



# The National Conference of CPA Practitioners

Nassau/Suffolk Chapter

Volume 8, Issue 4

April/May 2011

Date	<b>Wednesday, April 27, 2011 - MAP Mtg</b>
Topic	<b>POST SEASON ROUND-TABLE</b>
Moderators	<b>Sandra G. Johnson, CPA of Sandra G. Johnson CPA</b> <b>Douglas Sinetar, CPA of Douglas Sinetar CPA PC</b>
Credits	<b>2 CPE/MAP/ADVISORY SERVICES</b>
Location	On Parade Diner, Woodbury
Time	Registration: 7:45 AM, Program: 8:00 - 10:00 AM
Cost	\$25.00, Walk ins - \$35.00

## CHANGE OF LOCATION FOR THE FOLLOWING MEETING:

Date	<b>Tuesday, May 17, 2011</b>
Topic	<b>HOW TO CLOSE A DEAL - BUSINESS ACQUISITION AND SALE</b>
Speakers	<b>Robert Barnett, Esq. of Capell Barnett Matalon &amp; Schoenfeld</b> <b>Stuart Schoenfeld, Esq. of Capell Barnett Matalon &amp; Schoenfeld</b> <b>Anthony Citrolo, CPA of New York Business Brokerage</b> <b>Yvonne Cort, Esq., of Karen J. Tenenbaum, P.C.</b> <b>Neil D. Katz, Esq., of Katz, Bernstein &amp; Katz</b> <b>Jeffrey A. Miller, Esq., of Westerman Ball Ederer Miller &amp; Sharfstein</b> <b>Chris Gorman, Esq., of Westerman Ball Ederer Miller &amp; Sharfstein</b>
Credits	<b>2 CPE/TAX</b>
Location	Crest Hollow Country Club, Woodbury
Time	Registration/Networking and Dinner: 5:30 - 7:00 PM, Program: 7:00 - 9:00 PM
Cost : Members	On or before Friday, May 13 - \$50.00, After Friday, May 13 - \$60.00
Non-Members	On or before Friday, May 13 - \$75.00, After Friday, May 13 - \$85.00

Date	<b>Wednesday, May 25, 2011 - MAP Mtg</b>
Topic	<b>PROTECT YOUR CPA PRACTICE FROM FRAUD IN YOUR CLIENT'S BUSINESS</b>
Moderators	<b>Sandra G. Johnson, CPA of Sandra G. Johnson CPA</b> <b>Douglas Sinetar, CPA of Douglas Sinetar CPA PC</b>
Credits	<b>2 CPE/MAP/ADVISORY SERVICES</b>
Location	On Parade Diner, Woodbury
Time	Registration: 7:45 AM, Program: 8:00 - 10:00 AM
Cost	On or before Friday, May 20 - \$25.00, After Friday, May 20 - \$35.00

**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***

Welcome back everyone from another tax season. I returned home on February 19th from my family's annual Presidents' week cruise and since then I have worked 7 days a week 12-14 hours a day. My reward for this was on April 18th around 6PM when I finally called it quits. I went to my house where 30 people were having a holiday dinner, including my in-laws, I can't eat bread or pasta for 8 days, gasoline is \$ 5.00 a gallon and I have a Tuesday morning deadline to get this President's message to the printer. Actually the last part I don't mind. It gives me a chance to get out some of my frustrations from the past 2 months. I will tell you what I do mind. I hate when everyone over the last week keeps asking me if I'm thrilled that there are only a few more days to the deadline. I tell them not at all. There's 4 days left but I have 8 days worth of work. Maybe the government could have done a better job of letting everyone know that the due date was April 18th. My office spent all day on the 15th fielding phone calls from clients asking what happened to their tax returns. There is no way we could ever have a roaming due date based upon birth dates or something else. Our clients would never know their due date.

