E-News

New York Chapter of NATP
Monthly Newsletter

July 2025

NY NATP

NYS Sales Tax Webinar Series

Registration is now available! See page 3 for more information!

Please note: Registration will be unavailable from July 28-30th due to system maintenance.

Interested in Multiple webinars? We have package discounts available.

State Office Hours and What We Can Do for You

Off Season Hours

Monday thru Thursday 10 AM to 5 PM

We can only answer NY based questions.

Email NewYorkNATP@gmail.com

Call 800-822-3260

Want to attend our 2025 Fall Series for Free? Apply for the Wendy Loomis Memorial Scholarship Award (Application at end of newsletter)

NY NATP has set up a scholarship award in the memory of Wendy Loomis. The chapter will offer this scholarship for the year 2025. The award offers two (2) winners each a Full One Day Registration to our 2025 Fall Series Class with a printed copy of the textbook. The winners will have a choice of Day 1 or Day 2 class of our 2025 Fall Series. In order to be eligible for this award the candidate must be a NYS member in good standing with NATP. Payment will be made directly to NATP on behalf of the recipient. **Please return this application before September 1st, 2025**, Application is at the end of this newsletter.

New York Chapter
NATP
National Association of Tax Professionals

New York State Chapter of NATP
PO Box 3140
Binghamton, NY 13902

Phone 800-822-3260
Fax: 888-906-5868

NewYorkNATP.com

This Month's Issue

Contributors:

Kathryn M. Keane, EA
Christina Parisi
Larry Kessler, EA

Best Reasons for Good Client Communications (for you AND Your Client)
Written By Larry Kessler, EA

If you are not communicating with your clients, it could come back to hurt you, or your client. Regular communications with clients not only builds and secures a strong relationship, but keeps you informed about what the clients are doing in "real time".

Believe it or not, it makes your clients feel comfortable and gives them a sense that you genuinely care about them and their business, even if that is just a call while you are sitting in traffic to say you just wanted to check in and see if they have anything that they might want to discuss. This leads to many openings for the accountant / tax preparer to make suggestions that might be too late if discussed right before April 15th.

Examples of some suggestions that I have found to be important for different reasons for different clients are as follows:

The client struggling to pay sales tax at the end of the quarter liked the idea of making "voluntary" monthly payments to keep cash flow at a consistent rate every month. Obviously, some clients are required to file and pay monthly, but for some small business owners, paying quarterly often is a struggle to come up with a large amount at the end of any given quarter.

I have also had very difficult conversations with clients trying to explain that paying cash to "off the books" employees, that it would be far better for the business owner (as well as the "off-the-books" employees) to deposit the cash and pay everyone on the books as normal payroll. It takes some clients a long time to realize that declaring the cash and picking it up as income, is offset by the deduction of the on-the-books payroll and the payroll taxes (not to mention that it is the correct, and only way to do this). Once they realize that they are not really saving money by doing it wrong, it makes it easier to transition them to doing it right.

Side note to this is that more and more businesses are taking in less and less cash and have no way to get cash out of the business to pay the off-the-books people. I've seen business owners taking checks to "petty cash" for over a thousand dollars a week ($52,000 a year) to pay off the books employees. Then when it comes time to prepare the tax return, you ask for the "receipts" for all the petty cash, and when they cannot provide receipts, you have to tell them that it is taxable income to them when it could have been a deduction. If you can find a way to implement this, both you, and your client will sleep better at night.

I have had new clients come to me who started businesses out of their homes (or parents' homes) where they are making jewelry and selling it online or at local fares or on the Boardwalk, with zero receipts and no bookkeeping skills. LLCs are formed through Legal Zoom (and in NY, sometimes incorrectly, because Legal Zoom does not explain to them that in NYS "publishing" is required or the LLC in invalid). In one case like this, I gave the client an Excel spreadsheet to fill in every month showing the individual sale, the date of the sale, the NYS county the item was shipped to, the cost of that item, and if sales tax was collected or (as usual) included in the total price of the item. This system gives the client a sense of how much they made on each item and gives the tax preparer a record of sales and at minimum, cost of goods sold so the Schedule C at least matches the sales tax returns filed.

If a client has a very profitable Schedule C business, knowing this during the year, instead of during tax season, also gives you the opportunity to suggest tax savings by setting up a SEP and to fund it during the year as opposed to coming up with a large sum of money all at once just at tax time, when they also likely owe a chunk of cash to the IRS and the state (even though you suggested raising their quarterly estimates every quarter, but they balked because they "had to pay rent", or "had to pay sales tax", or any number of the other excuses that clients come up with to kick the tax can down the road and get stuck on April 15th).

