



## The National Conference of CPA Practitioners

Nassau/Suffolk Chapter

Volume 8, Issue 8

SEPTEMBER 2011

Date  
Topic

**Thursday, September 8, 2011 - Chapter Meeting  
WORKERS' COMPENSATION UPDATE**

Speaker  
Credits

**Steve Carbone of NYS Workers' Compensation Board**

2 CPE/Tax

Location

Holiday Inn, Plainview

Time

Networking/Registration: 5:30 PM, Program: 7:00 - 9:00 PM

Cost Members

On or before Friday, Sept. 2 - \$50.00, After Friday, Sept. 2 - \$60.00

Non-Members

On or before Friday, Sept. 2 - \$75.00, After Friday, Sept. 2 - \$85.00

**Sponsored By ADP**

Date  
Topic

**Wednesday, September 21, 2011 - MAP Meeting  
BREAKING UP IS HARD TO DO! DISMISSING A  
CLIENT, FROM BEGINNING TO END**

Moderators

**Sandra G. Johnson, CPA, EA, CFE of Sandra G. Johnson CPA**

**Douglas Sinetar, CPA of Douglas Sinetar CPA PC**

Credits

2 CPE/MAP/ADVISORY SERVICES

Location

On Parade Diner, Woodbury

Time

Registration: 7:45 AM, Program: 8:00 - 10:00 AM

Cost

On or before Friday, Sept. 16 - \$25.00, After Friday, Sept. 16 - \$35.00

**Sponsored By Merrill Lynch**

**REMEMBER TO REGISTER FOR THE**



**2011 LONG ISLAND TAX PROFESSIONAL SYMPOSIUM**

**NOVEMBER 16, 17 & 18, 2011**

**REGISTRATION STARTS AFTER SEPTEMBER 20<sup>TH</sup>.**

**N/S NCCPAP - ALWAYS STRIVING TO MEET THE NEEDS OF OUR MEMBERS**

To register for any of our  
meetings, please visit

<http://www.ns-nccpap.org>



## **PRESIDENT'S MESSAGE**

New York State has finally adopted CPA Mobility. I would like to thank NCCPAP's Issues Committee or their resilience in getting this accomplished. I would also like to thank Barry Melancon, CEO and President of the American Institute of Certified Public Accountants for his cooperation and understanding on how this effects the small firms based in New York.

I was in Philadelphia from August 3rd to August 5th for NCCPAP's summer quarterly conference which was hosted by the Delaware Valley, PA chapter. On August 4th, NCCPAP presented a full day of CPE which consisted of a morning Accounting and Auditing presentation by Nassau/Suffolk's Frank Gallo and in the afternoon, Nassau/Suffolk's Sandra Johnson did a MAP presentation on promoting our businesses. Frank spoke about new issues in financial statement reporting and Sandra gave us a nuts and bolts presentation on marketing including using the social networks i.e. Facebook and Linked In. In between their seminars, the Tax and Issues Committee conducted their meetings which also included CPE. There were about 30 CPA's from the Delaware Valley community and approximately 30 members from other chapters. By the end of the day the Delaware Valley Chapter added 10 new member firms to NCCPAP. If they can do that in just one day with just 30 guests, imagine what we should be doing in November at our Tax Professional Symposium. All it takes is networking with your colleagues during breaks and telling them the benefits of becoming a member of NCCPAP. The more members we have, the louder our voice is to the federal and local taxing authorities.

As you all know, Congress has created the 12 member "Super Committee" which is looking for spending cuts and possible revenue enhancers. This is the perfect time for you to send your tax and compliance issues to NCCPAP's Tax Committee. You can review the 2011 congressional agenda on the NCCPAP website, which you will notice has a new look to it. You will also be registering for future Nassau/Suffolk events through the National website so look for upcoming emails for details.

When was the last time you went to a dinner dance with your fellow colleagues? At home, do your partners complain that you don't take them out enough? On October 24th, you can do both. We are having an Installation Dinner Dance on October 24th at the Fox Hollow Country Club. Please show your support for your incoming officers and directors. Get to know your incoming Board of Directors, and feel free to share your ideas with them. That's actually 5 things you can do on that night. I didn't even mention cocktails and pigs in the blankets.

This past month, I received several phone calls regarding my networking FBAR reporting experience from last month's newsletter. It's wonderful to know that you are reading the newsletter and I hope I returned all your calls.

