



Mid-Willamette Chapter

Volume 4: Issue 9

October 2006

Upcoming Events See Page 5

***** PLEASE NOTE
LOCATION FOR NOVEMBER
MEETING *****

- Monthly Meeting - 11/15
at **King Tin Restaurant** in
Corvallis- 1857 NW 9th St.

Our Monthly meeting will be at **King Tin** restaurant in Corvallis. Come early for a no-host dinner beginning at 5:45. Business meeting will follow at 6:30. Education will begin at 7:00.

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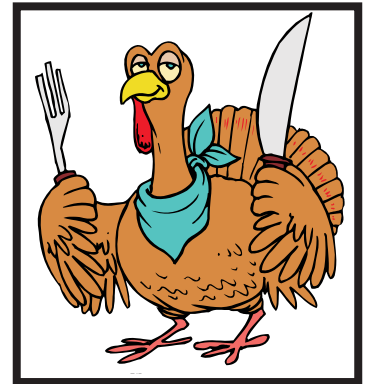
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Newsletter Contact

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Deadline: Please submit information by the first week of the month

President's Corner *Message from the President*

This month's education should be very good and very timely. Kari (2nd Vice President Kari Lasswell) has lined up a very special program. I will let her tell you about it, but I am really looking forward to being there on November 15, 2006. Look in this newsletter for all of the OATC education and updates available in the next few months.



Don't forget to vote, although you should have done it by the time you get this newsletter. If you don't vote you can not complain about what happens. I always vote so I can complain later! There are many money measures on this ballot, as well as many contested races.

The holiday season is here as I see ghosts and goblins running around and that means that Thanksgiving is not far behind. And all of the women know that means the day after Thanksgiving sales is also close. You may have my place in all of the lines, as I won't be there.

See you at the meeting and then enjoy your families during the holidays.

Ave



This month's education will be presented by Megan Denison from ODR. Megan will be talking about the Oregon Working Family Credit. I have asked Megan to come prepared to cover this topic so that we can walk away from the meeting knowing exactly what the ODR is requiring of our clients to claim the Working Family Credit. As we all know there were so many returns held in suspense last year and we would all like to make sure we get everything right in

the coming year.

Please send me an email with specific questions for Megan on this topic. I will forward them on to her so she can come prepared to answer your specific questions. My email address is:

Mom@the_lasswells.com

Next month's education will again be at the Kin Tin Restaurant in Corvallis and will be the **ODR Tax Year UPDATE**.

January will be in Albany and I am planning on getting someone from the IRS. The Albany location will be announced soon.

Member Bio...Sharon Starr



My name is Sharon Starr. I was born and raised in Oregon. I have lived all my life here except for three years, when my husband, our daughter and I lived in Alaska. My husband, Craig, took a job with the Alaska Highway Department after he graduated from the great school Oregon State University. Craig planned to go back to school in three years and get his masters degree. When the time came for him to start making plans to go back to school, we went up to the University of Alaska at Fairbanks to check out the school. At the time, most of the full professors were on leave while working on projects associated with the Alaska Oil Pipeline. Most of the instructors actually teaching courses were graduate assistants. Craig decided he wanted to come back to that great school Oregon State University and get his degree from professors that had more knowledge then he did. So we packed up our things (we didn't have much), our daughter and our dog, and came home in the spring and Craig started classes in the fall. We drove most of the way out. We ferried from Haines to Prince Rupert. That was in April of 1971 and our son was born about 5 weeks later. Yes, we drove over unimproved roads and rode a ferry on very rough seas, and I was eight months pregnant.

Craig got his masters degree in twelve months and went to work for DEQ. We spent four very long months in Portland and then he was transferred to Eugene. A year and a half later he went to work for Lane County Public Works. We bought a house and our children were growing up. I was a stay-at-home mom. When our children got to an age where they didn't require or want so much of my time, I went to work for H & R Block as a receptionist. Tax season was a perfect time for me to work. It made the winter go faster, I was home for school vacations and I earned a little money. I spent nine years as a receptionist and gained enough tax information to be dangerous. So, I decided to take the tax class and see if I could pass the preparers exam. Not that I wanted to do taxes, but I thought I could answer questions and help clients with their completed returns. The preparers in the office thought it was great because it reduced disruptions for them. After a while longer, I thought, well, maybe I would try to pass the consultants exam. I still didn't want to do taxes, but Block let me work during the off-seasons to get the hours I needed to sit for the exam. With those hours and the hours I could use from education, I was accepted to sit for the exam. I thought I would give it one chance. I'm not a test taker and I didn't need a consultants license to do the taxes I didn't want to do. It was just a personal goal I had set for myself. So, off to Salem I went for the exam. When the letter from the Board came, I couldn't bring myself to open it and see the words "sorry, maybe next time". So Craig opened the letter and he sounded real sad as he said, "it says 'congratulations'."

I still work for Block during the tax season. After 20 years, I still do pretty much the same thing -- work as a receptionist with a tax license. I can do returns when there is a need. I can answer tax questions and help clients with their return. I like working with the people and being a help to the others in the office. I knew I would never be happy just sitting and doing returns. I took five years off from Block and worked for a bookkeeping business in Eugene, and I have worked for the last year and a half for Bev Deircks.

