



The National Conference of CPA Practitioners

Nassau/Suffolk Chapter

Volume 8, Issue 9

October 2011

Date Thursday, October 6, 2011 - Chapter Meeting

ELECTION OF OFFICERS AND DIRECTORS

Topic COMPILATION AND REVIEW

**Speakers George I. Victor, CPA of Giambalvo, Giammarese & Stalzer
Stuart G. Lang, CPA of Stuart G. Lang, CPA PC**

Credits 2 CPE/A&A

Location Holiday Inn, Plainview

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

Cost Members On or before Friday, Sept., 30 - \$50.00, After Friday, Sept., 30 - \$60.00

Non-Members On or before Friday, Sept., 30 - \$75.00, After Friday, Sept., 30 - \$85.00

**Sponsored
By
ADP**

Date Wednesday, November 2, 2011 - MAP Meeting

**Topic HELP, I'VE FALLEN AND I CAN'T GET UP! IT'S MORE THAN JUST
SUCCESSION PLANNING!**

Speakers Neil Katz, Esq., of Katz, Bernstein & Katz, LLP

Max Krotman, Esq. of Globalforce International

Moderator 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, Oct., 28 - \$25.00, After Friday, Oct., 28 - \$35.00

**Sponsored
By
Merrill Lynch**



REMEMBER TO REGISTER FOR THE 2011 LONG ISLAND TAX PROFESSIONAL SYMPOSIUM NOVEMBER 16, 17 & 18, 2011

Date Thursday, December 1, 2011 - Holiday Party & Chapter Meeting

**Topic NYS NEW SAME SEX LEGISLATION AND ESTATE UPDATE-
DECANTING YOUR WINE AND YOUR TRUSTS**

**Speaker Robert Barnett, Esq. and Stuart Schoenfeld, Esq.
of Capell Barnett Matalon & Schoenfeld LLP**

Credits 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, Nov., 25 - \$10.00, After Friday, Nov., 25 - \$25.00

Non-Members On or before Friday, Nov., 25 - \$35.00, After Friday, Nov., 25 - \$50.00

**Sponsored
By
ADP**

Date Wednesday, December 14, 2011 - MAP Meeting

**Topic REVVING UP FOR TAX SEASON; ENGAGEMENT LETTERS, BILLING,
COLLECTING AND OTHER THINGS THAT KEEP US UP AT NIGHT**

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, Dec., 9 - \$25.00, After Friday, Dec., 9 - \$35.00

**Sponsored
By
Merrill Lynch**

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

Since my last president's message, Long Island has had an earthquake, a hurricane and tornadoes. I think that this is Mother Nature's way of telling me to move on. Actually my 2nd term as president is completed as of October 31st and this is my last president's message for Nassau/Suffolk Newsletter. I hope that over the past two years I kept the ship steadied and in most cases, advanced the goals of our organization. This was done with great effort from our Board of Directors and our Committees. I can't thank everyone in this article, however I will at the upcoming installation dinner of which a date has not been established.

As you all know, Ross Kass and the Tax Liaison Committee went above and beyond the call of duty after Hurricane Irene. Not only did they keep us abreast of the Federal, NYS and NYC filing and payment deadlines but when the original extended federal due dates came out and Ross saw that Nassau and Suffolk counties weren't included, he immediately contacted Linda Henson, our IRS Liaison, and lobbied for our counties to be included and now they are. He took the same action when New York State and New York City were sitting on their hands and doing nothing.

Our Symposium Committee has new key members that will keep making the event the biggest, most relevant tax and accounting program in the Northeast. The committee is now set up to take us many years into the future with the ability to add and replace committee members as needed. I'm sure Chairman Robert Goldfarb will keep you current on future advancements of the Symposium.

In the last two years, we established an Audit Committee chaired by Joseph Scarpa. The duties of the committee is to hire and work with our outside auditors. In addition, the committee reviews our internal controls and sees that we adhere to our not-for-profit status. The members of that committee came from attendees at our monthly chapter meetings. Thanks for volunteering your time and expertise.

In November 2011, approximately 25 members, consisting of Nassau/Suffolk board members and officers/directors of NCCPAP National will be attending a four hour leadership program conducted by the Dale Carnegie Organization. The goal of this is to make us a better organization through quality leadership by our elected officers and directors. The program is strictly related to leading an organization as a group that is solely comprised of volunteered leadership. Thank you Ed Kliegman for arranging this.

I need to continue to stress that our voice, which is the voice of the "small" (I hate that term) CPA Practitioner, can only be heard if we continue to grow. This can only happen by our members bringing in more new members and by volunteering. Ten years ago, I never saw myself being as president of this organization or of any other. Why should I do it if no one else would? Believe me, the last two years have been rewarding and educational and I plan on continuing to be an active member of the organization.

I guess it's that time to welcome and congratulate our incoming Board of Directors and President Gary Sanders. I was involved in the nominating process and I have known most of them for several years. I have no doubt that the Nassau/Suffolk Chapter of NCCPAP will be in good hands.