*Bruce Berkowitz, CPA*

### **Disclaimer**

IRS Circular 230 Legend: Any advice contained herein was not intended or written to be used, and cannot be used, for the purpose of avoiding U.S. federal, state, or local tax penalties. Unless otherwise specifically indicated above, you should assume that any statement in this newsletter relating to any U. S. federal, state, or local tax matter was written in connection with the promotion or marketing by other parties of the transaction(s) or matter(s) addressed in this newsletter. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor. Any opinion is solely that of the author and is not necessarily the opinion of NCCPAP.

### **POLICY**

THE FEES FOR REGISTRATIONS ARE:

CHAPTER MEETING (2 CPE): \$50.00 WITH \*PRE-REGISTRATION AND \$60.00 REGULAR REGISTRATION, AND/OR AT THE DOOR REGISTRATION.

MAP MEETING: \$25.00 WITH \*PRE-REGISTRATION AND \$35.00 REGULAR REGISTRATION, AND/OR AT THE DOOR REGISTRATION.

SEMINARS AND OTHER PROGRAMS: TBD

\*PRE-REGISTRATION MEANS: A COMPLETED REGISTRATION FORM WITH PAYMENT AND POSTMARKED, FAXED OR E-MAILED TO THE N/S CHAPTER OFFICE THE FRIDAY PROCEEDING (Unless otherwise noted) THE CHAPTER MEETING, MAP MEETING AND/OR SEMINAR THAT YOU ARE PLANNING TO ATTEND.

### **CANCELLATION AND REFUND POLICY**

A PRE-PAID REGISTRANT WHO CANNOT ATTEND THE CHAPTER MEETING, MAP MEETING AND/OR SEMINAR WILL BE ISSUED A REFUND IF CANCELLATION NOTICE IS GIVEN TO N/S NCCPAP CHAPTER OFFICE BY THE END OF THE CHAPTER MEETING, MAP MEETING AND/OR SEMINAR DAY.

Holiday Inn @ Plainview  
215 Sunnyside Blvd  
Plainview, NY 11803

## **MEETING SCHEDULE 2011**

On Parade Diner  
7980 Jericho Turnpike  
Woodbury, NY 11797

October 6, 2011*	Compilations and Review	2 CPE/A&A	Holiday Inn
October 24, 2011	31 <sup>st</sup> Anniversary and Installation of Officers & Directors Dinner/Dance		TBD
November 2, 2011	Help, I've Fallen and I Can't Get Up! It's More Than Just Succession Planning!	2 CPE/MAP/ADVISORY SERVICES	On Parade Diner
November 16, 17 & 18, 2011	2011 Long Island Tax Professionals Symposium		Crest Hollow Country Club
December 1, 2011*	Estate Topic	2 CPE/Tax	Holiday Inn
December 14, 2011	Revving Up for Tax Season; Engagement Letters, Billing, Collecting and Other Things That Keep Us Up at Night	2 CPE/MAP/ADVISORY SERVICES	On Parade Diner
January 12, 2012*	Cost A&A or Not For Profit	2 CPE/A&A	Holiday Inn

## **MEETING SCHEDULE 2012**

January 25, 2012	Don't Get Caught With Your Drawers Open! How to Deal with IRS Security Rules	2 CPE/MAP/ADVISORY SERVICES	On Parade Diner
February 2, 2012*	Federal Tax Season Update	2 CPE/Tax	Holiday Inn
February 29, 2012	Rockin' & Rollin' – Tax Season Round Table	2 CPE/MAP/ADVISORY SERVICES	On Parade Diner
March 1, 2012*	Tax Season Round Table	2 CPE/Tax	Holiday Inn
April 25, 2012	Post Tax Season Round Table – Crying Towels Will Be Provided!	2 CPE/MAP/ADVISORY SERVICES	On Parade Diner
May 3, 2012*	Buy/Sell - Succession Planning	2 CPE/ Tax	Holiday Inn
May 30, 2012	Help Wanted! Recruiting, Hiring, Alternative Staffing.	2 CPE/MAP/ADVISORY SERVICES	On Parade Diner
June 7, 2012*	Eldercare/Reverse Mortgage	3 CPE/Tax	Holiday Inn
June 21, 2012	Accounting & Auditing Update	8 CPE/A&A	Holiday Inn
June 27, 2012	Expanding Your Practice – How to Add Additional Services and Get Paid for Them	2 CPE/MAP/ADVISORY SERVICES	On Parade Diner
July 5, 2012*	NYS Tax Update	2 CPE/Tax	Holiday Inn
July 25, 2012	Let's Get Personal! - Stress Management, Time Management and How to Stay Sane	2 CPE/MAP/ADVISORY SERVICES	On Parade Diner
August 9, 2012*	401K/Retirement Plans Unraveled	2 CPE/Tax	Holiday Inn
August 16, 2012	Ethics Update	4 CPE/Ethics	Holiday Inn
September 6, 2012*	Preparation for Peer Review	2 CPE/A&A	Holiday Inn
October 4, 2012* Holiday Inn	Topic: Partnership	2 CPE/Tax	
November 14, 15 & 16	2012 Long Island Tax Professionals Symposium		Crest Hollow Country Club
December 6, 2012*	Employment Laws Update	2 CPE/Tax	Holiday Inn