Three and a half years ago, Craig retired from Lane County after 30 years and we moved home to Lebanon again. This time for good. Our children are grown with families of their own. Our daughter and her family live in Bend and our son and his family live in Portland. My reward for being a mother are the five grandchildren that we have.

News from:

Oregon State Board of Tax Practitioners *Monica Walker*

Rulemaking Update

The board will be voting soon on the proposed changes to the Oregon Administrative Rules (OARs). The public comment period for these proposed changes will be from Nov. 1 through Nov 30, 2006, 5:00 p.m. The hearing for the proposed changes will

at 9:00 a.m. On Nov 30, 2006. Comments regarding the proposed rulemaking may either be submitted at the rulemaking hearing or submitted to the board office in writing by mail at: 3218 Pringle Road SE #120, Salem, OR 97302 or by email at:

Tax.bd@state.or.us

FYI - Monica Leisten is now Monica Walker - she recently married and is back on the job after a wonderful honeymoon vacation out of the country!

Note on Proposed Rule Change...

One of the proposed changes is the addition of Computer Technology (*to the extent it contributes directly to the expertise of income tax preparation*) as an acceptable Continuing Education. This change is being proposed because we the members sent in support for this new rule. According to Monica the response to this suggestion was overwhelmingly in favor - so here is your last chance to let the board know how you feel on this issue. Don't assume it will be passed - let your opinion be known, send an other email or letter to the board before the deadline of Nov 30.

Oregon Department of Revenue Tax Practitioner Liaison Meeting

Oregon Department of Revenue's “Filing Enforcement Program”

If you thought that writing the word “FAST” at the top of a mailed-into-Oregon tax return would get your taxpayer's return processed *faster* . . . well, think again ! “FAST” is an acronym for Failure-to-file Assessments, which is the state's “Filing Enforcement Program.” As for speed of processing, it's anything but speedy, as every one of these “FAST” returns is processed manually.

The Filing Enforcement Program actively seeks non-filers and suspected not-in-compliance tax filers. The “suspects” are generated through informant calls from the general public. The key factors in reviewing suspect cases are residency, whether income is earned, and the nature of income sources. Some income is exempt, such as AMTRAK income from non-residents as well as qualifying Native Americans.

Some taxpayers are confused because they think that when State taxes are withheld from wages, the Oregon Department of Revenue staff would already know the taxpayer has not earned enough to require the filing of a tax return. Because circumstances tend to change from year to year, the Department suggests filing a return anyway, if only to prove that the taxpayer is under the filing requirement.

When a taxpayer is flagged by the “FAST” team for compliance within the current tax year, then all tax requirements for three prior years will also be examined. Most of the taxpayers coming under the scrutiny of the Filing Enforcement Program are NOT from OATC member clientele. Since over 75% of tax returns containing problems are self-prepared, you are not likely to see these taxpayers in your office - at least not until they walk in with their letters from the Department and now they want your help!

These Enforcement issues were part of the agenda for the October 27th liaison meeting of the Oregon Department of Revenue and Tax Practitioners. The final liaison meeting for 2006 will be Friday, December 1st at the Revenue building in Salem, from 9 to 11 am. One of the topics of the year-end meeting will be what keeps “amends” in “suspense.”

News From The

IRS



From the Tax Hotline, Sep 2006

Hope Credit increases to \$1650 per student in 2006. Credit is still phased out as AGI increases from \$45,000 to \$55,000 for singles and from \$90,000 to \$110,000 on joint returns.

Also for 2006, dependency exemptions are reduced as AGI exceeds \$150,500 for singles, \$225,750 for joint. The reduction is 2% for each additional \$2500 of AGI. It may make sense to NOT claim a student as a dependent, if the child has enough income to benefit from the credit. We will see more of this as we go into update seminars.

On another note, Funds saved in a Uniform Transfer to Minors Act (UTMA) account are deemed

the **child's assets**, while those in **529 or Coverdell** accounts are considered parental assets. This may make a big difference when looking for Financial Aid. And of course, in Oregon, certain Mutual Funds allow taxpayers to take up to \$2000 per year above the line deduction. Additionally, amounts above the \$2000 may be deducted as a carryforward for the next 5 years.

And from MarketWatch: The standard mileage-rate deduction for business-related miles in 2007 will return to the 2005 record high of 48.5 cents per mile, up from 44.5 cents in 2006. This is in response of the higher prices for vehicles and fuel according to the agency press release.

For miles driven for medical or moving purposes, the standard mileage rate will rise to 20 cents per mile in 2007, up from 18 cents per mile in 2006. The rate for driving related to charitable purpose remains at 14 cents per mile.

We will be including a copy of the previous month's General Business Meeting Minutes in the newsletter so that those of you who can't make it to the meetings have the opportunity to keep yourselves informed.

**Mid-Willamette Chapter
Oregon Association of Tax Consultants
General Business Meeting
Wed. Oct. 18, 2006**

Location: King Tin Restaurant , Corvallis, OR

The meeting was called to order by President Ave Giddings at 6:30 pm

The minutes were presented in our newsletter, minutes approved.