Every year I learn something new and that's because I always find myself looking up instructions on the tax regulations that I was fairly sure I know. My favorite this year was "what to do when you have a married NYS couple where one was a full year NYS resident and the other was a part year NYS resident". The instructions stated the following: you are required to file separate NYS tax returns even though you filed a joint federal return. That I knew. I was just double checking. Then the instructions stated what returns to file. After that came the best part, it read, "however if you choose to file a joint NYS tax return, file as if you were a NYS resident for the entire year." What happened to REQUIRED? At that point I thought of someone who has lectured for NCCPAP for many years (whose name I won't put in print since I haven't asked him), but he would always say "who cares? Do what you want". I must have looked up the instructions for Form 5695 Residential Energy Credits 20 times to see what qualifies. What is a asphalt roof with appropriate cooling granules that are specifically and primarily designed to reduce the heat gain of your home? Every time this came up, I kept hearing "do whatever you want." But we can't. I had my roof replaced in the winter of 2009. All I know is that it is a nice shade of brown and the bill stated New Roof \$7,000.00. Now I know why it is now a 5 year college program to become a CPA. The students need an extra year to take the necessary engineering courses.

I can't wait to see when the brokerage houses are required to report gains and losses on all stock sales. Let them have the fun of figuring out the cost basis on AT&T that was purchased 40 years ago. If they don't know the cost basis, how can they make an educated decision on when to sell a stock? A sure fire way to lose in excess of 20 percent of your gains in a stock is to sell it. All I'm saying is that the tax consequences need to be taken into consideration and without knowing the cost basis you cannot calculate the tax.

I hope I'm not venting too much but I am beginning to feel much better. I have to thank Audrey Kirwin from MetLife for the great box of treats she gave out at the March Chapter meeting. They came in very handy when I needed a sugar blast especially since my client didn't buy me a bag of jellybeans this year.

NCCPAP is going to Washington DC on Thursday, May 12th with our national IRS and congressional agendas. There is still time to make plans to join us. If you are interested, contact the NCCPAP office at 516-333-8282.

We have updated our website. Later in this newsletter there are instructions on how to access the website. It's really not difficult and I hope you enjoy the improvements.

Hopefully spring will arrive shortly. If you are planning on golfing or playing tennis, contact one of your NCCPAP members and ask them to join you and that includes me. Or if you have an extra seat to baseball game, don't hesitate to contact our office and I'm sure a member would love to join you. I'm done for now. By the way, when did Donald Trump become President?

*Bruce Berkowitz, CPA*

### **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 CREDIT TO BE USED BY THE REGISTRANT ONLY FOR A FUTURE MEETING (OF EQUAL VALUE) HELD WITHIN ONE YEAR OF THE MISSED MEETING. CANCELLATION NOTICE MUST BE GIVEN TO N/S NCCPAP CHAPTER OFFICE BY THE END OF THE CHAPTER MEETING, MAP MEETING AND/OR SEMINAR DAY.

## **MEETING SCHEDULE 2011**

Holiday Inn @ Plainview  
215 Sunnyside Blvd  
Plainview, NY 11803

On Parade Diner  
7980 Jericho Turnpike  
Woodbury, NY 11797

June 2, 2011*	Where's the Money?	3 CPE/A&A	Holiday Inn
June 23, 2011	ALL DAY - Accounting & Auditing Update	8 CPE/A&A	Holiday Inn
June 29, 2011	How to Survive Your Client's Sales Tax Audit	2 CPE/MAP/ADVISORY SERVICES	On Parade Diner
July 7, 2011*	New York State Update	2 CPE/Tax	Holiday Inn
July 27, 2011	Technology for CPA's – Don't Get Left Behind	2 CPE/MAP/ADVISORY SERVICES	On Parade Diner
August 11, 2011*	Crimes and Your Clients?	2 CPE/Tax	Holiday Inn
August 18, 2011	Ethics	4 CPE/Ethics 7:30-12:00 NOON	Holiday Inn
September 8, 2011*	Workers' Comp Update	2 CPE/Tax	Holiday Inn
October 6, 2011*	Compilations and Review	2 CPE/A&A	Holiday Inn
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

\* Chapter Meeting

All Meetings Subject to Change

## **MAP UPDATE**



By the time you all read this, I hope we are all on an exotic island drinking pina coladas.