\* Chapter Meeting

All Meetings Subject to Change

## **THE NATIONAL CONFERENCE OF CPA PRACTITIONERS LAUNCHES A NEW WEBSITE**

The National Conference of CPA Practitioners (ncCPAp) is pleased to announce the launch of its re-designed website <http://www.nccpap.org>

The new website features an easy-to-use navigation structure, networking opportunities for tax professionals, information about local and national events, membership tools, and up-to-date industry news. In support of the re-design, ncCPAp has established a presence on Twitter and LinkedIn and has created a Facebook LIKE page in order to expand its' reach and communicate to members and tax professionals.

"Our organization focuses on helping the practitioner. We are delighted to be able to offer an enhanced version of our website that supports members with tools, information and social media networking," states Andrew Hult, President of ncCPAp.

ncCPAp social media networks can be found on:

Twitter at <http://twitter.com/nccpap>

Facebook at <http://www.facebook.com/National.Conference.of.CPA.Practitioners>

LinkedIn at <http://www.linkedin.com>

LinkedIn Group: National Conference of CPA Practitioners, Inc.

The new website can be accessed at <http://www.nccpap.org>

## **MAP – MANAGEMENT OF AN ACCOUNTING PRACTICE**



The August MAP committee meeting covered a topic that is sorely needed by many of us, "How to Close the Deal!" Guest speaker, Rob Fishman of Sandler Institute, gave us tips on how to "land" more of the clients we propose on. In addition, NCCPAP members Abby Alhante and Larry Bloom shared their own ideas and suggestions on how to bring in clients at the fees we deserve.

Most of us have at least one client who makes us shudder at the mere sound of his or her name. When is it time to dismiss that client? How do we actually dismiss a client? How do we protect our practices when we dismiss a client?

These questions and more will be answered at the September MAP meeting

"Breaking Up is Hard to Do! Dismissing a Client, from Beginning to End." Register today to avoid paying more at the door.



Are you interested in getting more involved in the MAP committee? We are always looking for volunteers to help. Do you have a question related to managing your accounting practice? Help is just a phone call away. Contact MAP co-chairs Sandy Johnson at (516) 409-1120 or Doug Sinetar at (516) 794-9696.

*Sandra Johnson, CPA, EA, CFE & Douglas Sinetar, CPA*

### **GOOD & WELFARE**

#### **Our congratulations to**

Ruthanne Corrazini, CPA & Payge Corrazini and the Long Island Clarkettes on their team Senior Large Dance Twirl Team took the Silver Medal at the World Baton Federation International Cup.

Paula Sheppard, CPA on the upcoming marriage of her son,  
Michael to Brianne Campbell, on October 21, 2011.

**Our Good & Welfare Chairman is Stephen Sternlieb [ssternliebcpa@attg.net](mailto:ssternliebcpa@attg.net)**

## **FINALLY, ONE FOR THE TAXPAYERS!**

A bill soon to be signed by Governor Cuomo will change collection action by the New York State Tax Department. The current law states that the Tax Department has 20 years to collect against a judgment for tax liabilities. However, the 20 year clock is continually reset any time a Taxpayer acknowledges the debt or makes payment towards the debt (whether the payment is voluntary or involuntary). For instance, if the Tax Department obtains a judgment and enforces that judgment by garnishing a Taxpayer's paycheck, the garnishment is considered acknowledgment and payment. The Tax Department can continue to enforce its garnishment until it receives payment in full or until there is no longer a paycheck to garnish...which could be 20, 30, or even 50 years later!

