

NASSAU/SUFFOLK CHAPTER NEWSLETTER

Volume 10, Issue 2 APRIL 2018

Date Topic

Wednesday, April 25, 2018
A Post Mortem on Tax Season
MAP Meeting in Collaboration with NYSSCPA

Learning Objective

A roundtable discussion of the issues and events that we encountered during the busy season. Come share your experiences. At the same time and location, the NYSSCPA Small firm MAP will also be holding its post-tax season issues meeting.

Speakers

Laurence Bloom, CPA of BloomSchon CPAs LLC
Rick Punturo CPA, CFP®, of Bernstein & Punturo, LLP and Punturo Financial Services Inc.

The SMALL FIRM NYSSCPA MAP COMMITTEE:

Eliot Lebenhart, CPA, of Katz Viola Lebenhart & Mauro, LLP
Kenneth Hauptman, CPA of Wild Maney & Resnick LLP
Alex Resnick, CPA of Wild Maney & Resnick LLP

Moderators

Brian Gordon, CPA of State Tax Audit Representation Inc., Richard Punturo, CPA of Bernstein & Punturo LLP

Credits

2 CPE/MAP

Location Time

On Parade Diner - 7980 Jericho Turnpike, Woodbury, NY 11797

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

On or before Friday, April 20 - \$25.00; After Friday, April 20 - \$30.00

On or before Friday, April 20 - \$30.00; After Friday, April 20 - \$35.00

Member Non-Member

Sponsors:

Intercontinental Capital Group
Lighthouse Financial

Date Topic

Thursday, May 3, 2018
Client Buy-Sell Agreement & Shareholder Agreements (Panel)

Learning Objective

Please Check Website for Updates

Speakers

Robert S. Barnett, CPA, Esq. at Capell Barnett Matalon & Schoenfeld LLP and Neil D. Katz, J.D., of Katz, Smith & Chwat PC Attorneys at Law

Credits

2 CPE/TAX

Location Time

The Mansion at Oyster Bay - 1 South Woods Road, Woodbury NY 11797

Registration/Networking/Dinner: 5:30 PM-6:30 PM | Program: 6:30 PM - 8:30 PM

On or before Friday, April 27 - \$65; After Friday, April 27 - \$80

On or before Friday, April 27 - \$80; After Friday, April 27 - \$90

Member Non-Member

Sponsors:

APS Pension
NVL Financial Svcs.

To register for any of our
meetings, please visit

go.nccpap.org



Message from the Editor

Welcome to the end of tax season!

True, it never really ends, but now is the time to at least take a much-deserved break and a breather. We deserve to applaud ourselves and give ourselves credit for having reached this day.

We also need to give thanks to those in our own offices, along with our NCCPAP office and volunteers that continued to run and plan events, and for keeping our website and gonccpap.org available to respond to questions all tax season from our members.

We have great events, seminars and social gatherings so please mark the dates, and join where you can!

I am reminded of the famous picture of the golfer Phil Mickelson jumping in the air, arms extended over his head with the crowd going wild upon winning the masters golf in Augusta.

Truthfully, I doubt any of us experienced quite that excitement at midnight on April 17th, (or maybe April 18th!). Most of us were simply too exhausted for that form of exuberance. However, like Phil, we are all continuing to seek our own personal victories every day.

After winning, Phil reflected not on the win, but the real magic was the journey we all take. He later added what he cherished was the great life he shares with his wife and family and having learned from mentors and playing golf with his Dad.

So, for each of us, the real excitement is not having reached the end, but to share the rewards of reaching this point with family and friends.

I usually close with our common goal of: **“Member helping Member”** - This edition closes with different phrases:

Yasher Koach - Hebrew for “May Your Strength be firm”

Tienti forte, non mollare mai - Italian for “Stay strong, never give up”

Ta do chreideamh fuair a bheith nios mon a do eagla — Irish for “Your faith has got to be stronger than your fear”

All summarized in stay strong and enjoy these days with family and NCCPAPP!

Gary Sanders, CPA



State of the Nassau/Suffolk Chapter

Through our efforts we NCCPAP members were comfortable that we were well prepared entering tax season 2018. We were able to get together to share ideas and concerns about the Tax Cuts and Jobs Act and what would be in store for us this tax season.

January-February 3 day Tax Intensive

N\S Chapter & Ed Foundation have created & presented a 3-day intensive Tax Cuts & Jobs Act seminar series. The speakers and panels were amazing and the results were that all attendees entered tax season 2018 feeling confident that they could field questions about the law. We beta tested a live stream and videotaped these sessions which can be accessed by all attendees in the community library.

January-March Map and Chapter Meetings

Technology Tune-Up for the Modern Office – Jason M. Palmer, CPA shared many wonderful insights and suggestions with our group.

2018 Tax Season Roundtable – Robert Barnett CPA, Esq. and Carol Markman CPA, lead the discussion with informative analysis on many 2017 tax law concerns.

Newsletter

Chairman Bob Goldfarb and editor Gary Sanders put this newsletter to “bed” in print and digital format during the last few days of tax season 2018. The articles submitted by our members and chapter sponsors contain valuable information and we now have something new to look forward to from our organization and chapter. We will accept submissions from other chapter members & their presidents- Bob, Gary and I are happy to talk off line with those of you who are interested in participating in future newsletters.

