



Tax Report

Created Especially for Members of Wisconsin NATP

Winter 2015/2016

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PRESIDENT'S MESSAGE

Well we made it through our brown Thanksgiving and Christmas season. Now we need to start planning for the coming tax season.

Our chapter's 25th anniversary year is coming to a close. At the fall seminar we gave each attendee a WI messenger bag in honor of that event. We do have extras so if you would like to buy one, please contact Linda Lueck, our education chair. Also at the fall seminar Dale Boushley of Arizona was our speaker. Some of his topics were reverse mortgages, divorce, 4797, business use of auto, sale of personal residence, and qualifying child. Each of his presentations was well received by the attendees. We also had a hospitality room on the evening between the two days that had many of the members gathering for some good food, great conversations and door prizes. Our national representative this year was the president of the national board Jean Millerchip.

At the annual meeting, the members elected Mark Miller of Sheboygan and William Anderson of Bloomer and re-elected Mary Lloyd Jones of Spring Green and Vickie Zukaitis of Port Washington.



The newly elected Executive Committee is Mark Miller as President, Jann Kostecke as Vice-President, Janet Jentsch as Secretary, and Jenny Stroeze as Treasurer. Please welcome them all and give your support to their leadership. Thank you also to the outgoing board and executive committee members for their time.

Plans are underway for our spring seminar which will highlight a team teaching of Kathryn Keane of Brooklyn and Randy Lawshe of Louisiana. They both are excellent speakers with lots of knowledge and interesting presentations with many real life examples. Again we would like to thank Jaye Tritz of Twin Lakes for donating the speaker fees for this conference.

Thinking ahead to summer, the national conference will be held in Indianapolis on August 9-12. If you have thought about attending a national conference this would be a good one since this location is closer and the travel expense would not be as great. The topics are always pertinent and the speakers excellent. Plus there is the camaraderie of meeting other tax professionals from around the country and sometimes other countries.

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 will have openings on the board in regions 1, 3, 4, and 5. 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. The by-laws committee is going to be looking into elimination of the regions. If you have any comments or concerns about this proposal, please contact a board member.

This is my last message as president as I have accepted a call to fill an unexpired term on the national board of directors but I will continue to serve on the state chapter board. Thank you to all the board and committee members who helped make my years as president a memorable time. Thank you also to all you members who have attended our educational events.

Good luck to all in the upcoming tax season. At least Congress finally acted and made some of the extenders permanent (or as permanent as anything is in taxes). Remember IRS will start accepting returns on January 19 and Wisconsin also will not accept returns until that day also.

Barbara Steponkus - President 2015

.....and a word from our new Chapter President, Mark Miller

WI NATP 2016 President's Message – Mark J Miller

Happy New Year! And welcome to another “busy” season in our chosen industry!!!

SAVE THE DATE: June 7th – Spring Conference – more details as we get closer.

As the new 2016 Chapter President, I want to thank you for your support and participation in Chapter events. It's about you, the members, that we do what we do. Looking forward to seeing many of you at upcoming events!

Have a busy and prosperous tax season!

Wisconsin Tax News

The following updated article and publication are available on the Department of Revenue's website:

- [Wage and Information Reporting Requirements for Payers](#)

Visit: <https://www.revenue.wi.gov/taxpro/news/2015/151030.html>

Wisconsin Withholding Tax Update

The [November 2015 Withholding Tax Update](#) has been posted to the department's website.

Current withholding rates, calculation methods, and tables remain in effect for 2016

<https://www.revenue.wi.gov/ise/with/15-1.pdf>

Wisconsin Sales Tax News

Copies of Paper Medical Records No Longer Taxable

Taken from the October WDOR Tax Bulletin

As a result of the decision by the Wisconsin Tax Appeals Commission in *Cannon & Dunphy, S.C. vs. Wisconsin Department of Revenue*, sales of paper copies of patient health care records (medical records)

are no longer subject to Wisconsin sales or use tax if the medical records are sold to the patient or to a person authorized by the patient to receive the medical records.