However, change is coming! The Governor will soon sign a bill that will change the Tax Department's time to collect against a judgment. The new law, which the Tax Department expects to be signed and go into effect within the next several months, still allows a 20 year collection period. The change is that it will now be a strict 20 year time limit. Acknowledgement or payment will not renew or extend the 20 year period.

The 20 year time period begins on the first day the Tax Department can file a warrant against a taxpayer. After 20 years, the warrant or judgment will be deemed expired and all collection action ceases. The law will also be applied retroactively. Any and all warrants and judgments that are 20 years or older at the time the law goes into effect will also be deemed expired.

While judgments will be deemed "expired," they will not be deemed "satisfied." Taxpayers will not receive any written notification that the judgment has expired or that the Tax Department will no longer collect on the judgment. There will be no satisfaction of judgment. Therefore, the judgment may still be listed on credit reports and may still have a negative impact when applying for loans or lines of credit. If taxpayers wish to receive a satisfaction of judgment, they can still proceed with an Offer in Compromise. An Offer in Compromise is where a taxpayer makes a monetary offer, after submitting substantial financial disclosures, to satisfy a judgment for an amount less than the judgment.

If you would like to know your options or would like more information about the new bill or how to settle an outstanding tax debt with an Offer in Compromise, contact Sales Tax Defense LLC! We are here to help!

Article submitted by Mark Stone, CPA of Sales Tax Defense for submitting the above article. Mark Stone, CPA can be reached at (631) 491-1500

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## **NCCPAP INFLUENTIAL IN PASSAGE OF CPA MOBILITY BILL IN NEW YORK STATE**

Due to the strong advocacy of the National Conference of CPA Practitioners (ncCPAp), New York State became the 47th state to adopt CPA Mobility. The legislation, which has been studied and debated for several years in the State Senate and Assembly, was approved in June, 2011 just before adjournment and signed by Governor Cuomo in August 2011.

Upon enactment of the mobility legislation, CPAs licensed in states other than New York will be permitted to practice in New York providing they adhere to certain rules and regulations and agree to discipline by the New York State Department of Education. While this gives out-of-state CPAs the ability to practice in New York it also effectively allows New York State CPAs to practice in the other states without being in violation of other states' statutes. Neighboring states were threatening to bar New York CPAs from practicing within their states if New York did not enact mobility legislation. The approval of this legislation was a unique effort of cooperation among accounting firms of all sizes. "ncCPAp's support, assistance and willingness to take a lead role in the effort ultimately resulted in the successful outcome that will allow New York CPA's to practice on an equal basis with our counterparts across the country" stated Andrew Hult, President of ncCPAp.

Mobility legislation does not decrease New York's ability to enforce its laws and regulations against individuals and firms who are practicing from outside New York. Mobility actually strengthens New York's disciplinary authority by establishing that an out-of-state CPA would consent to jurisdiction simply by entering New York to provide the audit or other attest or compilation services.

The text of the bill can be found online at [m.nysenate.gov/legislation/bill/S2628A-2011](http://m.nysenate.gov/legislation/bill/S2628A-2011).

NATIONAL CONFERENCE



OF CPA PRACTITIONERS

Nassau/Suffolk Chapter

August 19, 2011

**ANNUAL MEETING NOTICE  
ELECTION OF OFFICERS  
2011-2012**

Pursuant to Article XIII of the by-laws of NASSAU/SUFFOLK CHAPTER OF THE NATIONAL CONFERENCE OF CPA PRACTITIONERS, INC., I am submitting the Nomination Committee's report for nominations of Officers and Elected Directors. The nominees have consented to serve if elected.

This notice is to advise all members of the Nassau/Suffolk Chapter of the National Conference of CPA Practitioners that the Annual Elections of Officers and Directors shall take place at the October Chapter meeting to be held at:

Holiday Inn at Plainview, 215 Sunnyside Blvd, Plainview, NY 11803

on **Thursday, October 6, 2011** at: **7:00 PM**

This is to notify all members of the Nassau/Suffolk Chapter of the National Conference of CPA Practitioners of their right to submit independent nominations pursuant to the procedures of ARTICLE XIII, Sections 2 a & b.

**PLEASE NOTE:**

Section 2.a) An independent nomination for an Officer or Elected Director may be made by petition filed with the Secretary 15 days prior to the vote at the annual meeting of members (No later than Sept. 15, 2011). The petition shall be signed by at least 20 members of the chapter, and shall certify that the nominee(s) has (have) consented to serve if elected.