College Outreach

Our College Outreach committee will be contacting local colleges to create an opportunity for college students to work with our members as summer interns. They will also be looking to create a mechanism for college graduates to apply for jobs in member firms. Related to this outreach, Andrea Parness has joined the Virtual Enterprises International NYC advisory council. This country-wide organization works with High School students and teachers across the country who then compete in a business plan competition (think Tom Cruise in Risky Business). She has connected them with INTUIT who is looking to bring QuickBooks training to high school students. The long- term plan is to enable trained students to enter the workforce while still in school.

All in all we are following our vision & growth plan to make sure our efforts continue to be valuable to our members.

Andrea Parness, CPA

We, The Editors, express our sincere thanks to Michael Casey for his diligence and work in formatting and designing our newsletter.

Please submit pictures and articles for our July 4th Spectacular!

NCCPAP GOES TO WASHINGTON

Every year our Chapter joins with the other Chapters of NCCPAP at a National meeting in Washington DC

The National Tax committee researches ideas and potential modifications all year from our members.

This year we will gather in Bethesda Maryland on May 9th thru 11th—and would love more attendees from our chapter.

If you would like to attend, or have any thoughts on practical changes, or tax law modifications, contact :

Pat Sornberger, National Office Administrator of NCCPAP
516-333-8282
psornberger@nccpap.org

NCCPAP GOES TO ALBANY

Our Chapter has always had a very special relationship and open dialogue with various representatives of the NYS Tax Department.

We have had keynote speakers at our symposium of various Commissioners, or representatives for many years.

Our chapter attends meetings in Albany, and has many conferences with these representatives led by our Past President, Don Ingram. If you have any specific concerns for Don to address, please email our office and we will be sure to pass the information to the committee.

Takeaways From the Tax Season Roundtable

N/S Chapter meeting on March 1, 2018

2018 Withholding Taxes - the withholding tables have been modified for 2018 – A taxpayer's withholding may need to be adjusted from the amounts in the tables. If taxpayer's 2017 federal adjusted gross income was more than \$150,000 (\$75,000 if you are married filing a separate return), the taxpayer must pay the smaller of 90% of the expected tax for 2018 or 110% of the tax shown on your 2017 return to avoid an estimated tax penalty and the taxpayer cannot rely on the assumption that 2018 will be the same in 2018 and it was in 2017.

Medical Expenses - Although the new tax law ended many write-offs, it expanded the deduction for medical expenses, at least for 2017 and 2018. For those tax returns, the threshold for qualifying to deduct medical expenses fell from 10% of your adjusted gross income to 7.5%. Aside from out-of-pocket health and dental costs, eligible medical expenses include home improvements related to health care, such as adding rails, grab bars or a stair lift.

FBAR - Report of Foreign Bank and Financial Accounts - FBARs due Apr. 17, 2018, but filers who miss deadline get automatic 6-month extension - While 2017 FBARs are due on April 17, 2018 filers who miss this deadline are given an automatic extension until October 15, 2018.

Affordable Care Act - IRS will reject 2017 returns that are silent on compliance with ACA individual mandate - The Tax Cuts and Jobs Act did not eliminate the individual shared responsibility requirement for 2017. The IRS will not consider a 2017 return complete and accurate if the taxpayer does not report coverage, claim an exemption or report a shared responsibility payment. In the past, the IRS processed these so-called "silent returns."

Roth Conversion Recharacterizations - IRS clarifies effective date of new law on Roth conversion recharacterizations - If a traditional IRA was converted to a Roth IRA in 2017, it may be recharacterized as a contribution to a traditional IRA until Oct. 15, 2018.

NYS Paid Family Leave Act – Employers may deduct the premium cost for the Paid Family Leave insurance policy from employees through a payroll deduction or choose to cover the cost themselves.

Home Equity Loans - IRS clarifies interest on home equity loans often still deductible - despite the newly-enacted restrictions on home mortgages under the Tax Cuts and Jobs Act, taxpayers can often still deduct interest on a home equity loan, home equity line of credit (HELOC), or second mortgage, regardless of how the loan is labeled. IRS clarified that the Tax Cuts and Jobs Act suspends the deduction for interest paid on home equity loans and lines of credit, unless they are used to buy, build or substantially improve the taxpayer's home that secures the loan

Alimony - Under the new law, alimony payments are not deductible by payer or taxable to the recipient

Takeaways From the Tax Season Roundtable

Selected Questions and Answers

1. How do you convert a NY LLC to a Corporation? I am not referring to a new LLC where you can make an initial election.

Answer – New York does not have a formless conversion statute, but rather a merger statute. For tax purposes, make an election on Form 8832, Entity Classification Election (check-the-box) would work, but the LLC will remain an LLC for all other purposes.

2. If a taxpayer has carry-forward Schedule D losses and no income this year, is it necessary to file a tax return to preserve the old losses in case they are needed in the future? Does the IRS maintain the info without having to file a return every year?

Answer – NO, taxpayer must file each year to preserve carry-forward

3. I have a client who had a loan foreclosure on a personal residence in 2012, discharged in court. He received a 1099-C this year. Should this be included this year, with the exclusion?

Answer – the Bipartisan Budget Act included the exclusion from gross income of discharge of qualified principal residence indebtedness (often, foreclosure-related debt forgiveness), claimed on [Form 982](#).

4. Home office deduction. Once a taxpayer elects a method for a taxable year, can the taxpayer later change to the other method for that same year?

Answer – No once a tax return is filed claiming a home office deduction, the election cannot be changed on an amended return.

5. Is it possible to report 1099 investment activity being reported in a trust's EIN directly on a 1040 as the taxpayer's income?

Answer – No, the IRS will look for fiduciary tax return for the trust if the income is above the exemption amount.

