



Mid-Willamette Chapter

<http://oatc-oregon.org/Mid-Willamette>



January 2010

New Meeting Date

Our meetings are on the 2nd Thursday of the month.

**The Next meeting is
Thurs Jan 14th**

In Albany at
Cascade Grill
110 Opal Ct SE
541-926-3388

*Conveniently located East of I-5
at exit 234*

*No-Host dinner beginning at
5:45. Business meeting at 6:30.
Education will begin at 7:00.*



Inside This Issue

Presidents Corner.....	1
Education	2
News from the Editor.....	5
News from IRS.....	3
ODR.....	2
Recipe... <i>New!</i>	4
Tax Quiz... <i>New!</i>	4
Sudoku Puzzle... <i>New!</i>	4
General Business Meeting Minutes	5

President's Corner *Message from the President*

Happy New Year Readers,

Greetings to you all and I hope your Holidays have gone well. This is a special time of year when we can visit with loved ones and remember old acquaintances. It is also a time to make new friends as well.

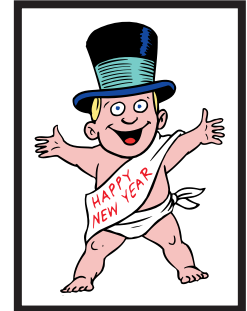
I had the pleasure of Family this year, though not everyone from wherever life has taken them could come to our place to celebrate. Phone calls, cards, emails, text messages and a variety of other methods of communication were used to share in the spirit of Christmas and the festive season.

Debbie and I hosted a small get together again this year with friends, new and newer from a local center of Teen Challenge. The TCIMI Lebanon center houses and serves a number of young men and women who are attempting to change where their old life used to be heading them. This is where these friends struggle and strive to find a new direction. They desire to become better employees, spouses, citizens, Sons and Daughters, and we try to encourage them and support them. Their families are oftentimes far away from Lebanon, so being home for the Holidays is difficult or impossible. Hopefully in some small way we help fill that void, by being friends.

Many of you have over the years hosted foreign exchange students perhaps while your children were around the same age, or perhaps you've done this later in life after your children have grown and left home. Or perhaps, you out of a caring heart have been a Foster parent or served in some similar way through a soup kitchen, a church affiliation, a local non-profit, or some other opportunity. Showing kindness to one another is a blessing not only to those who receive it but also to those who find an opportunity to be able to give in this way.

I feel our tax businesses and careers give us a parallel circumstance, similar to this seasonal giving time of year, when we meet with our clients and Friends each year. We catch up on the current events; share in one another's lives and we give of ourselves for the betterment of one another. What a wonderful present. We give and share and try our best in this effort to please and to serve.

I feel that our membership in OATC gives us opportunities to



President's Message Continued from Page 1


give and share with one another as well. Here we get to show kindness and compassion as we work towards the direction that our lives are taking us as tax professionals. Many have made friendships that extend beyond the tax arena. I am pleased and encouraged by those efforts you make.

With that said, I would like to say; May the spirit of Giving, Loving, Sharing and Caring be with you as this year goes forward.

Thank you for being a Friend and part of my Family,

Sincerely,
Bill McKinney





Our Education at the Jan meeting in Albany will be a structured Round Table discussion. Please bring your questions or items of interest to share with the group.

Remember that starting in January there will be two opportunities to meet with OATC colleagues and friends during the upcoming tax season. First our regular evening meetings will be in Albany at Cascade Grill, **meeting on the 2nd Thursday of the month**. We are also starting up the non-CE credit, round-table morning meetings at Novak's January 14th. The morning meetings are **not** for CE - just networking and general roundtable. A great opportunity to get help on issues you encounter in the office during tax season. Morning meetings during tax season will be the 4th Thursday of the month: Jan 28, Feb 25, and Mar 25.

The 2009 Oregon legislature passed HB 2649 and HB 3405, which increase taxes for both personal and corporate taxpayers. These bills have been referred for a vote in a January 26, 2010, special election. If the measures pass, taxes will increase retroactively beginning in 2009. These changes could affect 2009 tax returns due on April 15, 2010.



To avoid errors and unnecessary delays, we strongly recommend you wait to file your 2009 tax returns until we know the election results (around February 1, 2010). We won't begin processing returns until then. If you're planning to e-file your federal return in January, and you won't be affected by the election, you may e-file your Oregon return at the same time. You'll receive notification that we have your return, but we won't process it until after the election. [E-filing](#) your return will speed up processing once we begin.

If Measure 66 passes:

1. New marginal tax rates:

The current 9% tax rate would increase for taxable income above certain thresholds.

2. Federal income tax liability subtraction phase-out: Oregon allows a subtraction for your current year's federal income tax liability after credits. The subtraction for 2009 (current law) is limited to \$5,850 (\$2,925 for married/RDP filing separately). If Measure 66 passes, the federal income tax liability subtraction would be phased out for taxpayers with adjusted gross income above certain levels.

