



Tax Report

Created Especially for Members of Wisconsin NATP

Fall 2015

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President's Message-

Welcome to fall in Wisconsin where the children return to school and the beautiful colors start to appear in the landscape. Hope you all had a relaxing summer with some travelling and family time. Now we need to start planning and learning for the coming tax season.

A group of WI tax professionals attended the NATP national conference in New Orleans. It was four days of information packed educational sessions as well as time to reconnect with old friends and make some new ones. Steve Schultz, who retired as NATP Chapter liaison on July 31, led the leadership sessions on Sunday. The WI chapter donated a basket of WI products for the charity auction on Monday night. On Tuesday we raffled off a shadow box with the 50 state quarters, another basket of WI products and a \$25 NATP gift certificate at the Chapter showcase all in honor of our 25th anniversary as a chapter.



By the time you receive this, we will probably have held our farm and WI update seminars. Thank you to all that attended. It was suggested last year that maybe having these two seminars in conjunction so we will see how this worked out. (Yes, we do read all the evaluations and pay attention to suggestions. Thank you.)

Our fall seminar will be the first week of November, the 4th and 5th. We are trying a Wednesday-Thursday time frame as many did not want to drive on Friday night. Dale Boushley of Arizona will be

our speaker. He also is a speaker for the national conference and other chapters. Some of his topics are reverse mortgages, divorce, 4797, business use of auto, sale of personal residence, Schedule E rental and vacation homes. (See more information elsewhere in this newsletter.)

For those of you who would like to become more active in our chapter, please contact any of the board members listed in this newsletter. We have openings on the board in regions 1, 4, 5, and 6. If you do not live in these regions we also have at-large availabilities. We have three board meetings a year and correspond with each other at other times by e-mail. There are also committees available for a shorter commitment. Biographies of current nominees are also in this newsletter.

A big thank you to member and speaker Jaye Tritz of Twin Lakes. She bid on a seminar package of 4 hours of instruction by Kathryn Keane (our spring 2015 speaker) and 4 hours by Randy Lawshe of Louisiana. Then Jaye immediately donated this prize to the WI chapter. What a wonderful thing for her to do. If you see her at one of the classes this fall, please be sure to thank her for the generous donation. We can't tell you any topics or dates until the seminar is approved by NATP and the IRS.

Have some relaxation amid the extensions and payroll taxes. Hope to see you at one (or all) the Wisconsin chapter educational sessions.

Good-bye and thank you Steve Schultz and welcome to the new NATP liaison, John Belotti.

Wisconsin Tax News

2015 Wisconsin Tax Update Seminars Planned for October and November

This fall, the Department of Revenue will sponsor a free, half-day Wisconsin tax update seminar for the upcoming tax filing season. This is the third year they have sponsored a half-day update covering Wisconsin information.

They will also post a video of the seminar upon completion of the presentations for those that prefer to view the update at their convenience.

For registration, please visit: <https://www.revenue.wi.gov/training/ero2015.html>

Wisconsin Update Seminar Schedule (9:00 – 11:30 a.m.)

October 16, Friday – Pewaukee

October 20, Tuesday – Menasha

October 22, Thursday – Madison

October 26, Monday – Eau Claire

October 27, Tuesday – Stevens Point

November 4, Wednesday – Madison

November 10, Tuesday – Milwaukee

Setoffs Against Tax Refunds For Debts Related to Providing Ambulance Services

Taken from WI Tax Bulletin #190

Debt that a municipality or county may certify to the department has been expanded to include debt related to providing ambulance services. For purposes of this provision, a debt owed to an ambulance service provider operating pursuant to a contract with a municipality or county under sec. 59.54(1), 60.565, 61.64, or 62.133, Wis. Stats., is considered a debt owed to the municipality or county, if the debt relates to providing ambulance services to individuals in that municipality or county as a result of responding to requests that originate from a government-operated 911 call center.

Within 30 days after the end of each calendar quarter, each municipality and county that has received amounts during that calendar quarter from the department under this provision shall pay the amounts to the ambulance service provider.

Income Tax Exemption Created For Interest and Income Received From Obligations of a Municipality Assisting a Local Exposition District

Taken from WI Tax Bulletin #190

An individual and fiduciary income tax exemption is created for interest received on bonds and notes issued by a sponsoring municipality borrowing to assist a local exposition district created under subch. II of ch. 229, Wis. Stats.