Good communication with new or potential clients is crucial BEFORE taking on a new client as well. I had someone come into my office with copies of the last three years of business and personal tax returns for a meeting on WHETHER I WAS GOING TO ACCEPT THEM AS A CLIENT OR NOT. Understand the dynamic here. The client came to me thinking he was interviewing me so he could hire me as his accountant, but I immediately turned that around to WAS HE QUALIFIED TO BE MY CLIENT.

In one case, the client was paying rent on THREE (3) storage units but showed ZERO (-0-) inventory on the tax returns. When questioned, he could not come up with a valid answer as to what his inventory numbers were and finally said "we sell everything out before the end of the year so we can start fresh". He was also living in a NYS county where his real estate taxes and mortgage interest alone were more than he was claiming to make during the year. When I politely pointed this out to him, the response I got was "we've been doing it this way for over 10 years, and haven't gotten caught yet; why should we listen to you?", where at that point in time, I politely agreed with him, shook his hand and told him maybe he should stick with his prior accountant or find someone else, but I couldn't help him.

You have to be willing to NOT take on a client that you know is doing something wrong and is not willing to change his or her ways. Had that client said to me that he didn't understand what the old accountant was doing and did not want to continue putting himself in Red Flag Audit territory, the meeting may have ended differently, and I may have taken him on as a client. One day soon, he may get that letter, or knock on the door, and say to himself, "oops, should have taken that guys advice".

Continued…

Best Reasons for Good Client Communications (for you AND Your Client) Continued
Written By Larry Kessler, EA

If you have clients that are contractors, you MUST communicate (I find monthly badgering works best) that they MUST have properly filled out and signed Certificates of Capital Improvements or they WILL BE RESPONSIBLE FOR SALES TAX THAT THEY DIDN'T EVEN COLLECT when NYS comes in and asks to see the forms.

This point is also true (even more so) for clients who need to have resale certificates for sales that are not taxed. The client MUST be made aware that any error, missed check box, or unsigned, resale certificate will only cost them sales tax (plus interest and penalties) on sales tax that they didn't even collect.

In NYS most (if not all) of the payroll companies are not telling clients that they need to have either an ANNUAL Form LS-54 for every employee, or a new LS-54 whenever any employee's wages or salary changes. The NYS Department of Labor has the LS-54 in many languages right on their website, and IT IS REQUIRED FOR EVERY EMPLOYER IN NYS.
This is SO REQUIRED that the Department of Labor will penalize the business $100 per week, per employee, per year (up to $5,000 per employee) for not having one of these SIGNED forms in the employer's employee file, for each and every employee. Each client should be encouraged to conduct "self-audits" to assure that every employee file has one of these forms in it at least every single year. I also think that there is a look back period of up to 3 years, so a client with 10 employees, not realizing that these forms need to be in a drawer somewhere on the premises could face $150,000 Department of Labor penalty (and saying you didn't know about a law that took effect April 9th of 2011 will not be a valid excuse that the Department of Labor will accept). Simply download the form (https://dol.ny.gov/system/files/documents/2022/09/ls54.pdf) and force your clients to get every employee to sign it every single year!

"Touching base" with clients and talking to them about their business on a regular basis (certainly more than once a year during tax season, when you are most busy with the least amount of time to just "catch up") is essential for running a good accounting and tax practice.

It also is surprising how many of these "just called to say hi" calls, have resulted in a client saying that they were just talking to a friend who might need the services of an accountant or tax preparer who cares enough just to call and say hi (even if you are just sitting in traffic and need an excuse not to fall asleep behind the wheel – and when I am driving home at 11 o'clock at night, I call my client's on the west coast, just as they are finishing dinner – it works!).

The NY Chapter Education Committee met in Albany, NY in early June to work on the Fall 2025 and Summer 2026 Education programs.

Interested in getting involved? Contact NewYorkNATP@gmail.com

NY NATP 2025 Sales Tax Webinar Series

Instructor Edward Arcara, CPA

NYS Sales & Use Tax: Overview July 30th 2-4PM EST

- Who should register to be a New York State sales tax vender and why.
- When to file your New York State sales tax reports based on the amount of tax you have collected.
- What goods or services are subject to New York State sales tax.
- The concept of Use Tax.
- What is the basis on which sales tax is calculated.
- What the difference is between an Exemption vs. Exclusion
- NYS Sales & Use Tax: Contractors