Section 2.b) If any independent nominations are received by the Secretary after the mailing of the annual meeting notice, but within 15 days of the annual meeting, the Secretary shall notify the members of all pending nominations not later than 10 days prior to such annual meeting. The Secretary shall set forth with the report the same personal information as appears with respect to each nominee of the Nominating Committee.

Respectfully,

*Harlan Kahn*

Harlan Kahn, CPA  
Secretary

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**NASSAU/SUFFOLK CHAPTER  
OF THE  
NATIONAL CONFERENCE OF CPA PRACTITIONERS**

**Slate for 2011-2012**

OFFICERS

President	Gary Sanders, CPA	succeeding	Bruce Berkowitz , CPA
Executive VP	Michael Rubinstein, CPA	succeeding	Gary Sanders, CPA
Vice President	Sandra Johnson, CPA, EA, CFE	succeeding	Robert Barnett, CPA, ESQ.
Secretary	Alfonso Mollica, CPA	succeeding	Harlan Kahn, CPA
Treasurer	Abby Alhante, CPA	succeeding	Alfonso Mollica, CPA
Immediate Past President	Bruce Berkowitz, CPA	succeeding	Donald Ingram, CPA, CISA

DIRECTORS TO SERVE TWO-YEAR TERM

Robert Brown, CPA	succeeding	Joseph Scarpa, CPA
Sheldon Kronowitz, CPA	succeeding	Sharon LaColla, CPA
Andrea Parness, CPA	succeeding	Abby Alhante, CPA

DIRECTORS TO SERVE FINAL YEAR OF TERM

Walter Koprowski, CPA	succeeding	Himself
Stephen Sternlieb, CPA	succeeding	Himself
Stephen Weisberg, CPA	succeeding	Himself

**SAVE  
THE  
DATE**

**SAVE  
THE  
DATE**

**PLEASE JOIN US TO CELEBRATE THE**

**Nassau/Suffolk Chapter of NCCPAP**

**31<sup>ST</sup> ANNIVERSARY INSTALLATION**

**DINNER DANCE**



**OCTOBER 24, 2011**

## NASSAU/SUFFOLK CHAPTER OF CPA PRACTITIONERS - SLATE 2011/2012 BIO'S

### President



Gary Sanders, CPA  
Raphael Sanders Goldberg Nikpour & Cohen CPA's  
97 Froehlich Farm Blvd  
Woodbury, NY 11797  
Phone 516 864-8602

Gary is a partner in the firm of Raphael Sanders Goldberg Nikpour & Cohen CPA's PLLC. The firm has expertise in the areas of Health Care Audits, Co-op Audits, and Gary's area of specialization which is centered on tax issues and relationships with second generations of business owners in his over thirty years as a CPA.

In addition to serving as a member of the New York State Society of Certified Public Accountants, Gary has been a long-time member of the Nassau/Suffolk Chapter of National Conference of CPA Practitioners, currently serving as Executive Vice President of the Chapter.

### Executive Vice President



Michael D. Rubinstein, CPA  
Scheer & Rubinstein CPA's, LLP  
180 South Broadway - Suite 100  
White Plains, NY 10605  
Phone 914 437-9400

Michael is a graduate Bernard M. Baruch College of the City University of New York and has been in public accounting for more than thirty years.

He is a member of the Nassau/Suffolk Chapter of National Conference of CPA Practitioners, the American Institute of Certified Public Accountants and the New York State Society of Certified Public Accountants. He was a member of the Board of Directors of the Nassau/Suffolk Chapter of National Conference of CPA Practitioners.

### Vice President of Chapter



Sandra G. Johnson, CPA, EA, CFE  
206 Pettit Ave.  
Bellmore, NY 11710  
Phone 516 409-1120

Sandy's business focuses on individuals and the unique needs of small businesses.

In addition to running her business, Sandy is an adjunct Professor at Five Towns College, President of the Long Island Center for Business and Professional Women and Immediate Past President of the Chamber of Commerce of the Bellmores. Sandy is the co-chair of the MAP Committee of the Nassau/Suffolk Chapter of National Conference of CPA Practitioners and a member of NYSSCPA. She lectures on various business topics for NCCPAP, NYSSCPA, Hofstra University's Continuing Education College, the Small Business Development Center at SUNY Farmingdale and various local clubs and organizations.