The Treasurer's Report was presented and approved

Opened 6 month C.D. at 5% interest

Total checking and savings \$5283.13

Script on hand ~\$1000

There were 22 members and 3 guests present

Unfinished business:

Fall Seminar: had a very good turn out with 42 attendees. Many people signed up at the door. Next month we'll have the numbers on expenses, income, etc. Sharon says a big thank you to all of those who helped bring this seminar together.

Education: Still in communication with DOR to get a speaker next month on the Working Family Credit. They will also do the update in December. Kari will welcome any suggestions on topics and/or speakers. In January we will have the IRS for an update.

Salbasgeon Suites is happy to have us unless they have a paying customer. We do not get the notice quickly enough to share location changes with members. Board suggests that we have the rest of our Corvallis meetings at King Tin for this year. Members agree to King Tin. Albany locations are still being considered. Kari will check into Novak's and other suggestions.

New business:

Tom Dundas presented the idea of a portable speaker system. The cost would be about \$178. Leah says that there maybe a speaker system available from the state. Tom will look into bringing one to a meeting so that we can decide if that is something we'd like to have.

ODR tax practitioner seminar in Salem on Friday, October 27, 9am - 11am. In the "fishbowl".

Raffle was for a 2005 Quick Finder, lucky winner Kari Laswell.

Contact Jo Anne Vetter about getting your newsletter via email.

There being no further business the meeting adjourned at 7:00 pm.

The education was presented by Kay Dee Cole from Edward Jones.

Topic: the new pension act of 2006, Gifting & 529 Plans, Retirement Plans for Business Owners, Living Trust / Estate Planning

Respectfully submitted,

Brandie Stucky - Secretary



News From the Editor

Have you signed up for the e-mail version of the newsletter yet? If not do so this month and help your club save the cost of postage!

My e-mail address is: joanne@libertytax.com. If you would also like to pick up a hard I will print extras and bring them to the meetings...

I attended the Oregon State Board of Tax Practitioners Licensee Lunch which was held this year at the coast. If you have never done this I would highly recommend signing up for it next year. There were about 30 Tax Practitioners from all over the state. We had the opportunity to meet not only the Board staff but the board members. Each of them gave a presentation on what they were responsible for and we had the opportunity to ask questions of all of them. There was a lot of discussion on enforcement from Duane Hunter (who is acting director until a new director is appointed) - he also went into some detail on where the money goes when a fine is collected. It was so complicated I think this is a topic that will be covered in more depth in a later issue of the newsletter. Michael Addington gave a talk on the need to protect ourselves when providing information to mortgage companies. He provided us with a template that we can use for this purpose. Check it out on page 5 of this newsletter.

Jo Anne

Here is the sample letter from Michael Addington that you can use when providing information to a self-employed client for a mortgage. You should also protect your self by providing the letter and copies of tax returns only to the client and have them deliver them to the mortgage company - you just don't know for sure that the records won't be intercepted and used for identity theft. If you tell your clients this they should be happy you are protecting their information.

Date

To Whom It May Concern:

I have been doing the tax returns for _____ for several years. The Income Tax Returns are prepared from information provided by the client. I have not audited, or otherwise attempted to verify any data used in the preparation of the returns. _____ has been self-employed in the construction industry as _____ for more than two years and is currently self-employed in that same business. Don't hesitate to call our office at the above number if you have any questions.

Sincerely,

Your Name

Your Business Name

Your License numbers

NOTE: In the State of Oregon, Income Tax Professionals are required by law to be licensed as an Attorney, a CPA, a PA and / or a Licensed Tax Consultant or Tax Preparer. For additional information or to verify the status of the license number provided above, please contact the Oregon Board of Tax Practitioners at 503-378-4034.

Upcoming Educational Opportunities

from the OATC Website

OATC Update 2006 (6 hours CPE)

Mark your calendars now for the 2006 OATC Update series with instructors Eric Arnoldus and Dorothy Hudson. The class will be offered in November and December in the following Oregon cities:

<u>Date</u>	<u>Eric Arnoldus</u>	<u>Dorothy Hudson</u>
11/30	Salem	Salem
12/1	Eugene	Seaside
12/2	Coos Bay	Gresham
12/6	Ontario	Bend
12/7	Pendleton	Medford
12/8	Beaverton	Klamath Falls

Topics and registration materials will be posted on the OATC website (www.oatc-oregon.org)

This month the IRS will have a free Phone Forum on updates and changes to the **Offer-In-Compromise Program**. This forum will highlight processability requirements, payment terms and requirements. There will be 3 sessions for this class (all Pacific time) : 7 - 8 am (access code 957043) , 8:30 - 9:30 am (access code 924616) and 10:30 - 11:30 am. (Access code 436722) 1 CPE credit. Conference dial in number is: 1-866-216-6835. Register at www.attevent.com.



Mid-Willamette Valley Chapter
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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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<i>Secretary:</i>	Barbara Culver 253-859-8567	Marie Dunkeson 541-884-1219	Brandie Stucky 541-541-8299
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