NYS Sales & Use Tax: Contractors August 6th 2-4PM EST

- Who is considered a contractor.
- The difference between a General Contractor and a Subcontractor
- What is the difference between an improvement vs. what a repair is.
- Who should be paying the sales tax? Contractor or Customer?
- The concept of who is the end user of the sale or service.
- What exemption forms should be used.
- NYS Sales & Use Tax: Manufacturing

NYS Sales & Use Tax: Manufacturing August 13th 11AM to 1 PM EST

- What is considered manufacturing
- What is the production process
- What types of purchases are exempt from sale tax.
- What type of services are exempt from sales tax.
- The use of parts and tools during the manufacturing process.
- NYS Sales & Use Tax: NYS Sales Tax Audits

All webinars will be available on demand shortly after the live broadcast

PLEASE NOTE: YOU CANNOT GET FEDERAL CPE CREDIT FOR A STATE TOPIC, THIS IS A STATE TOPIC, THEREFORE NO FEDERAL CPE IS AVAILABLE FOR ANY OF THESE SALES TAX WEBINARS

NYS Sales & Use Tax: NYS Sales Tax Audits August 27th 11AM to 1 PM EST

- How entities are selected for audit.
- The types of audits (desk vs. field audit).
- What are the two areas that are the focus of a sales tax audit.
- What is a "test period" review and what are the key issues.
- What recourses are available if you disagree with the audit findings.
- NYS Sales & Use Tax: Bulk Sales & Other Items

NYS Sales & Use Tax: Bulk Sales & Other Items September 3rd 11AM to 1 PM EST

- What is considered a bulk sale
- What is the form number to be filed
- Who is required to fill in this form
- When and where is this form required to be filed
- Why is this form required and what are the ramifications of not filling this form
- What information is required to file this form
- Who is considered a Responsible Person

Pricing

Webinars are $75/each

Buy Any 3 of 5 for $195*

Buy All 5 for $295*

*Attendee must pay full price ($75 each) for webinars, and AFTER webinars are completed, send proof of payment to the chapter. Once confirmed we will then reimburse the cost

Reimbursement is $30 for 3/5 package or $80 for All 5 package

To Register or For more information please visit:

https://www.natptax.com/Chapters/Pages/NewYorkChapterEducation.aspx

NY NATP 2025 Summer Series

Instructor Kathryn M. Keane, EA

Day One: Preparing S Corporation Returns (8 CE)

Seminar begins at 8 AM EST

Many tax professionals are expanding their client base to include business clients. As a result, they need to know how to prepare a tax return for an S corporation, which is a common tax classification. This course is designed for tax professionals who are new to preparing S corporation tax returns. The course material explains how to become an S corporation and guides tax professionals through Form 1120-S, *U.S. Income Tax Return for an S Corporation*, and its accompanying schedules. We begin with an example, and as the text progresses, we apply the course material to the example and finish with a completed Form 1120-S.

Objectives

- Determine which businesses are eligible to be an S corporation
- Make a valid S election by filing Form 2553, Election by a Small Business Corporation
- Summarize the tax consequences of transferring property or services to an S corporation in exchange for stock of the corporation
- Choose a tax year and accounting method for an S corporation
- Explain how to report S corporation items on Form 1120-S and Schedule K-1
- Summarize the unique fringe benefit rules for more-than-2% shareholders
- List income and expense items that differ for book and tax purposes

Locations and Dates

Tarrytown- August 5-6, 2025
Sheraton 600 White Plains Rd Tarrytown, NY 10591

Westbury- August 7-8. 2025
Viana Hotel 3998 Brush Hollow Rd Westbury, NY 11590

Waterloo (Syracuse/Rochester Area)- August 11-12, 2025
Del Lago 1133 Route 414 Waterloo, NY 13165

To Register or For more information please visit:

https://www.natptax.com/Chapters/Pages/NewYorkChapterEducation.aspx

Day Two: NY NATP Summer Series Day 2 S Corp Topics (8 CE)

Seminar begins at 8 AM EST

This session touches on a variety of S Corp topics including Reasonable Compensation for Shareholders, Tax Implication of Built-in gains (BIG) Tax, Changes in S Corporation Stock Ownership, S Corporation Liquidations, Basis for Shareholders, Basis of Assets, and PTET (includes NYS Example).

