales tax reports the business would receive a bill.

It was not the goal of the program to put the pizza parlors, liquor stores or taverns being audited out of business. The sole purpose was to collect more tax. No criminal or other action was brought against the business by the State and the bill was not overloaded with penalties.

Thompson told of the audit of one pizza parlor, which happened to be located around the corner from the NJDOT headquarters in Trenton. The Division asked the parlor to submit a menu, which was reviewed by the auditors. One auditor then visited the parlor and asked the owner, “How come if the menu you sent us says you charge $2.00 for a slice of pizza, when I come in here for lunch you charge me $2.75?” Apparently the owner was not too bright!

But the story I am talking about concerns the state’s attempt to collect “use tax” on out of state purchases.

As we know, if a New Jersey resident purchases a taxable item in New York and will walk out of the store with that item in hand he/she will pay New York state sales tax on the item, even though the item will ultimately be used in New Jersey, and he/she will not owe any tax to NJ. But if a NJ resident purchases an item from a New York vendor and has the item shipped to a NJ address he/she does not pay New York state sales tax at the point of purchase. That person then must pay a use tax on the purchase to the State of New Jersey on his/her NJ-1040.

NJ use tax is paid by any individual who “stores, uses, or consumes” within the borders of the state of New Jersey tangible personal property subject to NJ sales tax that was purchased from an out-of-state seller and no local sales tax was paid at the “point of purchase” to the out-of-state seller. So if you order a bracelet from a New York jeweler and have it shipped to your New Jersey address you would not pay sales tax to New York, but you would be liable for New Jersey use tax on the purchase.

And now, finally, the story.

The NJ Division of Taxation got a hold of the records of a jewelry store located over the border in New York (possibly as a result of a NYS audit of the store – I don’t remember the actual details) and made a list of all purchases where the items were shipped to a New Jersey address and no NJ state sales tax was paid. The Division then sent a bill for the appropriate amount of use tax to the NJ residences of all those on the list.

One of these bills, for tax on the purchase of two identical diamond bracelets, arrived at the home of a married doctor and was opened by his wife. After she reviewed the bill she immediately called the NJ Division of Taxation.

“I have just received a bill for use tax from the Division of Taxation,” she said, “and I think you have made an error.”

“What is the error,” the DOT employee asked.

“My husband only gave me one diamond bracelet!”

So the moral of the story – if you are going to give your wife and your mistress the same expensive gift don’t buy both at the same time, and be sure to pay state sales tax on the gift for your mistress!

Northeast PA resident Robert D. Flach has been preparing 1040s since 1972, and has been a member of NATP since 1987 (and an original founding member of the NJ chapter). He writes the free online monthly newsletter THE TAX PROFESSIONAL (http://thetaxprofessional.webs.com), the popular tax blog THE WANDERING TAX PRO (http://wanderingtaxpro.blogspot.com) and for the MAINSTREET portal at http://www.mainstreet.com/taxes. He has also created the website FIND A TAX PROFESSIONAL (http://www.findataxprofessional.com)
S CORPORATION SHAREHOLDER-EMPLOYEES COMPENSATION

BY MARILYN H. AYERS CPA

I RECENTLY READ AN INTERESTING ARTICLE in The CPA Journal regarding reasonable compensation for S Corporation Shareholder-Employees. This topic has been around for some time. What makes this such an interesting topic is the main difference between how S corporations and C corporations are taxed. S corporations are flow through entities whose taxable income is taxed to the corporation’s shareholders based upon their percentage of ownership. The S corporation is not taxed but the shareholders are taxed on their individual 1040 tax returns. The ordinary income passed down to the shareholder’s is not subject to payroll taxes – i.e.: FICA, FUTA and state unemployment/disability.

IRS Codes andRegs state that for compensation to be deductible, it must be reasonable for the personal services actually rendered. Of course, there is no definition of “reasonable” in the Codes and Regs. This rule also applies to any wage paid to a shareholder’s family member. Wages are subject to employment taxes with employer matching requirements. Shareholders who also work for their own S corporation can save a significant amount of employment taxes if they choose to pay themselves little or no salary. This is why the IRS has shown an increased interest in this area to help close the “tax gap.” This topic has also been addressed in NATP’s Tax Pro Weekly “You Make the Call”.