3. Unemployment compensation: For 2009, the federal government exempted the first \$2,400 of unemployment compensation from tax. Oregon *may* allow for the same exemption:

If Measure 66 passes, Oregon will also exempt the first \$2,400 of unemployment compensation from tax. No adjustment to the Oregon return will be necessary as the exemption will "flow through" from the federal return.

If Measure 66 fails, Oregon will tax all unemployment compensation. If any unemployment compensation is excluded on the federal return, it must be added back to the taxpayer's income on the Oregon return.

News from the IRS

Special Tax Break on New Car Purchases Available in States with No Sales Tax

IR-2009-60 (<http://www.irs.gov/newsroom/article/0,,id=209624,00.html>)

The Internal Revenue Service and Treasury Department announced that a tax break for the purchase of new motor vehicles is available in states that do not have a state sales tax. Under the American Recovery and Reinvestment Act of 2009, taxpayers who buy a new motor vehicle this year are entitled to deduct state or local sales or excise taxes paid on the purchase. The IRS and Treasury have determined that purchases made in states without a sales tax – such as Alaska, Delaware, Hawaii, Montana, New Hampshire and Oregon – can also qualify for the deduction. Taxpayers who purchase a new motor vehicle in states that do not have state sales taxes are entitled to deduct other fees or taxes imposed by the state or local government. The fees or taxes that qualify must be assessed on the purchase of the vehicle and must be based on the vehicle's sales price or as a per unit fee. According to the IRS, Congress intended for these fees or taxes to qualify for this special tax deduction.

Economic Recovery Payment Verification

Coordination is underway with SSA, RRB and VA to coordinate filing season inquiries regarding the impact of Economic Recovery Payments (ERP) on the Making Work Pay Credit (Schedule M) for some taxpayers. SSA has agreed that they will receive calls to verify the ERP at 800-772-1213 and will refer questions regarding the tax impact to IRS.gov. We are currently coordinating efforts with RRB and the VA.

There are seven new reject codes for the new Schedule M: RC 1130 - 1136. If the taxpayer submits a return and does not include any \$250 Economic Recovery Payments sent to them by SSA, RR Retirement Board, or the VA – then their return will reject. The IRS has received information from each of the agencies that issued recovery payments last May and will be cross referencing taxpayer returns to ensure they report it - reducing their Making Work Pay Credit. If they file paper returns and don't include the payment a math error notice will be sent.

Today (Jan. 4, 2010) the IRS announced the findings of the Return Preparer Review launched in the summer. The findings included proposed recommendations for increasing oversight of return preparers.

These findings and recommendations are the result of an open and transparent discussion of the issues with the tax return preparer community, the associated industry, consumer advocacy groups, and the American public.

After careful consideration of the input provided, the IRS believes that taxpayers, tax administration and the tax professional industry and related service providers will be better served through the implementation of a number of changes.

The recommendations are addressed in detail in the following documents:

· [IRS News Release IR-2010-1](#)

(<http://www.irs.gov/newsroom/article/0,,id=217781,00.html>)

· [IRS Fact Sheet FS-2010-1](#) (<http://www.irs.gov/newsroom/article/0,,id=217782,00.html>)

· [IRS Fact Sheet FS-2010-2](#)

(<http://www.irs.gov/newsroom/article/0,,id=217785,00.html>)

· [IRS Return Preparer Review Final Report](#)

([Http://www.irs.gov/pub/irs-utl/54419109.pdf](http://www.irs.gov/pub/irs-utl/54419109.pdf))

Please note that none of the changes are effective for the immediate filing season beginning January 2010.

We will publish extensive guidance on the new requirements in the months ahead. We are committed to helping the taxpayer community understand the new requirements and assisting return preparers comply with these new requirements. Additional information and guidance about the proposed regulations will be centralized on the [IRS.gov Tax Professionals page](#) throughout this effort.

The IRS thanks the hundreds of individuals and organizations who took part in this review and looks forward to a continuing productive relationship to implement the proposed recommendations.

Thank you,

Brian Wozniak

IRS SB/SE CLD

Brian.Wozniak@irs.gov



A Great Winter Recipe - just what you need after a long day at the tax office!

Creamy Butternut Squash Soup

From allrecipes.com

Ingredients:

2 tablespoons olive oil	1 teaspoon ground ginger
1 med Butternut Squash	1/4 teaspoon ground cloves
1 large onion, cut into large dice	1 1/2 teaspoons cinnamon
1 med carrot, chopped	1/8 teaspoon cayenne pepper
1 stalk of celery, chopped	1 pinch sugar
1 med potato, cubed	3 large garlic cloves, thickly sliced
2 tablespoon butter	1 32 oz container of chicken broth
1/2 cups half-and-half (or whole milk but half-and half is better)	



Directions:

Bake whole squash in oven 357/400 deg for about 1 hour. Remove and let cool. Cut in half length-wise, scoop out seeds and discard. Scoop out flesh.

Heat oil over medium-high heat in a large, deep saute pan until shimmering.

Reduce heat to low and add butter, sugar, onion, celery, carrot, potatoes and garlic; continue cooking , about 5-10 minutes.

Add squash flesh from above, cinnamon, ginger, cloves, and cayenne pepper; continue to saute until fragrant, 30 seconds to 1 minute longer.