6. Does a 1099- MISC have to be issued to an independent contractor who is paid through PayPal?

Answer – NO, According to the instructions for 1099 MISC, payments made with a credit card or payment card and certain other types of payments, including third-party network transactions, must be reported on Form 1099-K by the payment settlement entity and are not subject to reporting on Form 1099-MISC.

Our thanks to Carol Markman for chairing this annual event for so many years and researching all of the questions. Our thanks to Robert Barnett for his participation and valuable insights in joining this roundtable over the last several years.

Technology Tune-Up for the Modern Office

Presented by Jason M. Palmer, CPA, CITP

jason@jasonpalmer.com



A great NCCPAP Map Meeting was held on 2/21/18. Jason Palmer shared many wonderful insights and suggestions with our group. Here are our 7 takeaways:

- Hosted VoIP most expensive because you are paying a monthly fee for separate lines going to every desk, whether desk is occupied or not.
- PBX Phone systems compared to cable can save you money.
- Hosted PBX is cheaper than Hosted VoIP because VoIP you pay 1 phone/desk/month, whereas PBX is a central system so it is LaCarte.
- Getting phone calls forwarded to cell phone or another phone if you are not in your office a lot are easier with PBX system.
- Sending text messages reminding clients about tax season appointments with PBX system
- You should not be renting a copy machine if you print 30,000 pages or less a month. Switching to a MFP printer in the \$2,000 price range can save you significant money over the copy machine rental.
- Internal emails – staff to staff is secure, does not leave the environment. External emails – may not be secure

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Letter From Nathan Eichner

This past February 26th NCCPAP lost Nat Eichner. Nat was a dear friend and mentor, one of our original members, and a Past Director of our organization. He will be missed by all of us at NCCPAP, and remembered by his wife Diana, his children Brian and Michelle, and their spouses Melissa and Robert and his grandchildren, Becca, Jordan and Jacob. His sense of honesty, and loyalty to his profession combined with his love for his family will long be remembered. It is with pride we re-print an excerpt of a letter as sent by Nat to our Chapter, upon his retirement.

The Nassau/Suffolk Chapter is a remarkable entity. I don't know how a small practice unit or a sole proprietor like myself could possibly function without the support and knowledge it offers. When I have walked into a Chapter meeting, it was like attending a family reunion where I am greeted by colleagues and friends alike. It is truly a remarkable organization and one that I have been so proud to be associated with all of these years.

Most importantly are the individuals that comprise the Chapter. They are truly unselfish people who do not hesitate to assist others in their practice when questions arise. I will not name individual names for fear of omitting and therefore slighting someone. These people have not just been colleagues, but many of who are friends with whom I expect to remain in contact with well after I retire.

Very Truly Yours,

Nathan Eichner
Certified Public Accountant

ARE BUSINESS MEALS DEDUCTIBLE?

By Robert L. Goldfarb, CPA



When you take a client out to lunch (or dinner or breakfast) do you laugh at any time during the meal? Well, if you do then PLEASE REFRAIN FROM DOING THIS! Why would I provide you with this advice? Simply to preserve your ability to take a tax deduction for the meal! So, now you might be asking yourself, what in the world is this guy talking about? I KNOW that you will recall that Congress approved, and President Trump enacted on December 22, 2017, the Tax Cuts and Jobs Act of 2017 (TCJA; P.L. 115-97). While most of us were concentrating on the complexities of the newly enacted Section 199A deduction (i.e. the so-called 20% deduction for pass-through entities), the Act also included a provision affecting the deductibility of entertainment expenses.

As you well know, prior to TCJA entertainment expenses were 50% deductible under certain circumstances which is beyond the scope of this discussion (stated differently, I have no desire to go over those details at this time). For a detailed explanation of these provisions please review former IRC Section 274(a)(1) although I doubt this is truly necessary for you to do so.

The Treasury Department had issued regulations broadly defining “entertainment” as “any activity which is of a type generally considered to constitute entertainment, amusement, or recreation, such as entertaining at night clubs, cocktails lounges, theaters, country clubs, golf and athletic clubs, sporting events and on hunting, fishing, vacation and similar trips, including such activities relating solely to the taxpayer or the taxpayer’s family.” [(Reg. Sec. 1.274-2(b)(1)(i)]

A review of IRC Section 274 will reveal that it does NOT provide for a deduction of any kind. Rather, it is actually a limiting provision of IRC Sections 162 and 212, as well as imposing additional qualifications for the deduction. To save you the trouble of either looking up the provisions of IRC Sections 162 and 212 or trying to remember them, I will remind you that Section 162 basically allows a deduction for ordinary and necessary trade or business expenses, while Section 212 permits deductions for the production of income.

Now, this you may not recall, in 1961 (yes, 57 years ago) President Kennedy proposed eliminating all income tax deductions for expenses for entertainment activities and facilities. So, then was then and now is now. Where do we stand TODAY? Under the provisions of TCJA of 2017 business expense deductions are eliminated or reduced as follows:

1. Deductions are eliminated for most entertainment expenses after 2017 (IRC Section 274(a)(1), as amended by the TCJA).
2. Deductions are eliminated for transportation and commuting benefits after 2017
3. Deductions are eliminated after 2025 for employer-provided meals that are excludable from an employee’s income or are de minimis fringe benefits (IRC Section 273(o), as added by the TCJA of 2017).

ARE BUSINESS MEALS DEDUCTIBLE?

By Robert L. Goldfarb, CPA

Continued

What does this actually mean in terms of the ability to deduct business meals? Asked differently, are business meals still deductible? Or, Are business meals “entertainment” and therefore no longer deductible expenses?