Tax season for me was brutal. Between my financial service practice which is my major business (20th year) and my small 1040 practice, I had my hands full. I started working 7 days a week the first week of February and it didn't let up. If it wasn't for the work of my fearless crew, the Minnow would be lost.

April 27th is going to be an exciting MAP meeting. Jim Diapoules (NCCPAP member) is going to head up a discussion of what went right and wrong during tax season. In addition Vikram Rajan (friend of NCCPAP) is going to lead a discussion on marketing for accounting clients after tax season and generating new business from your existing base.

I hope your tax season was profitable. I know I am going to enjoy time with my family and friends this offseason.

*Doug Sinetar, CPA*



## **MESSAGE FROM THE EDUCATION CHAIRMAN**

I know by the number of questions that have been across my desk, that this is a very busy tax season for our members. The cumulative affects of tax season, E-Filing mandate, increased audit activity at both the state and federal level, and abundance of tax law changes have placed increased stress upon our membership. The tax season pressure will let up shortly, but the other aspects still remain. This is where our chapter meetings and MAP meetings become so important.

Many people have come to me to express the statement that we have perhaps, the most consistently active and busy meetings. In addition, our membership plays an active roll in helping shape the conversation and discourse, no matter what the topic. I have similarly received comments from many of our presenters that they enjoyed and were motivated by the level of active participation by our members. I am proud to say that is a true hallmark of our organization. Another is the camaraderie and ability of our members to constantly exchange ideas and solutions to common problems. The networking time before our chapter meetings becomes invaluable to our membership.

The recently concluded Federal Tax Round-Table was extremely well attended and many questions were asked and answered. Carol Markman and her partner Jill Schneider presented many important technical updates designed to help practitioners through tax season issues. I also presented some important updates to round out the evening. Our upcoming event on May 17, 2011 will be a hands on presentation of "How To Close A Deal - Business Acquisition And Sale" and will be presented at the Crest Hollow Country Club. The panel will be led by Anthony Citrolo, who is known to many of us and who has presented at the Symposium. The panel will consist of recognized leaders in their respective fields and will discuss real deal points from tax, financial and litigation perspectives. I encourage everyone to attend this event. Other upcoming chapter meetings will include financing for clients' business needs and our accounting and auditing updates.

I look forward to seeing everyone at our upcoming meetings.

*Robert Barnett, CPA, Esq*

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## **OPPORTUNITY STRIKES TWICE**

In 2009, the Internal Revenue Service provided an opportunity for clients with unreported foreign bank and financial accounts to voluntarily disclose such offshore accounts. Although highly publicized, the 2009 program was only available for a short period of time. Many taxpayers failed to take advantage of the program and it was unclear whether the amnesty would be reinstated.

On February 8, 2011, the Internal Revenue Service announced a new 2011 voluntary disclosure initiative. Taxpayers may again disclose their unreported offshore accounts and avoid criminal prosecution for their unpaid taxes. Taxpayers will be subject to a 25% penalty based on the highest total account balance from 2003 until 2010. If the undisclosed account was less than \$75,000 during said tax years, the penalty is reduced to 12.5%. In certain situations, a reduced penalty of 5% may be imposed.

The voluntary disclosure initiative is available for taxpayers, including individuals, corporations, partnerships, and trusts provided they are not under examination or criminal investigation. This opportunity ends on August 31, 2011.

To benefit from the amnesty, taxpayers need to file amended income tax returns and the foreign bank account report - Form TDF 90-22.1 for tax years 2003 through 2011 and pay all past due taxes, interest, and penalties.