Let’s use an example of an S corporation that has ordinary business income (revenue less expenses) before shareholder salary of $100,000. Without regard to any state tax issues, there can be a large difference between tax paid by the shareholder and the S corporation for employer matching.

Let’s use that same $100,000 as income for the shareholder. Using a standard deduction and $0 wages, the federal tax liability for a single taxpayer is $18,333. If we calculate a small salary of just $30,000, the employer matching of 7.65% for FICA and the minimum FUTA of $42 would total $2,337. The ordinary taxable income passed down to the one shareholder would be $100,000 less the $30,000 salary and the $2,337 in the employer share of taxes for a net of $67,663. Using a single taxpayer and a standard deduction, the tax liability would be $17,735 but the corporation paid $2,337 in payroll expense and the employee paid their share of FICA or $2,295 for a total tax liability of $22,367, an increase of tax calculated using $0 wages of $4,034. That number changes drastically if we increase the salary to a true reasonable compensation of $75,000. The employer matching of FICA would increase to $5,738 plus the $42 FUTA, without regard to any state unemployment or disability tax due, and a regular tax liability for the single shareholder of $16,874 and let’s not forget the employee’s share of the FICA of $5,738 for a total tax liability of $28,392.

CONSIDERATIONS FOR CONTINUED SUCCESS

BY JOSH MELUM, EA

THE 2016 TAX SEASON will represent my sixth year preparing tax returns. I am sure many of you reading this will laugh at and pity me for my long road ahead. My knowledge through experience and education seems to multiply immeasurably year after year. However, one day I think I have it all figured out and the next day I wonder if I belong on the other side of the desk presenting my own paper work. I would have a hard time believing that not everyone feels this way at one time or another. In anticipation of buying my own tax practice, I became an EA and most recently decided to join the board of directors of the NJ Chapter of NJNATP. Being an EA has its obvious benefits for my future practice and to my current clients as well. Joining NJNATP has provided a unique opportunity to help thousands of fellow tax preparers navigate and understand the complicated world of taxes through education and resources. It has also exposed me to a network of knowledgeable and likeminded individuals that I consider invaluable.

Every client is unique and with that unique client comes an abundance of questions, thoughts, comments and new tax forms. Every client I sit with is going to have an impact on how I operate my tax practice and prepare returns. You learn what questions to ask, how to ask them, and what not to ask. Many of us have a schedule to keep and the wrong question can get you off track in a hurry! My favorite questions are the random and “what if” scenarios. We may find ourselves annoyed (especially as tax season picks up), but we do the research and learn something new. I’ve found myself speechless over basic questions on more occasions then I’d like to admit. A great example is a calculation your software does for you, but we don’t actually understand it and can’t explain it to our client. If you’re dismissing these instances, you’re missing out on an opportunity to better yourself and practice. How do your experiences with these clients impact your office? Do you learn and evolve or stick with the same routine as last year?

In closing, as tax professional we realize that a shareholder-employee of an S corporation must be paid a reasonable salary. So take the next step and make sure your client does the research to establish that amount or assist with that research. Document your work. A truly reasonable salary reported on Form 1120S will most likely reduce your client’s chances of being audited and if an audit does occur you’ll have documentation to provide to the agent to substantiate your client’s return! Either way, you’ll have a happy client!
THE MEDICAL DEDUCTION is the one itemized deduction on the federal income tax return that a lot of people simply do not get to benefit from. The obstacle to overcome is the 7.5 or 10 percent of the Adjusted Gross Income. New Jersey, though, requires only a two percent floor of New Jersey Gross Income (Line 28 on NJ-1040) for the majority of qualified medical expenses. If you are not completely certain of what qualifies as a medical deduction, read IRS Publication 502. It is guaranteed not to keep you awake at night with suspense. You will find the Concierge Fee is not listed and go crazy trying to figure out whether or not to include it when your tax client gives you his or her list of possible deductions. The visits for elective medical procedures turn out to be optional cosmetic enhancements that are not deductible and specifically prohibited. New Jersey is very generous with its medical deduction and most of the people who self-prepare their tax returns tend to miss this one. You are doing this work for a fee. Find the deduction and add value for your service. This is one easy item you should not let pass by. Some of the Forms W-2 will list the pre-tax medical and dental insurance and some will not. Remember, pre-tax for federal is not pre-tax for New Jersey. If the W-2 is completed correctly, there should be a difference between Boxes #1 and #16 most of the time when medical premiums are paid under a pre-tax premium plan. A lot of that difference will be the Section 125 pre-tax premiums. If the W-2 does not break apart the difference between the boxes, get the stub for the last pay check paid in the period covered within the W-2. Most of the payroll services will list the pre-tax deductions from Gross Payroll and provide year to date totals for you. If this is the first year you are preparing the taxpayer’s returns, don’t be surprised if the taxpayer complains that no one else had ever requested their pay stubs to get the tax returns done. Be careful here. If you find yourself at odds with the taxpayer, he or she will not be your tax client for long. The difference between the federal and state incomes listed on the W-2 could have components other than the insurance premiums. The pay stubs will help you save time during the busiest of tax seasons.