Objectives: substantiate reasonable compensation; examine tax consequences when shareholders fail to take reasonable compensation; identify assets subject to the BIG tax; calculate/summarize the BIG tax reporting requirements; explain how shareholders are taxed on the sale of S Corp stock; tax consequences of an S Corp stock redemption; recognize when a change in stock ownership inadvertently terminates the S election; determine the date of liquidation; explain how the S Corp and its shareholders are taxed in a liquidation; prepare a final 1120-S; compute the shareholder's stock and debt basis in an S corp; reconstruct basis that has not been tracked; identify basis in items acquired by various means, including purchase, creation, gift or inheritance; distinguish between cost basis, adjusted basis and basis other than cost; apply the timing and ordering rules for basis adjustments; complete Form 8594. Session 2 deals with Pass Through Entity Tax, which was created in response to the SALT Limitation. Tax Reform restricts the amount of state and local income taxes deductible on federal Schedule A, Itemized Deductions, to $10,000 ($5,000 for married filing separately). Simplistically stated, the PTET allows the entity to pay an amount equivalent to the amount of tax due on items of income, loss and deductions in the hands of the individual partners/shareholders. Over 20 states have a PTET. Some states created a nonrefundable tax credit for the partners/shareholders. In New York State, the PTE Tax Credit is refundable for both residents and non-residents.

Pricing Per Day

Early Bird	Standard
Ends two weeks before the seminar	*Within two weeks of the seminar*
Member: $275	Member: $325
Non-Member: $325	Non-Member: $375
Book: $40	Book: $40

Did you know?

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

New York Court: Couple's Out-of-State Bond Interest Income Is Taxable

In *Ciardullo v. McDonnell*, a New York appellate court affirmed that for state income tax purposes a couple could not directly subtract amortized premiums on bonds issued by other states from their interest income.

NYC Weighs Impact of Proposed SALT Cap Workaround Limits

New York City's tax base and businesses would be at a competitive disadvantage if Congress enacts a House Republican tax bill provision limiting workarounds to the cap on state and local tax deductions, according to the city's comptroller.

New York City Budget to Eliminate Income Tax for Some Filers

New York City's newly adopted fiscal budget would offset city income tax for low-income filers, but critics argue that the decision to maintain reserves instead of adding new funding will leave the city unprepared for federal funding cuts.

Governor Hochul Praises Success of New York City Congestion Pricing

In a press release, New York Gov. Kathy Hochul (D) declared that "six months in, it's clear: congestion pricing has been a huge success, making life in New York better," and announced that congestion pricing has resulted in reduced traffic and increased economic activity.

NATP™ New York Chapter 35 Years

Newsletter Committee:

Kathryn M. Keane, EA
Christina Parisi &

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

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

We are looking for articles on:

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

Purchasing a Quickfinder?

It's always the right time to save! So, we've made it easy to save time finding the right answers to your clients' tax questions and take advantage of special pricing exclusively available to our premier customers.

The more you buy. The more you save. With our quantity discounts, you can choose the products you want in the quantities you need to build your perfect tax quick reference library.

https://newyorknatp.com/quickfinder-purchase/

Quickfinder Association Code Q680

Members of the New York Chapter of NATP can order Quickfinders online at tax.tr.com/NATP to place your order, or mention promo code **Q680 and NATP** when placing order over the phone or on the eStore! Remember to use your code so your association receives a donation for each product purchased and you receive your discount.

The NY Chapter THANKS YOU FOR YOUR SUPPORT!!

New York Chapter
NATP
National Association of Tax Professionals

Wendy Loomis Memorial Scholarship Award

The New York Chapter of the NATP has set up a scholarship award in the memory of Wendy Loomis. Wendy was a founding member of the NY Chapter of NATP and longtime State Office Director. She believed strongly in the New York State Chapter and was always willing to do what was required to make our chapter a success. The chapter will offer this scholarship for the year 2025.

The award offers two (2) winners each a **Full One Day Registration to our 2025 Fall Series Class with a printed copy of the textbook. The winners will have a choice of Day 1 or Day 2 class of our 2025 Fall Series.**

In order to be eligible for this award the candidate must be a NYS member in good standing with NATP. To receive the award, the recipient must provide the chapter office with all required contact information. **The chapter is not responsible for making or reimbursing travel or accommodations. All accommodation must be made by the member.**

The Wendy Loomis Memorial Scholarship recipients will be selected by random drawing at the Chapter's Fall Dry Run held in September 2025. Payment will be made directly to NATP on behalf of the recipient.

Please return this application **before September 1st, 2025**
Email: newyorknatp@gmail.com

Mail to: Wendy Loomis Memorial Scholarship
C/O NY NATP
2109 Homecrest Ave
Brooklyn NY 11229

Scholarship Application:

Member Name:____________________Member ID#:____________

Member's Address:_______________________________________

Member's Email: _______________________________________

Member's Telephone:_____________________________________

I certify that the above information is true and that I am a member in good standing with the NY Chapter of the NATP,

____
Signature of Member