Article submitted by: Gregory L. Matalon, Esq., a Partner at Capell Barnett Matalon & Schoenfeld LLP in Jericho, New York, where he heads the Estate Administration Department. He can be reached at (516) 931-8100.

# **TAX TIDBIT**

## **OBAMA SIGNS MEASURE INTO LAW REPEALING EXPANDED FORM 1099 RULES**

On April 14, President Obama signed into law legislation to repeal new Form 1099 information rules deemed burdensome by businesses of all sizes, marking Congress's first successful rollback of Obama's signature health care overhaul.

The legislation (H.R. 4) repeals language from the 2010 health care law (Pub. L. No. 111-148) requiring businesses to issue a Form 1099 for payments to corporations for goods and services that exceed \$600 per year to each vendor. It also repeals an expansion of those rules to include landlords, which was enacted under a small business law (Pub. L. No. 111-240).

"Small business owners are the engine of our economy and because Democrats and Republicans worked together, we can ensure they spend their time and resources creating jobs and growing their business, not filling out more paperwork," Obama said in a statement.

The \$24.7 billion cost of the repeal will be paid for with modifications to the limitations on amounts required for repayment of advance premium assistance tax credits for health insurance.

Thank you Robert Goldfarb, CPA for the above information

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## **NYS CHANGES**

Chapter 61 of the Laws of 2011 amended section 658(c)(3) of the Tax Law to change the due date for payment of the partnership, limited liability company (LLC), and limited liability partnership (LLP) annual filing fee to be within 60 days of the tax year end.

### **Law and Background**

Section 658(c)(3) of the Tax Law provides for a filing fee for certain partnerships, limited liability companies (LLCs), and limited liability partnerships (LLPs). The annual filing fee is paid with Form IT-204-LL, Partnership, Limited Liability Company, and Limited Liability Partnership Filing Fee Payment Form.

Form IT-204-LL must be filed by:

- every LLC that is a disregarded entity for federal income tax purposes that has income, gain, loss, or deduction from New York State sources; and
- every domestic or foreign LLC (including a limited liability investment company (LLIC) or limited liability trust company (LLTC)), or LLP that is required to file a New York State partnership return and that has income, gain, loss, or deduction from New York State sources; and
- every regular partnership (those that are not an LLC or LLP) that is required to file a New York State partnership return that has income, gain, loss, or deduction from New York State sources and had New York source gross income for the preceding tax year of at least \$1 million.

### **New Filing And Payment Due Date**

Under the new law, Form IT-204-LL must be filed and the annual filing fee due must be paid within 60 days after the last day of the tax year of the partnership, LLC, LLP, or single-member LLC that is a disregarded entity. If the 60th day falls on a Saturday, Sunday, or legal holiday, Form IT-204-LL and the annual filing fee are due on the next business day. Prior to the new law, Form IT-204-LL and the annual filing fee were due within 30 days after the last day of the tax year.

The change applies to any entity required to file Form IT-204-LL whose tax year ends on or after March 1, 2011.

Thank you Stuart G. Lang, CPA for the above information.



## **SALES AND USE TAX:**

### **NEW POLICY RELATING TO RESPONSIBLE PERSON LIABILITY**

The New York Department of Taxation and Finance has issued a sales and use tax memorandum announcing a new policy that provides some relief to the personal liability for certain limited partners and LLC members. The new policy took effect on March 9, 2011. [TSB-M-11(6)S dated April 14, 2011]

Under the department's new policy, the following limited partners and limited liability company (LLC) members who otherwise are responsible persons under Tax Law §1131(1) may be eligible for relief:

- Limited partners (of a limited partnership) may be approved for relief if they demonstrate that they were not under a duty to act in complying with the Tax Law on behalf of the partnership; and
- LLC members who can document that their ownership interest and percentage distributive share of the profits and losses of the LLC are less than 50% may be approved for relief if they demonstrate that they were not under a duty to act on behalf of the company in complying with the Tax Law.