Sandy is the 2010 recipient of the Town of Hempstead Pathfinder Award in Business, 2010 recipient of the NYS Assembly Women of Distinction Award, 2011 & 2010 winner of the LI Press Best of LI contest and the 2007 recipient of the Nassau Council of Chambers of Commerce Small Businessperson of the Year award.

### Secretary



Alfonso J. Mollica CPA PC  
555 Broadhollow Road Suite 215  
Melville, NY 11747  
Phone 631 393-6331

I've been in public accounting for over 25 years, working for both small local firms and international firms. My firm offers the traditional services that most all our members offer - from bookkeeping and compliance work to all manner of income tax preparation. I am currently a member of N/S NCCPAP where I serve both as Editor of our newsletter and as Treasurer.

### Director's



Robert N. Brown, C.P.A.  
485 Underhill Blvd., Suite 200  
Syosset, NY 11791  
Phone 516364-4949

Over 30 years experience serving small to mid-size companies and individuals in the areas of tax preparation, tax planning, estate planning, tax representation, financial statement preparation and management advisory services.



Sheldon Kronowitz, CPA  
3366 Hillside Ave Ste. 16  
New Hyde Park, NY 11043  
Phone 516 294-8299

Shelly has been a sole practitioner since 1972 (full time 1985) has also worked as a Controller in private industry and as an auditor for NYS. He specializes in small to medium size clients including non-profits, and has been a member of Nassau/Suffolk Chapter of National Conference of CPA Practitioners since 1987.



Andrea M. Parness CPA  
A. Parness Company CPA  
171 Beach 131<sup>ST</sup> Street  
Belle Harbor, NY 11694  
Phone 718 318-2677

Andrea has been in public accounting for over 30 years. Her firm offers a broad range of traditional and non-traditional services including personal, corporate, and estate tax services; reviews and compilations of financial statements; and outside comptroller-ship services. Prior to starting her own firm in 1985, she was a partner in a small CPA firm located in Great Neck, NY and worked as an internal auditor and financial analyst for a Fortune 500 company.

Andrea is a member of the American Institute of Certified Public Accountants, the NYSSCPAs and Nassau/Suffolk Chapter of National Conference of CPA Practitioners, where she currently serves on the Long Island Tax Symposium Executive Committee and is chairman of the Webinar Sub-Committee.



Walter Koprowski, CPA  
Tepper, Tepper & Koprowski CPAs PC  
1938 Grand Avenue  
Baldwin, NY 11510-2454  
Phone (516) 378-0560

Walter has been with the firm of Tepper, Tepper and Koprowski CPAs PC for 15 years. He was admitted as a partner in 2006. Walter served as a treasurer and officer in his church for a number of years. He is a member of the Insurance Committee and the Nominating Committee for Nassau/Suffolk Chapter of National Conference of CPA Practitioners



Stephen H. Sternlieb, CPA  
1120 Old Country Road, Suite 307  
Plainview, NY 11803  
Phone 516 937-5231

Stephen has been practicing accounting for over 35 years with experience in both small to medium sized public accounting firms and in the private sector and a sole practitioner for the last 20 years.

Stephen is a member of NYSSCPA and Nassau/Suffolk Chapter of National Conference of CPA Practitioners. He has been a director for the last three years, as well as Chairman of the Good & Welfare Committee, is on the Executive Committee as well as serving as Chair of the Volunteer committee of the Long Island Tax Professional Symposium.

### Bio's and Pictures not submitted in time for this printing are:

Treasurer	Abby Alhante, CPA
Director	Stephen Weisberg, CPA

## **REAL ESTATE PROFESSIONALS – NEW REVENUE PROCEDURE**

The IRS has now issued a new revenue procedure which provides relief for qualifying real estate professionals. Real estate professionals may be able to deduct rental real estate losses against ordinary income, providing tax advantages for qualifying persons. However, burdensome statutory requirements present a great hurdle to taxpayers in seeking this benefit. A recent revenue procedure (Rev. Proc. 2011-34) provides a remedy for errors that have prevented qualifying taxpayers from obtaining this benefit.