I would love to be able to give you a definitive answer here but I really cannot do that – at least not yet. I, like hundreds of thousands, maybe millions, of tax return preparers, am waiting for the Treasury Department to issue regulations. At this point, however, I personally feel that as long as the business meal does not include any form of entertainment then the expense **WOULD BE** deductible. According to Newsday, they quoted me as saying “We don’t have a true definition of what entertainment is in terms of meals. His firm is telling clients that the deduction on business meals may be questionable and they need to maintain the records as if the expense was deductible. That’s going to be a dilemma 11 or 12 months from now when firms file their 2018 taxes” (the article was published March 19, 2018). I still stand by this information.

Although not included in the article the interviewer, Jamie Herzlich, did ask me if I was going to play less golf with clients because the expense is no longer deductible. I told Ms. Herzlich, that the TCJA of 2017 would absolutely, positively NOT impact the amount of golf I play with my clients. I further explained that since I don’t like to play golf, and since I already play NO GOLF with my clients, I cannot, and will not, play any less golf because of the inability to deduct the expense!

Robert L. Goldfarb, CPA is a Principal at Janover LLC which is located in Garden City, NY and member of the New York State Board of Public Accountancy, appointed by the New York State Board of Regents to this regulatory position. He is a Past President of the National Conference of CPA Practitioners, receiving the organization’s Lifetime Service Award, and he has served as Chairman of its National Tax Policy Committee and National Issues Committee.

Don't Lose Your Restaurant Because of Unpaid Taxes

Three Things You Need to Know

By: Karen Tenenbaum, Esq., LL.M. (Taxation), CPA



A recent article in the Albany Times Union noted the high number of restaurants that shut down every year for nonpayment of sales or withholding taxes. Based on an analysis of media coverage, restaurants seem to be seized more often than other types of businesses. This may be, in part, a result of the unique challenges of operating a restaurant. Many restaurateurs fall behind on their taxes due to the constant cash flow issues and low profit margins characteristic of the industry. However, if they fail to address their tax issues promptly, restaurant owners risk losing their businesses.

Here are a few key points restaurant owners must know:

1. Food and food products are subject to complex tax rules.

Generally, food and food products are exempt from sales tax under New York law (NY Tax Law §1115). However, the sales of food and food products prepared by restaurants and similar establishments are subject to sales tax in certain circumstances. In addition, issues can arise when restaurants offer patrons or employees food or drink “on the house.” Even when consumers or employees are not charged for food or drink, New York still subjects the provision of same is still subject to a “use tax.” The use tax is “imposed on the use of taxable items and services in New York when sales tax has not been paid.” As a result, a New York restaurant is responsible for the payment of tax even on food or drink provided gratis, by virtue of the fact that same is used or consumed within the state.

For more information, see the New York State Department of Taxation and Finance’s guidance on when sales by Restaurants, Taverns and similar establishments are taxable.

2. Keeping accurate and detailed records of sales is a must.

Recordkeeping is critically important for a restaurant. Poor records can make it difficult to challenge an audit and the combination of a sales tax audit and inadequate recordkeeping could result in serious financial consequences to both a restaurant and its owner.

New York State Tax Law sets forth a number of requirements relating to business records. The law provides that business records should be sequentially numbered and dated, that checks and cash register tapes must be kept for at least three years after the due date of the related return or the date the return is filed, whichever is later, and that records must be sufficiently detailed and document the taxable (or non-taxable) nature of each item sold. It is also important to keep any and all records proving that the business has collected and paid the correct taxes due.

Don't Lose Your Restaurant Because of Unpaid Taxes

Three Things You Need to Know

By: Karen Tenenbaum, Esq., LL.M. (Taxation), CPA

Continued

3. Consequences for failing to collect and/or remit sales tax are severe.

Penalties and interest as high as 14.5 percent may be imposed for failing to pay sales tax. A business may also have its Certificate of Authority revoked or face criminal prosecution for failure to pay. In some cases, business owners or other responsible persons can be held personally liable for the sales tax owed. The State may use any combination of enforcement methods, such as warrants, levies, income execution and seizures, to collect what is owed. New York also can suspend a taxpayer's New York State Driver's License if (1) a taxpayer owes \$10,000 or more in taxes, penalties, or interest, and (2) no collection resolution is in place (such as an installment payment agreement, income execution or offer in compromise).

If you haven't collected or paid sales tax, New York State does offer a relief in the form of the Voluntary Disclosure and Compliance Program. The State will not impose penalties or bring criminal charges against eligible taxpayers with a history of noncompliance who come forward and pay their outstanding tax liabilities. As an added incentive, qualified taxpayers are also eligible for a limited look-back period.

Restaurant owners should contact a tax professional to discuss compliance with sales tax rules and how to resolve a tax dispute.

Tenenbaum Law, P.C. in Melville, focuses on the resolution of IRS and NYS tax controversies. Visit our website at www.litaxattorney.com or contact us at info@litaxattorney.com or (631) 465-5000

Clients Want to Move Out of New York? Make Sure Your Clients Know What To Do



By Yvonne Cort, Esq., Partner, Capell Barnett Matalon & Schoenfeld, LLP*

As the tax laws of the country have changed, with consequences at the state level, some residents of New York State are wondering if they should stay in New York or move to another state, where they would pay less tax.

Let's start with the basics. New York State has two ways of defining a NYS resident:

1. An individual who is domiciled in NYS; OR
2. An individual who is not domiciled in NYS, and:
 - a. has a permanent place of abode in NYS, AND
 - b. spends more than 183 days of the taxable year in NYS.