Change in Tax Treatment of Waterslides in Water Parks

Taken from the October WDOR Tax Bulletin

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

The sale of a real property improvement in Wisconsin is not subject to sales tax. A contractor that purchases waterslide materials and installs them in a water park is the consumer of all materials and supplies that it uses in making the real property improvement and is liable for tax on its purchase of such materials and supplies (e.g., flumes, support beams that hold up the flumes, supports, concrete, bolts).

Fall Farm Events May Be Subject to Sales Tax

Taken from the October WDOR Tax Bulletin

Charges for admission to an amusement, athletic, recreational, or entertainment event or place or for access to or

the use of an amusement, athletic, recreational, or entertainment device or facility are taxable.

Examples of taxable charges for admission include fees for:

- The right to access land to hunt wild animals
- The right to hunt on a game farm
- The right to access horse riding trails
- Riding a horse
- Hayrides
- Attending a Halloween "fright night" event
- Access to a corn maze
- Access to playground equipment
- Access to petting zoos
- The right to use a campsite
- The use of a facility to hold a wedding dance/reception or birthday party

The sale of tangible personal property is also taxable, including sales of the following:

- Flowers, holiday trees, and other decorative trees, plants, or shrubs
- Food and food ingredients for human consumption that are candy, soft drinks, dietary supplements, or prepared food
- Farm produce that is not intended to be consumed by humans (e.g., items sold for pet or animal food) and food items that have been decorated, such as painted gourds or pumpkins
- Alcoholic beverages (more than 0.5% alcohol by volume), such as hard ciders and wine
- Pumpkin carving kits

Sales of the following products are not taxable:

- Unprocessed farm produce for human consumption (e.g., pumpkins, potatoes, squash, onions, apples, pears, popcorn, raw nuts)
- Uncooked meats and poultry sold for human consumption
- Other food or food ingredients that are not candy, dietary supplements, soft drinks, or prepared food

Winterizing (Dewinterizing) Vacation Homes, Cabins, and RVs

Taken from the October WDOR Tax Bulletin

Winterizing services for a vacation home or cabin that consist of the following are not taxable (this list is not all inclusive):

- Draining water from a water heater.
- Opening water faucets to allow water to drain.
- Blowing air through the water lines and drain pipes to drain the water.
- Putting antifreeze in water lines, drain pipes, and toilets to prevent freezing of water left behind after draining.
- Installing temporary storm windows or plastic sheeting on the windows.
- Cleaning gutters.

Holiday Tree Sales

Sales of holiday trees and wreathes, whether live, cut, or artificial, are subject to sales tax, unless an exemption applies. A nursery or person in the business of tree farming may purchase the seedlings or trees without tax, for resale, by providing the vendor with a fully completed exemption certificate.

Fishing and Hunting Guide Services

Fishing and hunting guide services are subject to Wisconsin sales tax when the guide provides equipment or access to land or a waterway that the customer would not otherwise have access to. Guide services, by themselves, are not taxable.

The guide must pay tax on his or her purchase of equipment used in providing the guide services. If the guide pays another party for admission to hunting land and the guide's *only* use of the land is to provide guide services for a fee, the guide may provide the owner of the hunting land with a fully completed exemption certificate (Form S-211) claiming resale. If the guide also uses the land for his or her own hunting, the exemption does not apply.

B books
E education
N new friends
E e-mail alerts
F free tax question
I information
T tax research
S seminars

O office materials
F form worksheets

N newsletters
A affiliates
T tax supplies
P publications

IRS News

IRS NEWS FOR TAX PROFESSIONALS

December 2015

Joan Jeselun - Senior Liason for the IRS

► AFFORDABLE CARE ACT

Understanding Your Form 1095-B, Health Coverage. Form 1095-B, [Health Coverage](#), is used to report certain information to the IRS and to taxpayers about individuals who are covered by minimum essential coverage and therefore aren't liable for the individual shared responsibility payment. By January 31, 2016, health coverage providers should furnish a copy of Form 1095-B, to you if you are identified as the “responsible individual” on the form. Read the article for more information about the “responsible individual”.