In order for rental income to be classified as active, a taxpayer must meet two statutory tests: “[M]ore than one-half of the personal services performed in trades or businesses... are performed in real property trades or businesses in which the taxpayer materially participates,” and “such taxpayer performs more than 750 hours of services during the taxable year in real property trades or businesses in which the taxpayer materially participates.” A key to meeting the material participation requirements is satisfying one of seven tests, the most common of which is an over 500 hour work requirement. Work performed by a spouse in such activity may be counted towards the material participation requirement. The difficulty is readily apparent when you consider a taxpayer with five rental properties. If each property is viewed as a separate activity, under the common standard each would require at least 500 hours of documented activity in order to meet the material participation requirement.

IRC § 469 allows real estate professionals to aggregate all rental property provided a timely election is made. Aggregating multiple properties eases the burden for taxpayers in meeting the material participation requirements. The election to aggregate must be made in a separate statement attached to the original tax return for the tax year. The statement must contain a description of the properties and a declaration that the Section 469 requirements have been met. Once made, the election generally continues in effect and applies to all rental real estate activities. An updated election should be made whenever a new activity is acquired.

Formerly, a late election could only be made through a Private Letter Ruling, an uncertain, costly and time consuming endeavor. A late election to aggregate rental properties may now be made provided the following requirements are satisfied:

1. The taxpayer failed to make a timely election, but is otherwise qualified to aggregate his properties.
2. The taxpayer filed consistently with having made such election.
3. The returns were filed in a timely manner (within 6 months of the due date with extensions).
4. The taxpayer has reasonable cause for failure to aggregate.
5. The taxpayer must also file an amended return for the immediately preceding tax year and attach a statement including the above representations. This statement must contain a declaration as specified in the regulations, and it must explain the taxpayer's failure to make a timely election.

If the taxpayer cannot meet these requirements, a Private Letter Ruling remains an option. It is important to remember that the taxpayer will still have to meet the material participation requirements, independent of any determination of eligibility to aggregate.



## **LONG ISLAND TAX PROFESSIONALS SYMPOSIUM**

### ***WE NEED YOUR HELP!! Volunteer Request Application***

PLEASE REGISTER AND SIGN UP TO HELP MAKE THIS YEAR'S EVENT  
EVEN BETTER THAN LAST YEAR'S

Please send your replies to: Etta Gelbien: [egelbien@ns-nccpap.org](mailto:egelbien@ns-nccpap.org) or Fax to: (516) 997-5155

***As always, we need volunteers to help run the Event***

Dates: November 16, 17 & 18, 2011 Time: 7:00 AM to 5:00 PM

Please volunteer!!!!

Volunteers are needed for:

- 1) Registration & Sign-In Tables: starting at 7:00 AM Daily
- 2) Course Sign In: for attendance and handouts in the rooms: Daily  
We will try our very best to assign people to the session (Course) which they will be attending.
- 3) Before the Event:  
Monday, November 14, 2011  
to set up and prepare from 5:00 p.m. – 10:00 p.m. Dinner will be provided

**PLEASE MAKE SURE YOUR SYMPOSIUM REGISTRATION HAS BEEN RECEIVED BY THE  
N/S CHAPTER OFFICE IN ORDER FOR US TO PROPERLY PLACE YOU!**

Please email Etta Gelbien [egelbien@ns-nccpap.org](mailto:egelbien@ns-nccpap.org) Fax to: (516) 997-5155 with your:

Name: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Phone Numbers: \_\_\_\_\_

Please check off what you are willing to volunteer for:

Registration Desk \_\_\_\_\_ Table Sign-In Desk \_\_\_\_\_ Course Sign-In \_\_\_\_\_

Before the Event: Monday, Nov. 14 \_\_\_\_\_ Other: (Please List): \_\_\_\_\_

*Sponsored by:*

**NASSAU/SUFFOLK CHAPTER - NATIONAL CONFERENCE OF CPA PRACTITIONERS**

22 Jericho Turnpike, Suite 110 - Mineola, New York 11501

516-997-9500 Ext.3 - Fax 516-997-5155 - [www.LITPS.org](http://www.LITPS.org) - [LITS@LITaxSymposium.org](mailto:LITS@LITaxSymposium.org)

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# PASSION.

**YOUR COMMUNITY. AND YOUR COMMITMENT TO BOTH.**

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NATIONAL CONFERENCE OF CPA PRACTITIONERS.**



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Financial Advisor  
(718) 281-7738

**Albert M. Murad**  
Financial Advisor  
(718) 281-7728

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**THE POWER OF THE RIGHT ADVISOR.™**

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