A taxpayer who meets the second test is a statutory resident of NYS.

Many taxpayers who are domiciled in New York and spend winters in a second home erroneously believe that if they stay out of New York for 6 months of the year, and make a few minor changes, such as obtaining a driver's license in the new state, they will no longer be subject to tax as a NYS resident. They don't realize that they may not have changed their domicile, and therefore the statutory resident test cannot be applied. Unfortunately for the taxpayer, New York State requires far more than a new driver's license to show a change of domicile.

While a taxpayer may have multiple residences, there can be only one domicile. The State evaluates several primary factors including consideration of the home, business ties, time spent in each place, location of items near and dear, and family connections. The taxpayer must show, by clear and convincing evidence, that the ties to the new place are stronger and the connections to NYS have become much weaker or been severed. While the State will place some value on minor factors such as obtaining a driver's license or registering to vote, these do not carry as much weight as the primary factors.

A recent case illustrates the elements of a successful domicile change, with the facts of a love story worthy of a Hollywood film. In **Patrick** (In re Patrick, DTA Nos 826838 & 826839, June 15, 2017; note that Administrative Law Judge decisions are not precedential) the taxpayer reconnected with his high school sweetheart and they immediately made plans to marry. The taxpayer kept his NYC apartment, but was able to show that he had established connections to his new home, and he did not maintain strong ties to New York. He and his new wife purchased a luxury apartment in Paris and renovated it extensively. Although the taxpayer spent significant time in New York during the audit years, the explanations given by the taxpayer, including necessary treatment in NY for a medical condition, were sufficient so that this factor did not weigh against a change of domicile. The ALJ reviewed the primary factors, and emphasized that the taxpayer made a drastic change of lifestyle in connection with the change of domicile, including taking early retirement from his long-term employment at Colgate, at a financial cost.

To effectively prove a change of domicile, it's important to be mindful of the State's requirements and to document the supporting factors and the time spent as much as possible. When your New York clients are considering a change to their domicile, they need to know that there's more to be done than simply making the decision to leave the cold climate of New York.

Yvonne concentrates her practice on assisting Individuals and businesses with the resolution of their IRS and NYS tax controversies. Yvonne can be reached at: ycort@cbmslaw.com or 516.931.8100 ext. 370



IRS Seizing Non-Compliant Taxpayer Passports

By: Eric L. Morgenthal, Esq., CPA, M.S. (Taxation)

In their pursuit of tax debtors, the IRS recognizes that the chase shouldn't end at the border. To contain those fleeing the country, they have several tools at their disposal. The Writ Ne Exeat Republica is a collection device detaining a US taxpayer who is about to leave and had transferred assets abroad to avoid IRS enforced collection. In addition, the Treasury Enforcement Communication System (TECS) is maintained by the Department of Homeland Security to identify non-compliant taxpayers seeking to enter or leave the U.S. Recently, the U.S. international tax enforcement system has extended its reach of administration even further.

In December 2015, Congress passed the Fixing America's Surface Transportation ("FAST") Act. This act codified the authority of the IRS in new IRC section 7345 to trigger the "revocation or denial of a passport in case of certain tax delinquencies" which exceed \$51,000 of combined tax, penalties and interest (indexed for inflation), also known as a "seriously delinquent tax debt." Although it has been in the statute for nearly two years, the IRS has recently announced their intent to commence enforcement. To initiate the passport revocation, the IRS must first have filed a Notice of Tax lien and allowed all Collection Due Process (CDP) hearing rights to lapse or levied against the Taxpayer. Unfortunately, having a case open before the Taxpayer Advocate was not delineated in the statute as an available right that suspends enforcement under IRC section 7345.

This approach to accelerate tax collection is not new to many. Under a similar New York State Department of Taxation provision, debtors may have their driver's license suspended until their deficient tax balances are addressed and/or paid. But this new federal measure is far more powerful as it doesn't merely restrict the means of travel, but the right to travel entirely.

Pursuant to IRC section 7345, the IRS must notify the Taxpayer in writing when they have certified a seriously delinquent tax debt to the State Department via formal Notice CP 508C. This leaves the taxpayer with 90 days to contact the IRS about the notice and address the matter. In that time, the taxpayer can extinguish the debt or demonstrate that it was no longer enforceable. In the alternate, the tax debt will be considered no longer seriously delinquent if certain safe harbors are met. These include: if an installment plan or offer-in-compromise is established; the Department of Justice enters into a settlement agreement; collection is suspended under innocent spouse provisions or an adjustment is pending which will eliminate the tax balance owed. However, as pointed out by the Taxpayer Advocate, the IRS notice "lacks any language about other situations where tax debts may be excluded from the program, such as if the taxpayer is a victim of identity theft or qualifies for currently not collectible hardship circumstances" and instead, the agency placed that information on its website.

If the taxpayer is successful in reaching an arrangement with the IRS, a Reversal of Certification is provided via Notice CP 508R within 30 days. If denied, the only recourse available is judicial intervention through an action in either Federal District Court or US Tax Court to request Decertification. Note that IRS administrative remedies such as a CDP hearing cannot instead be used to challenge the debt as "Seriously Delinquent". Furthermore, the IRS has explicitly stated that merely paying the debt to below the \$51,000 threshold won't bring reversal.

IRS Seizing Non-Compliant Taxpayer Passports

By: Eric L. Morgenthal, Esq., CPA, M.S. (Taxation)

Continued

As indicated by the IRS, a seriously delinquent tax debt is limited to liabilities incurred under Title 26 of the United States Code and does not include FBAR ("Foreign Bank Account Report") Penalties or Child Support. However, many items reportable under the Foreign Account Tax Compliance Act (FATCA) in Title 26 align with the FBAR reporting system and can thus still cause a travel nightmare for Taxpayers with those foreign compliance issues as well.