Another few time savings techniques that seem to work without very many client complaints (ask them for documents and they will complain) are ways to get objective medical information without the stacks of paper. If you have clients of Medicare age, try to have them have their Medicare Part D (Medicare Prescription Drug Plan) premium deducted from their Social Security Benefit. You will get past the guessing game. Most likely the client will complain that they don’t want the government reducing their Social Security. Just tell them it will get them a better deduction. It will, you will be able to know with 100% certainty the payments were made. It will also take you less time to get the correct information. The same goes for Medicare Advantage premiums. The MediGap premiums are another story. Try to get the insurance companies to provide letters that verify the premiums. A lot of these companies cross sell other products. Not all insurance products are tax deductible. By the way, the key word for the letter from the MediGap provider is “verify”. When people are under Medicare age and pay for their medical insurance, try to get a letter from the insurance company as well. If the insurance has been purchased through the Exchange you will receive the appropriate proof. Just hope and pray the 1095 Form is correct.

You will be thrilled to know that once your clients see that you think you will be able to get them some sort of extra deduction you will be flooded with Explanations of Benefit and little tear off receipts. The Explanations of Benefit are usually worthless. These documents show third party payments, but not the amount actually paid by the taxpayers. Ask for annual patient statements for the prescriptions. The pharmacies will usually get these done within a few hours of the request. Some taxpayers will argue that they have all of the receipts. That’s nice. I ran a test a few years ago between collected receipts and the printouts from the pharmacies. I really did. Unfortunately I did not save the results. Most taxpayers missed a few of the receipts. The printouts do present better data and better deductions. Period. Tell this to the taxpayers with some authority in your voice and it will usually end the objection. Between you and me, I don’t want to go through fifty or even twenty pharmacy bags that have been shoved into an old musty shopping bag. Who’s going to actually pay you for the time to go through all of this stuff? Get the printout it will save you time and increase your profit margin per return. The laboratories will take about ten days to mail the annual patient statements. So are you wondering if you are preparing a tax return or auditing your taxpayer? Where do you draw the line between tax preparation and an audit? It’s really up to you. Look at Circular 230 section 10.22 if you would like to see what the Internal Revenue Expects of you. If your client has a lot of medical expenses and there may actually be a deduction on the federal tax return, you may want the proof on hand. You will never be able to assemble all of the data required by the Information Document Request on time if an audit follows. Also, it will look a lot better to present documents that have been dated prior to the submission of the tax return. Whether it’s the Internal Revenue Service or the State of New Jersey that looks at your work, it’s your work that is going to be audited as well. It’s not just about the taxpayer. By the way, when the taxpayer complains, “it’s just too much to do”. That means they simply don’t care about the extra deduction, reduction of tax, you can provide. They just want to send the returns off and get on with their lives. Take a deep breath and relax. Don’t drive yourself insane trying to impress someone who doesn’t care. Do the best work you can do given the limitations the clients present. Just stay within the limits the federal and state laws require.

Marc Standig, EA is a Board Member of the New Jersey Chapter of NATP and an associate editor of “NJ Taxing Times”. Please submit articles to standig@yahoo.com if you would like to contribute to the next edition. Remember, this is your newsletter and it needs your input.
New Jersey Chapter
National Association of Tax Professionals

Presents
October 29, 2015

What to Do When the IRS Comes a Callin’

Hotel Woodbridge at Metro Park
120 Wood Ave South
Iselin, NJ 08830
Seminar 8.00 AM to – 4.30 PM

It is time to join your NJ NATP Chapter for a day of learning

Presented by

Lyle Lauderbach, Former Tax Advocate, Chris Clonan, Revenue Officer Manager
Frank Agostino, Attorney, and Robert Glantz, CID

These experts will go over the basics and provide insight on What To Do When your client receives that dreaded IRS Letter!