In addition to meeting one of these conditions, the limited partner or member must cooperate with the department in providing substantiated information regarding the identities of other potentially responsible persons, particularly in identifying those persons who were involved in the day-to-day affairs of the business. In addition, in the case of tiered entities (i.e., a partnership that is a partner in another partnership) the department will expect the limited partner's or member's assistance in detailing the overall ownership structure, including information regarding out-of-state entities. This requirement will be applied reasonably with the recognition that certain taxpayers, especially passive investors with only small ownership interests or distributive shares, may not know or have access to the information the department is seeking. The pending expiration of any statute of limitations in which to assess the sales and use tax due will also be taken into consideration in granting relief.

The following partners and members do not qualify for relief:

- any general partners of a partnership (including general partners of a limited partnership);
- any partners of a limited liability partnership (LLP); and
- any LLC member holding a 50% or more ownership interest in the LLC or entitled to a distributive share of 50% or more of the profits and losses of the LLC.

Eligible persons described above will qualify for the following relief: no penalty owed by the business or other responsible persons will be due from such eligible person; and the sales tax liability of the eligible person will be limited to an amount determined by multiplying the business's liability for taxes and interest by the person's percentage of ownership interest in the business, or by the person's percentage share of the profits and losses of the business, whichever is higher.

Payments made by responsible persons will be applied as follows:

- payments made by responsible persons who are eligible for the relief described in this memorandum will not be credited against the liability of other responsible persons who are also eligible for relief. That is, those other responsible persons must calculate their responsible person liability by applying their applicable percentage to the full value of their assessment, without any credit for payments made by other responsible persons under this policy. The amount owed by those responsible persons would be the amount so calculated or the business's remaining sales or use tax liability, whichever is less; and
- payments made by responsible persons other than as part of the new policy would continue to be applied to the liability of the business and other responsible persons as they are currently.

## **OUR WEBSITE IS UPDATED!**



Our Shopping Cart has been Updated! [www.ns-nccpap.org](http://www.ns-nccpap.org)

### **WE CHANGED THE LOOK! THE COLORS! AND THE INFORMATION WHICH THE SHOPPING CART HOLDS!**

Step By Step Instructions to use our new Shopping Cart:

- 1) Go to [www.ns-nccpap.org](http://www.ns-nccpap.org)
- 2) Click on Account Sign Up (It's on the left hand side under the Column with the word HOME)
- 3) Fill out the entire form
- 4) Close your browser
- 5) Go to your e-mail account and look for the e-mail we have sent you. (It can take up to a day for you to receive a confirmation e-mail). The e-mail will be coming from: [egelbien@ns-nccpap.org](mailto:egelbien@ns-nccpap.org). If you don't see it in your inbox, please check your junk and spam boxes before emailing that you don't have it.
- 6) Click on the link, It will bring you to the website
- 7) Log In using your user name and password which you have created
- 8) Pick out the courses you want
- 9) When you are done picking out your courses, go to **Checkout** on the left hand side and click on it
- 10) Follow each screen
- 11) At Payment Information, you can either enter your credit card information. (Our records never hold the credit card number.) Or you can tell the system that you are mailing in a check.
- 12) You will be asked to confirm your order by clicking confirm
- 13) Thank you, you have completed the order
- 14) You will receive an e-mail from the system that your Order Status is Pending

It is that simple!

After your initial registration the system will recall all your information when you log into: **Register On-Line.**

**PLEASE NOTE THAT WITH THE UPDATE OF THE SYSTEM,  
THE OFFICE WILL NO LONGER BE ABLE TO MANUALLY REGISTER YOU FOR COURSES!  
MEMBERS MUST DO THEIR OWN REGISTRATIONS ON LINE!**

#### **Disclaimer**

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# ***National Conference of CPA Practitioners***



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