The most feared aspect of the program would arise in the event international emergency travel is needed. As asserted by the Taxpayer Advocate, IRS Notice CP 508C fails to inform taxpayers that an exception for emergency or humanitarian circumstances could be provided but that the Taxpayer would need to contact the Department of State directly for consideration. However, unknowing tax debtors with only an IRS Notice CP 508C in hand may find themselves calling the phone number on the notice itself seeking a remedy that the IRS is not empowered to provide.

As with any IRS program, there are additional rules and exceptions. In fact, the IRS even states in the Internal Revenue Manual that the "discretionary exclusion categories are subject to change in the future." There are also constitutional arguments against this mode of enforcement yet to be tested in the courts. But until the dust settles, tax debtors, with hopes of international travel will be going nowhere FAST.

Eric L. Morgenthal, Esq., CPA, M.S. (Taxation) maintains his tax law practice in Melville, New York, specializing in International, Federal and New York State tax controversy matters. Mr. Morgenthal is currently the SCBA Taxation Law Committee Co-Chair and formerly served as New York Chapter President of the American Association of Attorney-CPA's.

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Karen P. Giunta, CPA	2000-01
Stuart G. Lang, CPA	1999-00
Jerald I. Wank, CPA	1998-99
Jack Weisbrod, CPA *	1997-98
Arthur Libman, CPA	1996-97
Rhona Liptzin, CPA, PFS, CFP	1995-96
Alan I. Brooks, CPA	1994-95
Carol C. Markman, CPA	1993-94
Leon D. Alpern, CPA *	1992-93
Harold Ogulnick, CPA	1991-92
Laurie Greenberg, CPA	1990-91
Steven Greenberg, CPA	1989-90
Robert Berkal, CPA	1988-89
Irwin Rosenblatt, CPA *	1987-88
Carole Roble, CPA	1986-87
Raymond Jablons, CPA *	1985-86
Herbert Schoenfeld, CPA	1984-85
Peter Ciccone, CPA	1983-84
Bernard Rader, CPA	1982-83
Samuel Baum, CPA*	1981-82
Edwin J. Kliegman, CPA *	1979-81

*deceased

GOOD & WELFARE

Congratulations to:

Yvonne R. Cort, a partner at the Jericho office of **Capell Barnett Matalon & Schoenfeld LLP**, was honored by **Long Island Press** at the **Long Island Power Women in Business** gala event. The award recognizes top Long Island businesswomen and community leaders for their outstanding leadership and contributions to the community.



Our Good & Welfare Chairman is Stephen Sternlieb, CPA steve@ssternliebcpa.com

GALLO FAMILY 2ND ANNUAL BLOOD DRIVE **IN HONOR OF SUSAN GALLO**

Susan was an active member of NCCPAP and volunteered her time and energy to many committees on both the national and local chapter levels. Please join your fellow members for the 2nd Annual Susan Gallo Blood Drive and give the Gift of Life!

SAVE THE DATE
SATURDAY, JULY 14, 2018

Blood Drive
In Honor of Susan Gallo



Spread Your Love
Give Blood

Saturday, July 14, 2018
3 Notch Court
Huntington Station, NY 11746
12:00pm – 6:00pm

Please join us in honoring Susan's life
Donate blood in her memory to
Help save the lives of others

Please Give the Gift of Life!

For more information and to schedule an appointment, please go to:

sites.google.com/view/susangalloblooddrive

For travel and medical questions, call 1-800-688-0900.

Long Island Blood Services

Download and print out the flyer here: [SueGalloBloodDrive2018.pdf](#)

Susan received many blood transfusions throughout her treatment and was always thinking of putting others first. In honor of her spirit and in conjunction with the Long Island Blood Service, The Gallo family is hosting a blood drive in her memory. We have created a website with information and a link to sign up to donate.

Visit sites.google.com/view/susangalloblooddrive/home to register.

Thank you and we hope you will join us on July 14th!

The Gallo Family

17th Annual**Ellen Gordon****CPAs 4(a): Cause****5K Run/Walk to End Hunger****Thursday, July 12, 2018****Eisenhower Park, Field 1 & 2 • East Meadow, NY****Registration Starts at 4:30 pm • Race Time: 7 pm****Proceeds will benefit:**www.islandharvest.org

Music
New York State Society of CPAs
Nassau Chapter
**Post-race food
& refreshments**

Food Sponsor

Awards:
Top 3 Overall Male
Top 3 Overall Female
Top 3 Finishers in each age category
(5 year groups)
Ribbons for all children under 14

Hosted by:**Runner Registration Form**Or register today at elitefeats.com?cpa5kName _____ Sex ☐ M ☐ F ☐ X

Company _____

Age on Race Day _____ Birth Date _____

E-mail _____ Phone _____

Address _____

City _____ State _____ Zip Code _____

I know that running a road race is a potentially hazardous activity. I should not enter and run unless I am medically able and properly trained. I agree to abide by any decision of a race official relative to my ability to safely complete the run. I assume all risks associated with running in this event including, but not limited to: falls, contact with other participants, the effects of the weather, including high heat and/or humidity, dehydration, traffic, and the conditions of the road, all such being known and appreciated by me. Having read this waiver and knowing these facts and in consideration of your accepting my entry, I, for myself and anyone entitled to act on my behalf, waive and release the New York State Society of Certified Public Accountants, Island Harvest, LTD., the County of Nassau, NCCPAP, FPA of LI, and all sponsors, Race Directors, their agents and volunteers, their representatives and successors from all claims of liabilities of any kind arising out of my participation in this event. I grant permission to all of the foregoing to use any photographs, motion pictures, recordings, and any other record of this event for any legitimate purpose. I acknowledge that entry fees are non-refundable for any reason and that my right to participate in this event (or a rescheduled event if this event is cancelled) is non-transferable. Roller Blades, Baby Joggers, Headphones, and Animals are prohibited from participating in this race.