Add broth to cover vegetables. Reduce heat to low, cover pot, and simmer until vegetables are tender, about 30 min.

Using an immersion blender, food processor, or traditional blender, puree until very smooth, 30 seconds to 1 minute. (If using a traditional blender, vent it either by removing the lid's pop-out center or by lifting one edge of the lid. Drape the blender canister with a kitchen towel. To 'clean' the canister, pour in a little half-and-half, blend briefly, then add to the soup.)

Return to pan (or a soup pot); add enough half-and-half so the mixture is souplike, yet thick enough to float garnish. Taste, and add salt and pepper if needed. Heat through, ladle into bowls, garnish with dollop of sour cream - serve.



Tax Quiz .. Be the first to email me (akalizv@yahoo.com) the correct answer and you will win a prize - prize to be given out at next meeting. This one is based on 2008 tax law.



Which of the following statements is NOT true?

- A.** Not paying the tax due by the original due date of the Oregon return carries a 5% penalty of unpaid tax.
- B.** If the taxpayer does not file their Oregon return within 3 months after the due date of the return (including extensions) they will be charged a 20% penalty of the unpaid tax, in addition to the 5% failure-to-pay penalty.
- C.** If the taxpayer does not file Oregon returns for three consecutive years by the due date of the third years' return, including extensions, the taxpayer must pay 50% failure-to-file penalty on the tax due for each year.
- D.** If a taxpayer fails to file an Oregon return or they file an Oregon return with the intent to evade tax, they must pay a fraud penalty of up to 100% of the tax due.

SUDOKO

[Http://www.dailysudoku.com](http://www.dailysudoku.com)
Very Hard difficulty

	6				7	9		5
3				6			4	
			1	3				7
							7	3
		2				6		
5	9							
1				5	2			
	7			8				9
8		6	9				2	

**Mid-Willamette Chapter
Oregon Association of Tax Consultants
General Business Meeting
Thursday, Dec. 10, 2009**

Location: King Tin Restaurant, Corvallis, OR

The meeting was called to order by President Bill McKinney at 6:31 p.m.

Minutes: The minutes were read. Correction: the December education should be labeled Taxes During Troubled Times. The minutes were accepted as corrected.

Treasurer's Report:

Total checking/savings: \$ 10,092.61
Total assets: \$ 10,247.81

There were 26 OATC members, 1 OSTC member and 3 guests present for the business meeting.

Chapter Education:

The next general business meeting will be held on Thursday, January 14th at the Cascade Grill Restaurant in Albany, OR.

Morning meetings, during tax season, will be the 4th Thursday. (Jan. 28, Feb. 25, Mar. 25) These meetings are for gathering and sharing tax information during tax season. There will be no C.E. credits for attending these meetings.

Other Education:

On December 11th Brian Wozniak will be giving a class at L.B.C.C. from 9:00 a.m. - 1:00 p.m. The cost has been lowered to \$45.00. Kari Lasswell will send out an email with details and sign ups will be routed through her. As of today we have 49 people pre registered for the class. We need 50 to cover the costs for L.B.C.C.

Old Business: none discussed

New Business:

Oregon is having a vote in January that will affect several tax payers. You are asked to hold off filing affected tax payers until after the vote is tallied.

Group Service orders are here and ready to be picked up tonight.

There being no further business, the meeting was adjourned at 6:56 p.m.

The subject of tonight's education: Taxes During Troubled Times presented by Eric Arnoldus, the OATC President.

Eric Arnoldus shared with us the health status of a few OATC members. Please, always feel free to reach out to your fellow OATC members by sending a card. Those members mentioned were: Denny Purkey, Jan Wisk and William McKinney.

Respectfully submitted,

Brandie Stucky, Secretary



News from the Newsletter Editor

I am still looking for recipes from members of our group. Please email me with any you are willing to share.

The answer to the tax question was not answered by any one last month. The correct answer was D (\$2072).

There is a new Sudoku Puzzle on the next page - if you can't solve it and want the answer you will have to make it to the meetings - handouts of the completed puzzle will be available there. This one is a "Very Hard" puzzle - for those of you who are Sudoku addicts!

I hope you all had a great Holiday Season and that the New Year is a safe one for all of you..

Newsletter Contact

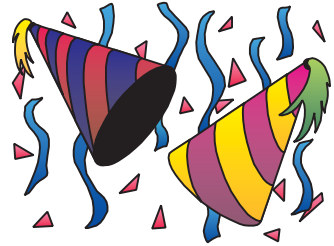
Jo Anne Vetter
541-981-0631 / fax 541-369-2411
e-mail: joanne@libertytax.com
Deadline: Please submit information
by the end of the month -
newsletter is going to go out the first
week when possible



Mid-Willamette Valley Chapter
C/O 31551 Oak Plain Drive
Halsey OR 97348

Return Service Requested

**Contains Dated
Material**



DISCLAIMER: *All material enclosed in this newsletter is as accurate and reliable as we can provide, but the possibility of human or mechanical error does exist. All persons using this information are cautioned to use all sources of information to arrive at a decision of tax law.*

Association Officers

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