<https://www.irs.gov/Affordable-Care-Act/Individuals-and-Families/Understanding-Your-Form-1095B>

Understanding Form 1095-C, Employer-Provided Health Insurance Offer and Coverage:

Employers with 50 or more full-time employees, including full-time equivalent employees, in the previous year use Form 1095-C, Employer-Provided Health Insurance Offer and Coverage, to report the information required about offers of health coverage and enrollment in health coverage for their employees. Form 1095-C is used to report information about each employee. Individuals who worked for multiple employers that are required to file Form 1095-C may receive a Form 1095-C from each employer.

<https://www.irs.gov/Affordable-Care-Act/Individuals-and-Families/Understanding-Form-1095C>

Three Tax Considerations during Marketplace Open Enrollment: When you apply for assistance to help pay the premiums for health coverage through the [Health Insurance Marketplace](#), the Marketplace will estimate the amount of the [premium tax credit](#) that you may be able to claim. The Marketplace will use information you provide about your family composition, your projected household income, whether those that you are enrolling are eligible for other non-Marketplace coverage, and certain other information to estimate your credit. Read the article for three things you should consider during the Health Insurance Marketplace Open Enrollment period.

<https://www.irs.gov/Affordable-Care-Act/Individuals-and-Families/Three-Tax-Considerations-during-Marketplace-Open-Enrollment>

► ACA for Applicable Large Employers

Publication Helps Health Coverage Providers and Employers Understand ACA Information Return Electronic Filing. Health coverage providers and applicable large employers – and those assisting them in preparation for electronically filing the 2015 health care information returns - need to understand the IRS ACA Information Return electronic filing process. Publication 5165, [Guide for Electronically Filing Affordable Care Act Information Returns for Software Developers and Transmitters](#), outlines the communication procedures, transmission formats, business rules and validation procedures for returns transmitted electronically through the AIR system.

<https://www.irs.gov/Affordable-Care-Act/Employers/Pub-Helps-Coverage-Providers-Employers-Understand--ACA-Info-Return-EFiling>

► ACA Resources from the IRS and other agencies

Consumer Guide for Annual Household Income Data Matching Issues:

<https://marketplace.cms.gov/outreach-and-education/household-income-data-matching-issues.pdf>

This is a guide to help you understand how the Marketplace uses annual household income to decide whether you qualify for help paying for health coverage through the Marketplace.

- [Health Care Tax Tips](#) help you stay informed about ACA topics
- [ACA Information Center for Tax Professionals](#)
- Keep up-to-date on the latest ACA news by visiting our [What's Trending](#) page.
- [Affordable Care Act Legal Guidance and Other Resources](#)

► IDENTITY THEFT

IRS Tests W-2 Verification Code for Filing Season 2016:

<https://www.irs.gov/Individuals/IRS-Tests-W-2-Verification-Code>

For filing season 2016, the Internal Revenue Service will test a capability to verify the authenticity of Form W-2 data. This test is one in a series of steps to combat tax-related identity theft and refund fraud. The objective is to verify Form W-2 data submitted by taxpayers on e-filed individual tax returns. The IRS has partnered with certain Payroll Service Providers (PSPs) to include a 16-digit code and a new Verification Code field on a limited number of Form W-2 copies provided to employees. For the purposes of the test, omitted and incorrect W-2 Verification Codes will not delay the processing of a tax return. The IRS will analyze this pilot data in a “test-and-learn” review to see if it is useful in evaluating the integrity of W-2 information.

IRS, States, Industry Continue Progress to Protect Taxpayers from Identity Theft:

<https://www.irs.gov/uac/Newsroom/IRS,-States,-Industry-Continue-Progress-to-Protect-Taxpayers-from-Identity-Theft>

A public-private sector partnership announced success in identifying and testing more than 20 new data elements on tax return submissions that will be shared with the IRS and the states to help detect and prevent identity-theft related filings. Known as the **Security Summit**, the unprecedented collaborative effort began in March and culminated in the development of several recommendations in June between the IRS, leaders of tax preparation and software firms, payroll and tax financial product processors and state tax administrators.

In [Announcement 2015-22](#) the IRS states that **the value of ID theft services is not taxable income if it is received in connection with a possible data breach**. Therefore the value of these services is not reportable on either Forms W-2 or Forms 1099.