Applicant Signature _____ Date _____

Parent or Legal Guardian's if applicant is under 18

☐ Register online at elitefeats.com?cpa5k for \$20
(kids under 14 are half price)

☐ Enclosed is my registration fee of \$30 (if not registering online) payable to Island Harvest

☐ Enclosed is my additional tax deductible contribution of \$_____ payable to Island Harvest; or visit islandharvest.org to make a contribution online

Register online at elitefeats.com?cpa5k

Registration fee is \$30 day of event.

Mail registration & checks to:Kenneth Rick or Stacy Keyes • Janover LLC • 100 Quentin Roosevelt Blvd. • Garden City, NY 11530 • 516-542-6300 • ken.rick@janoverllc.com

Register Today!
elitefeats.com?cpa5k

For more information:
Kenneth Rick or Stacy Keyes
516-542-6300 • ken.rick@janoverllc.com

NCCPAP IS PROUD TO ANNOUNCE OUR SUPPORT OF THE INSTALLATION DINNER OF THE NASSAU CHAPTER OF THE NYS SOCIETY.

The current President Anthony Basile, and incoming President Alex Resnick have been supportive of our organization. Please join as we honor both of these associates, and unite in our professional affiliation.



65th Annual
Nassau Chapter
Installation Dinner
Wednesday, May 30, 2018 | 6:30 p.m.
Crest Hollow Country Club, Westbury

Come Celebrate the 65th Anniversary of the Nassau

Chapter Sponsor & Advertising Discounts Extended through April 23, 2018

20% through 3/23/18 + 15% through 4/23/18

<input type="checkbox"/> NEW: PLATINUM SPONSOR: \$2400 Recognition on the podium Full page ad in event program Ten (10) tickets to the event* Signage at the event	<input type="checkbox"/> GOLD SPONSOR: \$2000 Recognition on the podium Full page ad in event program Eight (8) tickets to the event* Signage at the event	<input type="checkbox"/> SILVER SPONSOR: \$1400 Recognition on the podium Half page ad in event program Six (6) tickets to the event* Signage at the event
<input type="checkbox"/> BRONZE SPONSOR: \$900 Recognition on the podium Quarter page ad in event program Four (4) tickets to the event* Signage at the event	<input type="checkbox"/> NEW: COCKTAIL HOUR SPONSOR: \$800 Recognition on the podium Recognition in event program Six (6) tickets to the event* Prominent signage at the event	<input type="checkbox"/> GIFT SPONSOR: \$450 Podium recognition during prize drawing Eighth page ad in event program One (1) tickets to the event* Signage at the event
<input type="checkbox"/> NEW: WINE SPONSOR: \$300 Recognition in event program Signage on every table	<input type="checkbox"/> PROGRAM ADVERTISING: <div style="display: flex; justify-content: space-between;"> <div> ___ Full Page Ad: \$1200 (7 1/4" x 9 3/4") ___ Half Page Ad: \$700 (7.25" x 4.75") ___ Quarter Page Ad: \$450 (3.5" x 4.75") </div> <div> ___ Eight Page Ad: \$225 (3.5" x 4.75") ___ Business Card Ad: \$125 (3.38" x 2") (Submit Original Business Card) </div> </div>	

**** ALL ADVERTISING WILL BE DUE BY APRIL 30, 2018 ****

TICKETS & TABLES: Table of 10: \$950 Individual Tickets: \$100 per person

TICKET/TABLE RESERVATIONS: To: Vivian.Levy@nyscpa.com no later than Friday, May 11, 2018.

NAME: _____

NAMES OF ATTENDEES: _____

FIRM NAME: _____

ADDRESS: _____

CITY/STATE/ZIP: _____

TELEPHONE: _____

EMAIL: _____

BY CHECK: Payable to NYSSCPA Nassau Chapter
 Mail to: Vivian Levy
 c/o Katz Viola Lebenhart & Mauro, LLP
 415 Crossways Park Drive, Suite C
 Woodbury, NY 11797

By CREDIT CARD VIA PAYPAL: Click [HERE](#)

* Paypal link for table & individual registrations only.
 All sponsorships and advertising will be billed by Vivian Levy.



NASSAU/SUFFOLK CHAPTER of NCCPAP
 EDUCATIONAL FOUNDATION OF N/S NCCPAP
 22 Jericho Turnpike, Suite 110, Mineola, NY 11501
 Phone (516) 997-9500 Fax (516) 997-5155
 Email: kcasey@ns-nccpap.org
 Website: go.nccpap.org

MEETING SCHEDULE 2018

Chapter Meetings

The Mansion at Oyster Bay
 1 South Woods Road, Woodbury, NY 11797
 (In the Town of Oyster Bay Golf Course)