A corporate income tax exemption is created for the interest and income from obligations issued by a sponsoring municipality to assist a local exposition district created under subch. II of ch. 229, Wis. Stats.

Sales and Use Tax Exemption Created For Materials, Supplies, Equipment, and Landscaping Services Used To Build Sports and Entertainment Arena Facilities

Taken from WI Tax Bulletin #190

A sales and use tax exemption is created for the sale of building materials, supplies, equipment, and landscaping services to; and the storage, use, or other consumption of the same property and services by; owners, lessees, contractors, subcontractors, or builders if that property or service is acquired solely for, or used solely in, the construction or development of sports and entertainment arena facilities, as defined in sec. 229.41(11g), Wis. Stats.

The exemption will no longer apply one year after the Secretary of Administration issues the certification under sec. 229.42(4e)(d), Wis. Stats. Section 229.41(11e), Wis. Stats., defines "sports and entertainment arena" as the arena structure and the land necessary for its location that is used as the home arena of a professional basketball team and for other sports, recreation, and entertainment activities.

Withholding Calculator

Use the free withholding calculator (download the [Department of Revenue Mobile App](#): <https://www.revenue.wi.gov/mobile/>) to help you complete Wisconsin [Form WT-4](#), *Employee Withholding Exemption Certificate*.

Federal and Wisconsin Tax Treatment of Identity Protection Services Provided to Data Breach Victims

Taken from WI Tax Bulletin #190

The Internal Revenue Service (IRS) recently issued an announcement concerning identity protection services provided to data breach victims. The federal income tax treatment described below applies for Wisconsin income tax purposes.

The announcement states that the IRS will not assert that an individual whose personal information may have been compromised in a data breach must include in gross income the value of the identity protection services provided by the organization that experienced the data breach.

Additionally, the IRS will not assert that an employer providing identity protection services to employees whose personal information may have been compromised in a data breach of the employer's (or employer's agent or service provider's) recordkeeping system must include the value of the identity protection services in the employees' gross income and wages.

Announcement 2015-22 will be in Internal Revenue Bulletin 2015-35, dated August 31, 2015.

Wisconsin Business Development Credit, is available on the department's website. This new credit will be available for taxable years beginning on or after January 1, 2016. The business development credit is available to claimants certified by the Wisconsin Economic Development Corporation (WEDC) for taxable years that begin on or after January 1, 2016.

The fact sheet provides a general overview of the Wisconsin business development credit. Detailed information about the credit will be available in the instructions for Schedule BD on the department's website at revenue.wi.gov in the fall of 2016.

For full information go to: <https://www.revenue.wi.gov/taxpro/fact/1120busdevcr.pdf>

Online Business Tax Registration Changes

The department has modified its *My Tax Account* online registration application so a business can better identify itself as a disregarded entity or owner of a disregarded entity. Proper identification of disregarded entities and their relationships helps the department process applications and issue permits and licenses more quickly and prevents your clients from receiving unnecessary notices. These changes were made on September 14, 2015.

Wisconsin Sales Tax News

The following sales and use tax publications have been revised and are available on the Department of Revenue's website.

Publication 204, *Sales and Use Tax Information for Colleges, Universities, and Technical Colleges*
<https://www.revenue.wi.gov/pubs/pb204.pdf>

Publication 226, *Golf Courses: How Do Wisconsin Sales and Use Taxes Affect Your Operations?*
<https://www.revenue.wi.gov/pubs/pb226.pdf>

Publication 410, *Local Exposition Taxes*
<https://www.revenue.wi.gov/pubs/pb410.pdf>

[Publication 219](https://www.revenue.wi.gov/pubs/pb219.pdf), *Hotels, Motels, and Other Lodging Providers*, has been revised and is available on the department's website. <https://www.revenue.wi.gov/pubs/pb219.pdf>

The following sales and use tax publications have been revised and are available on the Department of Revenue's website with a revision date of 7/15:

[Publication 209](https://www.revenue.wi.gov/pubs/pb209.pdf), *Sales Tax Information for Wisconsin Counties and Municipalities*
<https://www.revenue.wi.gov/pubs/pb209.pdf>