► EMPLOYERS

General Employment Tax Issues.

<https://www.irs.gov/uac/Newsroom/General-Employment-Tax-Issues>

The IRS reminds business owners how critical it is to understand the various types of employment-related taxes they may be required to deposit and report. This fact sheet provides

information on some of the more common employment tax topics posed by business owners, including:

- Worker Classification
- Voluntary Classification Settlement Program
- Fringe Benefits
- Officer Compensation
- Backup Withholding and Information Return Penalties

► YOUR PRACTICE

Tax Return Preparers: Data Thefts and Protecting Client Tax Information:

<https://www.irs.gov/uac/Newsroom/Tax-Return-Preparers:-Data-Thefts-and-Protecting-Client-Tax-Information>

Tax return preparers are prime targets for identity thieves who seek data to use on fraudulent tax returns. The IRS recommends preparers create a security plan. [Publication 4557](#), Safeguarding Taxpayer Data, offers many helpful suggestions including a check list.

What Can I Do to Protect my EFIN and PTIN?

<https://www.etc.irs.gov/Tax-Preparer-Toolkit/Protect-Yourself>

Keep yourself and your practice safe from fraud. We have found unauthorized uses of EFINs, Electronic Filing Identification Numbers, and PTINs, Preparer Tax Identification Numbers.

IRS Reminds Tax Return Preparers of Limited Practice Changes and Announces Revised PTIN Fee:

<https://www.irs.gov/uac/Newsroom/IRS-Reminds-Tax-Return-Preparers-of-Limited-Practice-Changes-and-Announces-Revised-PTIN-Fee>

Effective for tax returns and claims for refunds prepared and signed after Dec. 31, 2015, the limited right to represent clients before the IRS held by non-credentialed preparers will be accorded to only those preparers participating in the IRS [Annual Filing Season Program](#), a voluntary continuing education (CE) program. The changes in the limited representation rules have no impact on returns prepared and signed by non-credentialed preparers on or before Dec. 31, 2015.

Check out this new YouTube video: [AFSP Final Steps: Consenting to the Circular 230 Requirements and Printing Your Record of Completion](#)

<https://www.youtube.com/watch?v=aBhJ9PTkG-0>

Contact the Return Preparer Program

PTIN Account Information Line - Toll-Free: 877-613-PTIN (7846)

Hours of Operation: Monday - Friday, 8:00 a.m. - 5:00 p.m. (CST)

Online Seminars from the 2015 IRS Nationwide Tax Forums are Now Available.

<https://www.irs.gov/uac/Newsroom/Online-Seminars-from-the-2015-IRS-Nationwide-Tax-Forums-are-Now-Available>

Tax professionals can earn continuing education credits online through seminars filmed at the 2015 IRS Nationwide Tax Forums. The 13 self-study seminars now available on the [IRS Nationwide Tax Forums Online \(NTFO\) site](#) <http://www.irstaxforumsonline.com/> provide information to participants using interactive videos, PowerPoint slides and transcripts.

► NEWS FROM OTHER AGENCIES

SBA: **Do Year-End Tax Planning Now**: It's that time again for owners to think about taxes. It may not be the most enjoyable endeavor of the year but it's certainly one that will put money in your pocket. The sooner you get started, the more opportunities you'll have and the less stressed you'll be. [Here](#) are some basic planning ideas that you can use now to improve your tax picture for the year. <https://www.sba.gov/blogs/year-end-tax-planning-now>

[The U.S. Treasury Department has introduced myRA](#), a retirement savings account for individuals looking for a simple, safe, and affordable way to save for their retirement. Over thirty percent of all American households have no retirement savings. myRA provides a way to start saving for retirement. Designed for people who don't have access to a retirement savings plan through their job, myRA offers a favorable choice for those who want to save for retirement. With myRA:

- There's no cost and no fees to open and maintain an account;
- The investment will not lose money;
- U.S. Treasury backs the investment;
- Account owners choose how much to save (\$2, \$20, \$200 – whatever fits their budget);
- If account owners change jobs, the account stays with them; and
- Account owners can withdraw the money they put in without tax and penalty

Learn more about myRA at <https://myra.gov/>

The [Issue Management Resolution System](#) helps solve issues with policies, practices and procedures. Tax professionals should forward significant issues regarding IRS policies, practices and procedures to their Stakeholder Liaison.