MAP Meetings

On Parade Diner
 7980 Jericho Turnpike
 Woodbury, NY 11797

LITPS

Crest Hollow Country Club
 8325 Jericho Turnpike
 Woodbury NY 11797

*Chapter Meetings/Presentations: Registration/Dinner/Networking is at 5:30 PM

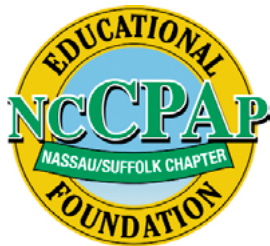
4 CPE/A&A and 4 CPE/ETHICS Registration/Breakfast/Networking is at 7:45 AM

MAP Registration/Breakfast/Networking is at 7:45 AM

Day	Date	Time	Topic	CPE	Location
Th	Jan 11*	4:00-8:30 PM	Tax Cuts and Jobs Act Part 1	4 CPE/TAX	The Mansion
W	Jan 24	7:45 AM-10:00 AM	Tricks and Tips QuickBooks - Desktop and QB Discussion Group (bring your laptop)	2 CPE/MAP	On Parade
Th	Jan 25	4:00-8:30 PM	Tax Cuts and Jobs Act Part 2	4 CPE/TAX	The Mansion
Th	Feb 1*	4:00-8:30 PM	Tax Cuts and Jobs Act Part 3	4 CPE/TAX	The Mansion
W	Feb 21	7:45 AM-10:00 AM	Technology Tune-Up for the Modern Office	2 CPE/MAP	On Parade
Th	Mar 1*	5:30-8:30 PM	2018 Tax Season Roundtable	2 CPE/TAX	The Mansion
W	April 25	7:45 AM-10:00 AM	2018 Post Tax Season Roundtable	2 CPE/MAP	On Parade
Th	May 3*	5:30-8:30 PM	Client Buy – Sell Agreement & Shareholder Agreements (Panel)	2 CPE/TAX	The Mansion
Th	May 24	7:45 AM-12:00 PM	Accounting and Auditing Series Part 1	4 CPE/A&A	The Mansion
W	May 30	7:45 AM-10:00 AM	Office Organization & Time Management	2 CPE/MAP	On Parade
Th	June 7*	5:30-8:30 PM	Elder Care, Disability & Medicare/Medicaid	2 CPE/TAX	The Mansion
Th	June 14	7:45 AM-12:00 PM	Accounting and Auditing Series Part 2	4 CPE/A&A	The Mansion
Th	June 21	7:45 AM-12:00 PM	Ethics	4 CPE/A&A	The Mansion
W	June 27	7:45 AM-10:00 AM	Adding Value – Billing Issues	2 CPE/MAP	On Parade
Th	July 12*	5:30-8:30 PM	Dissecting KIs for Hedge Funds or PTP	2 CPE/TAX	The Mansion
Th	July 18	7:45 AM-12:00 PM	Accounting and Auditing Series Part 3	4 CPE/A&A	The Mansion
W	July 25	7:45 AM-10:00 AM	Social Media Connection – How to Market Your Practice	2 CPE/MAP	On Parade
Th	Aug 2*	5:30-8:30 PM	Foreign Tax Issues	2 CPE/TAX	The Mansion
W	Aug 22	7:45 AM-10:00 AM	TBD MAP Meeting	2 CPE/MAP	On Parade
Th	Sept 6*	5:30-8:30 PM	TBD Chapter Meeting	2 CPE/TAX	The Mansion
W	Sept 26	7:45 AM-10:00 AM	TBD MAP Meeting	2 CPE/MAP	On Parade
Th	Oct 4*	5:30-8:30 PM	TBD Chapter Meeting	2 CPE/TAX	The Mansion
W	Oct 31	7:45 AM-10:00 AM	TBD MAP Meeting	2 CPE/MAP	On Parade
	Nov 14, 15 & 16		Long Island Tax Professionals Symposium		Crest Hollow Country Club
W	Nov 28	7:45 AM-10:00 AM	TBD MAP Meeting	2 CPE/MAP	On Parade
Th	Dec 6*	5:30-8:30 PM	TBD Chapter Meeting	2 CPE/TAX	The Mansion
W	Dec 19	7:45 AM-10:00 AM	TBD MAP Meeting	2 CPE/MAP	On Parade

Calendar is subject to change

National Conference of CPA Practitioners



Educational Foundation of the
Nassau/Suffolk Chapter of NCCPAP
22 Jericho Turnpike
Suite 110
Mineola, New York 11501
Tel. (516)997-9500
Fax (516)997-5155
info@ns-nccpap.org

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go.nccpap.org

PLEASE VISIT OUR WEBSITE!

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POLICY

THE FEES FOR MEMBER REGISTRATIONS ARE:

CHAPTER MEETING (2 CPE): \$65.00 WITH *PRE-REGISTRATION AND \$80.00 REGULAR REGISTRATION, AND/OR AT THE DOOR REGISTRATION.
MAP MEETING: \$30.00 WITH *PRE-REGISTRATION AND \$40.00 REGULAR REGISTRATION, AND AT THE DOOR \$50.00 REGISTRATION.

THE FEES FOR NON-MEMBER REGISTRATIONS ARE:

CHAPTER MEETING (2 CPE): \$80.00 WITH *PRE-REGISTRATION AND \$90.00 REGULAR REGISTRATION, AND/OR AT THE DOOR REGISTRATION.
MAP MEETING: \$40.00 WITH *PRE-REGISTRATION AND \$50.00 REGULAR REGISTRATION, AND AT THE DOOR \$50.00 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 CREDIT FOR THE NEXT MEETING IF CANCELLATION NOTICE IS GIVEN TO N/S

**FOR SPONSORSHIPS AT OUR MEETINGS
PLEASE CONTACT KATHY CASEY AT
KCASEY@NS-NCCPAP.ORG**