[Publication 245](https://www.revenue.wi.gov/pubs/pb245.pdf), *Sales and Use Tax Information for Schools*
<https://www.revenue.wi.gov/pubs/pb245.pdf>

WISCONSIN/MINNESOTA SALES TAX SEMINARS

The Wisconsin and Minnesota Departments of Revenue will present a series of free sales and use tax seminars in September and October 2015. The seminars will provide an overview of Minnesota and Wisconsin sales and use tax laws for companies that do business in both states. They are designed for business owners, bookkeepers, purchasing agents and accountants who need a working knowledge of each state's laws and how to meet their obligations. Topics covered will include:

- Who needs to register for sales and use taxes in Minnesota, Wisconsin or both states
- What cities, counties and other jurisdictions in each state have local taxes
- What's taxable in each state
- Exceptions to the general taxation rules and exemptions
- How and when to use or accept an exemption certificate

Seminar dates, times, and locations, as well as registration information, is available on the Wisconsin Department of Revenue's [Sales and Use Tax Training web page](https://www.revenue.wi.gov/training/events.html).

<https://www.revenue.wi.gov/training/events.html>

The following sale tax articles were Taken from Wisconsin Tax Bulletin 190 – August 2015

Swimming Pool Cleaning and Maintenance Services Are Taxable

Swimming pools (both in-ground and above-ground) retain their character as tangible personal property for purposes of service, maintenance, and repairs, regardless of the degree to which they are affixed to real property. This means that charges for opening, closing, cleaning, maintenance, repairs, and other services performed to swimming pools are subject to Wisconsin sales tax. Persons in the business of performing such services must have a Wisconsin seller's permit and collect sales tax on the charges for these services performed in Wisconsin.

Sales and Use Tax Exemption For Fuel and Electricity Used in Manufacturing

The sale of fuel and electricity consumed in the process of manufacturing tangible personal property is exempt from sales and use tax. To claim the exemption, manufacturers must provide an exemption certificate, [Form S-211](#), *Wisconsin Sales and Use Tax Exemption Certificate*, to the supplier of the fuel and/or electricity. It may be necessary for the manufacturer to make a proration of the fuel and electricity used and claim exemption from tax on the percentage that is exempt.

Fuel and electricity consumed in manufacturing means only the fuel and electricity used to operate the machinery and equipment that is used directly in the step-by-step manufacturing process. Fuel and electricity used in providing plant heating, cooling, air conditioning, communications, lighting, safety and fire prevention, research and product development, receiving, storage, sales, distribution, warehousing, shipping, or advertising or administrative department activities does not qualify for exemption.

Taxable Sales and Services to Seasonal Docks, Floating Piers, Swim Rafts, and Other Similar

Property

Sales and rentals of seasonal piers, floating docks, swim rafts, and similar items that are removed each fall are subject to Wisconsin sales tax. Charges for installing or removing these piers, docks, and rafts are taxable. Charges for repairing, cleaning, maintaining, or providing other services to these items are also taxable. The sale of or service to an anchoring system for one of these items is a real property improvement (not taxable) if the anchoring system is permanently affixed to the real estate (that is, remains installed year-round). The charge for moving a seasonal pier, floating dock, swim raft, or similar item from one location to another is not taxable if no repair or other service is performed to that item.

Reminder: Football Stadium Tax Ends – Last Day September 30, 2015

If you make taxable sales in Brown County, the 5.5% sales tax rate you currently charge will change to 5% beginning

October 1, 2015. The football stadium tax will not apply to:

- Sales and purchases made after September 30, 2015
- Services billed after September 30, 2015

CHANGE IN TAX TREATMENT OF WATERSLIDES IN WATER PARKS

The sale and installation of a waterslide in a water park, including the waterslide flumes and the steel support beams that hold up the flumes, is the sale of a real property improvement. Previously, the department considered the waterslide flumes and steel support beams to remain tangible personal property when installed.