They will explain the procedures to follow with regard to the forms to use.

This seminar plans to be both informative and illustrative.

You won’t want to miss this most informative seminar with 8 CE credits

Please support our Charitable Causes!

Attendees will be responsible for reporting their CE credits in accordance with their respective reporting requirements. To ensure the integrity of this program, attendance will be periodically monitored for late arrivals or early departures and credits will be adjusted accordingly. NJ NATP is registered as a sponsor of Continuing Education for the Internal Revenue Service (Sponsor #458) and the NJ State Board of Accountancy (Sponsor #531) which has final authority on the acceptance of individual topics for CE credit. This program qualifies for 8 CE Credits for EAs under Treasury Department Circular 230, Section 10(g) and 4 Credits under New Jersey AC 13:29-6.7. Each credit is based on a 50-minute credit hour. Field of Study: Taxation. Prerequisite: None. Level of Knowledge: Basic.
New Jersey NATP Chapter
What To Do When the IRS Comes a Callin'
October 29, 2015
8.00 AM – 4.30 PM - Event

Hotel Woodbridge at Metro Park
(Formerly the Woodbridge Hilton)
120 Wood Ave South.
Iselin, NJ 08830
732-494-4964

Name: ___________________________ Member ID#: ___________________________
Designation(s): ___________________________ License #: ___________________________
Address: ___________________________ PTIN #: ___________________________
City: ___________________________ State: _____________ Zip: ___________________________
Email: ___________________________ Phone: ___________________________

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Cancellation fee $25.00

Note: Fee includes education, and meal.

REGISTRATIONS MUST BE RECEIVED AT NATP BY CLOSE OF BUSINESS OCTOBER 26, 2015

Payment Method: Credit Card or Checks made payable to NATP

Name as it appears on CC: ___________________________
CC #: ___________________________ Exp. Date: ___________________________
Signature: ___________________________

How to Register:

Mail To: NATP, PO Box 8002 Appleton, WI 54912-8002
Phone: 800.558.3402, Ext. 3
Fax: 800.747.0001
Online: http://www.natptax.com/Chapters/Pages/NewJerseyChapter.aspx

Cancellation Policy: To cancel your registration, you must notify NATP no later than October 26, 2015 to receive a refund. A cancellation fee of $25 will be charged.
New Jersey Chapter  
National Association of Tax Professionals

Presents  
December 10, 2015

Identity Theft/IRS Verification letters

Hotel Woodbridge at Metro Park  
120 Wood Ave South  
Iselin, NJ 08830  
Seminar 8:30 AM to – 12:30 PM

It is time to join your NJ NATP Chapter for a half day seminar

Presented by

Glenn Gizzi and Robert Glantz

of the IRS

Identity Theft places a burden on its victims and presents a challenge to Individuals, Businesses, Organizations and Government Agencies. Tax Related Identity Theft occurs when someone uses your stolen/compromised SSN or EIN to file a tax return often to get fraudulent refunds.

In this seminar you will learn how the IRS is combatting the problem using aggressive strategies of prevention, detection and victim assistance. We can learn how to use Resource Information following IRS Guidelines.

You won’t want to miss this most informative seminar with 4 CEs

Please support our Charitable Causes!

Attendees will be responsible for reporting their CE credits in accordance with their respective reporting requirements. To ensure the integrity of this program, attendance will be periodically monitored for late arrivals or early departures and credits will be adjusted accordingly. NJ NATP is registered as a sponsor of Continuing Education for the Internal Revenue Service (Sponsor #456) and the NJ State Board of Accountancy (Sponsor #531) which has final authority on the acceptance of individual topics for CE credit. This program qualifies for 4 CE Credits for EAs under Treasury Department Circular 230, Section 10(g) and 4 Credits under New Jersey AC 13:29-6.7. Each credit is based on a 50-minute credit hour. Field of Study: Taxation. Prerequisite: None. Level of Knowledge: Basic.
New Jersey NATP Chapter
Identity Theft/IRS Verification Letters
December 10, 2015
8.30 AM – 12.30 PM - Event

Hotel Woodbridge at Metro Park
(Formerly the Woodbridge Hilton)
120 Wood Ave South.
Iselin, NJ 08830
732-494-4964