[Outreach Corner](#). Find it easy to spread the word about key income tax topics! This page offers electronic communication materials to use in reaching out to the people you serve. Get free news you can use each month, targeted by time of year to coincide with what your customers, employees, volunteers, etc. need to know about new tax law legislation, IRS events and other activities that affect them.

[Industries/Professions Tax Centers](#). Tax Centers contain links to topics such as tax tips, financial resources, trends and statistics, forms, and more.

[Audit Techniques Guides \(ATGs\)](#)

Audit Techniques Guides (ATGs) help IRS examiners during audits by providing insight into issues and accounting methods unique to specific industries. While ATGs are designed to provide guidance for IRS employees, they're also useful to small business owners and tax professionals who prepare returns.



Mark Your Calendars NOW

June 6th ~ WI NATP Board Meeting

June 7th ~ Spring Seminar featuring speakers
Kathryn Keane ~ Brooklyn
Randy Lawshe ~ Louisiana

August 9-12 ~ NATP National Conference
Indianapolis, IN

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!

Amber Stroschin
Betty Boehme-Cavanaugh
David Shaw
Dennis Ansay
Elizabeth Adelmeyer
John Everett Stuber
Kathleen Guzikowski
Michael Hermanson
Michelle Gross
Shannon Bubolz
Yvonne Fercy

Angela Curtis
Carol Martalock
David Van Straten, II
Dennis Priebe
Erica Bothe
Julie Ann Sorenson
Kay Englebert
Michael Holtz
Renee Berg
Stacey Lull

Anna Lautenbach
Cindy Osenga
Dawn Grode
Dionne Wolter
Gretchen Vickney
Karen Kearney
Mark Zlevor
Michael Nowatzki
Ruth Trafton
Tom Yungwirth



2016 WI Chapter of NATP Board Members Listing

Region 1

2018: William G Anderson
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Cell (715) 456-5123

bill@anderson_accounting.com

2016: Julie Kendhammer (Director at Large)
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julie@juliestaxservice.com

Region 2

2017: Linda Lueck, EA
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linda54650@yahoo.com

2017: Barbara Steponkus, EA
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Region 3

2016: Jenny Stroetz
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2017: Rose Myers
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Region 4

2016: Jann Kostecke, CPA
Jann Kostecke CPA LLC
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Appleton WI 54914
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jann@kosteckecpa.com

2018: Mary Lloyd-Jones (Director at Large)

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Region 5

2016: Janet Jentsch
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2018: Mark Miller CPA
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Region 6

2017: Frank Becerra
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2018: Vickie Zukaitis
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Officers for 2015

President: Mark Miller, CPA
Vice-President: Jann Kostecke
Secretary: Janet Jentsch
Treasurer: Jenny Stroetz

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Committee Assignments for 2015: (Committee Chair is Underlined)

Executive Committee: the four officers

Nomination Committee: Rose Myers, Janet Jentsch, Bill Anderson

Bylaws Committee: Barb Steponkus, Frank Becerra

NATP Relations & Government Relations: Vickie Zukaitis,

Education: Linda Lueck, Jann Kostecke, Barb Steponkus, Sharon Hafemann

Site: Julie Kendhammer, Jenny Stroetz, Rose Myers

Audit Committee: Mary Lloyd-Jones,

Membership, Public Relations (Welcome New Members): Mary Lloyd-Jones,

Vendors: Frank Becerra, Vickie Zukaitis

Communications, Website and Newsletter: Tina Heinrich, Jenny Stroetz

Scholarship Committee: Carol Huf

Chapter of the Year: Janet Jentsch

National Seminar: Janet Jentsch, Linda Lueck

Awards: Vickie Zukaitis, Jann Kostecke

Board Meetings

2016~

June 6, 2016

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

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:

April 20, 2016

June 28, 2016

Sept 21, 2016

Dec 14, 2016

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