For further information go to <https://www.revenue.wi.gov/ise/sales/15-4.pdf>



~Upcoming Events~

2015 Fall Seminar and Annual Meeting

November 4 & 5, 2015

Paper Valley Hotel

Appleton, WI 54911

Hotel Rooms - \$99.00

Reserve by October 6, 2015-Code: NATP

Call for rooms Phone 1-800-395-7046

Speaker: C. Dale Boushley, CFP, EA

16 CPE Credits Including 3 for update & 2 for ethics

Topics:

- **Sale of Depreciable Assets and other Recapture Issues**
 - Sale of the business assets get more confusing with each tax bill. Was that Sec 1231, Sec 1245 Sec 1250 property and what about Sec 179 and bonus depreciation?
- **Business Use of an Automobile for Self-Employed and Employees**
 - The auto dealers keep telling our clients to call us to confirm leasing is better than buying. Is it? What questions do I need to ask to give an intelligent answer?
- **Client Data Security-An Ethical Issue**
 - As income tax preparers we have the same security obligations as "financial institutions" under the Graham-Leach-Bliley Act. The new Circular 230 also imposes client data security requirements.
- **Introduction to Reverse Mortgages**
 - What exactly is a "Reverse Mortgage"? How do they work and what are the income tax considerations?
- **Update Qualifying Child**
 - "Qualifying Child" just two simple words, but so many definitions. The requirements for a child to qualify as a dependent are not the same as head-of-household qualifier etc.....
- **Update and Other Tax Issues of Divorce**
 - Once the divorce decree is signed by the judge the work is not done.....

~Register ON-LINE NOW at~

<http://www.natptax.com/Chapters/Pages/WisconsinChapterEducation.aspx>



APPROVED
CONTINUING EDUCATION
PROVIDER

Accounting in the Cloud - The Journey Begins

Written by: Jann Kostecke

Most of my clients are not enthusiastic about changing anything. They are happy to stay in their paper-based world of bills, checks, deposit slips and overstuffed file cabinets. (I do live in the Paper Valley after all!) However, I am getting tired of using paper and being chained to my desk. I'm interested in running my business in the 21st century, and I'm pretty sure that if I save my clients enough time and money, I can get them on board with this too.

I am turning to cloud-based technology to help me be more efficient and more flexible. I have not begun using any of the following apps yet, but these are the ones I'm most interested in:

Xero - This is cloud-based accounting software that seems to do just about everything Quickbooks does except payroll. Xero has teamed up with another company for payroll named...

Gusto - Until last week, Gusto was called Zen Payroll. I personally like the old name better than "Gusto" (which reminds me of beer, not payroll) but some consultant must have convinced them that "Gusto" was a better name. (Consultants like action words.) I'm told that Gusto integrates well with Xero which is good if I decide to use Xero for a client with payroll.

Bill.com - Bill.com is an electronic bill-paying application that takes your bill payment from your software all the way into your bank so that when you pay a bill in Quickbooks or Xero, it will also tell the bank to send a check or pay the vendor electronically. Sounds good to me! I don't want to be paying bills in Quickbooks and then going into the client's bank and doing the same thing. Doing the same thing twice is just a mistake waiting to happen. Bill.com also has accounts receivable features that allow your client's customers to pay electronically and you or your client can set up automatic reminders to encourage more timely payment. It sounds like this could be a good selling point for clients and a time-saver too.

What about Quickbooks? I love Quickbooks except that the bells and whistles that allow you to do the same things as these apps seem really expensive to me. Plus, Quickbooks Online has had a few problems. Maybe these Quickbooks solutions are just as good but I am not impressed with how Intuit has handled their Online product and I'm afraid of recommending it to my clients.

Why am I telling you this? Because it is really hard to know how well these applications work in the real world by talking to a software salesperson. The skills of software salespeople seem to be heavy on "sales" and slim-to-none on "accounting", at least in experience.

Is there anyone else out there who has experience with any of these applications and would be willing to share with me?. Please let me know (jann@kosteckecpa.com) If you are also interested in trying out the cloud, send me a note! Stay tuned, I'll let you know what I learn.

Nominations for Board of Directors

Mark J. Miller, CPA Biographical Information

Mark is a Sole Practitioner in Sheboygan, Wisconsin, having begun his practice in 1985. He attended Lakeland College and earned his Certified Public Accountant designation in 1987. His practice includes serving both individuals and small businesses, as well as Financial Advising. He serves in many organizations including the Sheboygan County Chamber of Commerce, Sheboygan Noon Optimist Club and WINUM District Optimists, Lakeland College Alumni Association, Friends of the Senior Activity Center of Sheboygan, and previously served 6 years with the WI Chapter National Association of Tax Professionals.