Name: ____________________________ Member ID#: ____________________________
Designation(s): ________________ License #: ____________________________ PTIN #: ____________________________
Address: __________________________
City: ____________________________ State: ____________________________ Zip: ____________________________
Email: ____________________________ Phone: ____________________________

<table>
<thead>
<tr>
<th>Registration Fee</th>
<th>Early Birds</th>
<th>After 12/7/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>NATP Member</td>
<td>90.00</td>
<td>125.00</td>
</tr>
<tr>
<td>Non-Member</td>
<td>125.00</td>
<td>150.00</td>
</tr>
</tbody>
</table>

Cancellation fee $25.00

Note: Fee includes education, and meal.

REGISTRATIONS MUST BE RECEIVED AT NATP BY CLOSE OF BUSINESS DECEMBER 7, 2015

Payment Method: Credit Card or Checks made payable to NATP

Name as it appears on CC: ____________________________

CC #: ____________________________ Exp. Date: ____________________________

Signature: ____________________________

How to Register:

Mail To: NATP, PO Box 8002 Appleton, WI 54912-8002
Phone: 800.558.3402, Ext. 3
Fax: 800.747.0001
Online: http://www.natpjax.com/Chapters/Pages/NewJerseyChapter.aspx

Cancellation Policy: To cancel your registration, you must notify NATP no later than December 7, 2015 to receive a refund. A cancellation fee of $25 will be charged.
New Jersey Chapter of NATP

Calculate Your Quantity Discount Here

The more you order, the more you save on each item!

### STEP 1
Enter Quantity and Calculate Cost for Each Item

<table>
<thead>
<tr>
<th>Product Description</th>
<th>Quantity</th>
<th>Price (per item)</th>
<th>Cost</th>
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<tr>
<td>Deluxe Edition Plus</td>
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<td>Planning Strategies</td>
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### STEP 2
Enter Total Quantity and Cost Columns

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<tr>
<th>Total Quantity of All Items</th>
<th>Total Cost</th>
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<td>490</td>
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### STEP 3
Calculate Quantity Discount

<table>
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<tr>
<th>Total Quantity of All Items</th>
<th>Quantity Discount Per Item</th>
<th>Total Quantity + Quantity Discount Per Item</th>
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#### Scenarios
- **Scenario A**: 1 Item
  - 1 Item: $0.00 per item
  - 2 Items: $3.00 per item
  - 3–5 Items: $4.00 per item
  - 6–10 Items: $5.00 per item
  - 11–20 Items: $6.00 per item
  - 21 Items: $7.00 per item

#### Scenarios
- **Scenario B**: 1 Item
  - 1 Item: $7.45 per item
  - 2 Items: $7.45 per item
  - 3–5 Items: $8.95 per item
  - 6–10 Items: $8.95 per item
  - 11–20 Items: $8.95 per item
  - 21 Items: $8.95 per item

#### Scenarios
- **Scenario C**: 1 Item
  - 1 Item: $8.95 per item
  - 2 Items: $8.95 per item
  - 3–5 Items: $10.95 per item
  - 6–10 Items: $10.95 per item
  - 11–20 Items: $10.95 per item
  - 21 Items: $10.95 per item

### STEP 4
Calculate Shipping & Handling Charge

#### Scenarios
- **Scenario D**: 1 Item
  - 1 Item: $3.95 per item
  - 2 Items: $3.95 per item
  - 3–5 Items: $3.95 per item
  - 6–10 Items: $3.95 per item
  - 11–20 Items: $3.95 per item
  - 21 Items: $3.95 per item

### STEP 5
Calculate Order Cost

<table>
<thead>
<tr>
<th>Total Cost (from STEP 2)</th>
<th>Quantity Discount (from STEP 3)</th>
<th>Shipping &amp; Handling Charge (from STEP 4)</th>
<th>Order Cost</th>
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<tbody>
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<td>$490</td>
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<td>$490</td>
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### STEP 6
Finalize Your Order

- **Sales Tax**: MN residents add 7.275%
- **Order Total**: Order Cost from STEP 5 + Sales Tax
- **Order Total**: $490 + $35 = $525