Vickie Zukaitis Biographical Information

I am married, 4 children, and 3 grandchildren. I have been preparing taxes since 1998. In 1980 I started my own business - Northtown Tax & Acctg Service. In 2007 I brought in a partner. We are a full fledged accounting and income tax preparation firm. Our business purchased a 100 year old building last year and did extensive renovations to it. It is a beautiful office space that will allow us further room for expansion. I am currently on the board and vice president. This experience has been fulfilling and a learning experience. I wish to continue with this endeavor. I am always available to answer questions you may have or ideas that may help the WI Chapter improve the services provided to you.

Mark Your Calendars **NOW**

~ Nov 4 & 5, 2015 Fall Conference & Annual Meeting
Dale Boushley
Appleton ~ 25th Anniversary of WI NATP

IMPORTANT REMINDER

Seminar attendees, please bring your PTIN. We are now required to have that number to credit your PTIN account for the CPE credits earned.

WELCOME NEW WI NATP MEMBERS!

Carol Alt
Shirley Bruggenthies
Lawrence Ehren
Mark Hanson
Joseph Jester
Johanna Linton
Jill Murphy
Rip Pretat
Sheldon Rock
Jerry Sparkman
Joel Wiggers

Susan Arnoldussen
Donna Dhein
Bradley Gay
Melissa Hill
Susan Kirsch
Amy Miron
Sandra Pawelski
Ron Rehberg
Wendy Rognlien
Sabrina Stricker
Nicolle Wilson

James Bradach
Brendan Drunasky
Celina Dawn Growel
James Hockenberry
Jerry Lemke
Ellen Murphy
Derek Plum
Mark Ricci
Nelson Soler
Jayson Werra



2015 WI Chapter of NATP Board Members Listing

President – Barb Steponkus, EA

Vice President – Vickie Zukaitis

Secretary - Janet Jentsch

Treasurer - Joann Olson, EA

Region 1

JoAnn Olson, EA (2015)

Julie Kendhammer (Director at Large, 2016)

Region 2

Linda Lueck, EA (2017)

Barbara Steponkus, EA (2017)

Region 3

Jenny Stroetz (2016)

Rose Myers, CPA (2017)

Region 4

Mary Lloyd-Jones, EA (Direct At Large, 2015)

Jann Kostecke, CPA (2016)

Region 5

Janet Jentsch (2016)

Sharon Hafemann (Director at Large, 2015)

Region 6

Vickie Zukaitis, (2015)

Frank Becerra (2017)

Committee Members

Brad Droste, EA

Carol Huf

Mark Miller, CPA

Newsletter Coordinator:

Tina Heinrich

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Board Meetings

2015 ~

Nov 3, 2015 ~ Appleton, WI

WI NATP Classifieds

Are your clients looking for a way to lower their health care costs and tax liability?

Save your small business owner clients an average of over \$5,000 a year with our fully IRS, Department of Labor, and ERISA compliant tax-advantaged benefit solutions.

BizPlan
NOW

FlexSystem

AgriPlan
NOW

www.tasconline.com

Contact Jim Yinko Today!

Phone: 608.268.8848 Email: Jim.Yinko@tasconline.com

HELP WANTED:

Services Offered:

The WI NATP Newsletter is published four times a year. When considering an entry for the newsletter, please be aware of the following deadline cut offs for getting in your articles or classifieds:
December 11, 2015

Photos or videos may be taken by WI NATP staff during the event for WI NATP use only. By attending the event, your photo or video may be used in future NATP publications, promotions or on our website.

Advertising Rates:

Classified Ad - \$10 per forty Words (\$10 minimum) Standard text at 12-14 font size. 50 cents per additional word after forty. 20% Discount for WI NATP Members

Business Card Size Ad: (2"x3.5") Horizontal or vertical placement
\$40 Each Placement (\$10 discount if paid in full for a whole year of placement)
50% Discount for WI NATP Members

Quarter Page Size Ad: \$80 Each Placement (\$10 Discount if paid in full for a whole year of placement)
50% Discount for WI NATP Members

Half Page Size Ad: \$140.00 Each Placement (\$10 Discount if paid in full for a whole year of placement)
50% Discount for WI NATP Members

** Add a photograph to any ad for an additional \$3 charge

To place an ad: Contact Tina Heinrich by Email at abctina@sbcglobal.net or phone at 262-248-9037