#### ORDER FORM

**PROMO CODE**: 490

**Customer Name**: 

**Company Name**: 

**Address**: 

**City, State, Zip**: 

**Email**: 

**Day Phone**: 

**Billing Zip**: 

**Payment Options**
- Credit Card
- Money Order
- Check
- MasterCard
- Discover
- Visa
- American Express

**Expiration Date**:  

**Cardholder’s Signature**: 

**Remember to include credit card number & expiration date** (security code not required)

#### To save, be sure to use Promo Code 490 when ordering!

Orders are shipped first-in, first-out starting on the start ship date of the product.
PL 114-41 was passed on July 31st including modifications to original filing and extended due dates for certain tax returns including Partnerships, Estate and Trusts, C Corporations, Exempt Organizations, Benefit Plans and Report of Foreign Bank and Financial Accounts (FBAR). (See the Chart below). These new due dates will generally apply to returns for tax years beginning after Dec. 31, 2015.

C Corporation due dates are pushed one month later to the 15th day of the fourth month following the yearend; Partnerships will be due a month earlier to the 15th day of the third month; Trust extensions will be for 5½ months.

Form 5500 shall have an automatic 3½ month extension period; extensions for Forms 990 returns shall be an automatic 6-month period. TD F 90-22.1, relating to Report of Foreign Bank and Financial Accounts, shall be due April 15 with a maximum extension for a 6-month period ending on October 15.

What do you think? Are these changes HELPFUL OR A HINDRANCE? These changes are supposed to provide more logical flow of information for taxpayers. They are also meant to be a first step in addressing the “tax season” workload compression issues which return preparers face.

Should states follow the IRS lead? New Jersey, New York, Pennsylvania, Connecticut?

How will these changes affect your practiced?

Go to our Facebook Page to weigh in! Tell us what you think… we want to know your opinions and comments! We may even publish your response in a future issue!

These new due date rules will apply for the 2017 Tax Filing Season (ie: Tax Year 2016 returns)

<table>
<thead>
<tr>
<th>March 15</th>
<th>April 15</th>
<th>May 15</th>
<th>July 31</th>
<th>Sept 15</th>
<th>Sept 30</th>
<th>Oct 15</th>
<th>Nov 15</th>
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<td>5500</td>
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<td>1040</td>
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<td>1120S</td>
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<td>1040</td>
<td>FBAR</td>
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<td>FBAR</td>
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* Sept 15 before 12/31/2025; Oct 15 after 12/31/2025

**Website:** [www.njnatp.com](http://www.njnatp.com) or call 732-477-2281

**NJ-NATP BOARD OF DIRECTORS 2015**

**OFFICERS**

<table>
<thead>
<tr>
<th>PRESIDENT</th>
<th>VICE PRESIDENT</th>
<th>SECRETARY</th>
<th>TREASURER</th>
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<tr>
<td>Mario Tripaldi</td>
<td>Tom Watkins</td>
<td>Tom DeTitta</td>
<td>Mary Rose Martino</td>
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**DIRECTORS**

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<th>TERM</th>
<th>Region I</th>
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<th>Region IV</th>
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<td>Mario Tripaldi</td>
<td>Mary Rose Martino</td>
<td>Joyce Skerlanitz</td>
<td>Jess Marshall</td>
<td>Sherril F. Diamond</td>
<td>Surekha Vaidya</td>
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<td>Parlin</td>
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<td></td>
<td>(551) 404-3453</td>
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<td>(848) 467-3990</td>
<td>(732) 968-7500</td>
<td>(856) 779-1714</td>
<td>(732) 727-5009</td>
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<td>2 YR.</td>
<td>Thomas DeTitta</td>
<td>Gwen Radloff</td>
<td>Anthony J. Manziano</td>
<td>Marilyn H. Ayers</td>
<td>Jaimee Hammer</td>
<td>Josh Melum</td>
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<td>(973) 845-2470</td>
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<td>Marc Standig</td>
<td>Julie Robinson</td>
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**TELEPHONE DIRECTORY**

**NJ PRACTITIONER HOTLINE**

609-633-6657 for Personal Income Tax
609-633-6905 for Business Tax

**IRS PRACTITIONER HOTLINE**

For practitioners with POA on file to call about a specific client problem:
866-860-4259
Tax Law Questions: 800-829-1040

**NJ-NATP CHAPTER OFFICE**

Tel. 551-404-3453
Fax 973-506-4496

**INTERNET ADDRESS**

**NJ CHAPTER**

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