By the way, I was on the golf course when the earthquake hit. I didn't feel a thing but I heard about it from other golfers. I took a mulligan. My game could use a lot of earthquakes.

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

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*	NYS New Same Sex Legislation Estate Update - Decanting Your Wine and Your Trusts 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

MEETING SCHEDULE 2012

January 12, 2012*	Paper Less Audit and Audit Check List 2 CPE/A&A	Holiday Inn
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*	Topic: Partnership 2 CPE/Tax	Holiday Inn
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

MAP – MANAGEMENT OF AN ACCOUNTING PRACTICE

I hope everyone survived the earthquake and the hurricane. Hopefully you have finished all of your corporate tax returns and are working on individual returns only. Although I missed the last meeting due to being on vacation, I am excited about our next meeting.

On November 2nd, our panelist Neil Katz, Esq. of Katz & Katz, and Max Krotman, Esq. of Globalforce International, will talk about succession planning in “Help, I’ve Fallen and I Can’t Get Up! It’s More Than Just Succession Planning!”. Anyone who has gotten sick during tax season will want to come to this meeting.

See you at the meetings!



Douglas Sinetar, CPA

GOOD & WELFARE

Our congratulations to

Our own "Iron Man" Robert Goldfarb on completing the full Triathlon last month in Sandusky, OH.

Our condolences to

Abby Alhante, CPA on the passing of his mother.

Our Good & Welfare Chairman is Stephen Sternlieb ssternliebcpa@attg.net

STAYING THE COURSE

The market goes up and the market goes down. The headlines either frighten us or make us feel good and we stare at our monthly statements, wondering what will happen next. One of the most well known mantras of the investment world is the famous “past performance does not guarantee future results”. You can’t go very far in the financial markets without hearing it and for good reason. It is there to make us aware that just because a particular investment vehicle or category brought a certain return during some time in the past, does not mean that it will necessarily yield a similar return at any time in the future. It also humbly reminds us that none of us can be sure of what will happen tomorrow anywhere in the world, let alone the financial markets. However, the existence of this uncertainty does not need to deter us from looking at history if for no other reason than to remind us during difficult times that history does to some extent repeat itself. Surviving market volatility and keeping our eye on the long term is easier said than done. Whenever the latest headlines are causing people to say things like “it’s never been this bad before” or “this time it’s different”, our favorite thing to do is look back at history and find an example of how it had happened before. When turmoil began to erupt in Libya earlier this year we heard people saying that the world was coming to an end due to the disruptions all over the Middle East. A look at the laundry list of wars and other military conflicts that have happened in that region in just the last few decades made the new Libyan problem seem like just another day by comparison. The housing market crisis of 2007-2008 and the subsequent correction in the stock market brought about some fears that many investors had never before encountered in their lifetimes. Suddenly, famous banks and other financial firms that had been in existence for a hundred years or more were closing their doors. At that time we mentioned in our newsletter that in fact history was just repeating itself again and bank failures even on the catastrophic level was nothing new to the system. It had actually been happening as far back as the 19th century. During a time that was known as the Panic of 1893, an examination of the economy showed mass unemployment, corporate fraud, falling home prices and the outright failure of over six hundred banks. Would you believe that at the time, this event was actually called the Great Depression until the 1930s came along and stole the name? Talk about history repeating itself...literally. The point being is that if you believe that history does repeat itself, then along with the cycles of recession and depression, there should also be cycles of prosperity and growth.



2011 Long Island Tax Professionals Symposium

REGISTRATION NOTE:

On Line Registration will be available about October 1.

Save time and money by registering on line at: www.litps.org

**Watch for your Attendee Brochure in the mail
for details on Session Opportunities**

New This Year:

NYS CASE RESOLUTION SERVICE

For the first time in the nine year history of LITPS, the NYS Department of Taxation and Finance will provide Case Resolution Services on site during the Symposium.

The service will be available by advance appointment and include both new and pending cases. Registered attendees are encouraged to schedule appointments as soon as possible. Appointments may be made through the LITPS website with your registration.

"This dual commitment to LITPS and the CPA professionals of the area is welcome and exciting," commented LITPS Chair Robert A. Goldfarb, CPA, in making the announcements. "The addition of Commissioner Mattox as a Keynote Speaker is groundbreaking for LITPS and we expect a full house for his presentation on Wednesday morning of the seminar."

"The Federal Case Resolution program during LITPS has been a great success over the past few years, and we expect great interest in this new value-added feature of the Symposium. "This is one more benefit our registrants will receive by participating in this annual event at the Crest Hollow Country Club."

COME AND SEE OUR SPONSORS:

ADP, AICPA/CPA2Biz, Inc, Amerprise Financial, APS Pension & Financial Services, Inc., AXA, Bisk Education, Capital One Bank, CCH, Central Staff Services, CMIT Solutions, Intuit, Jewish Communal Fund, Karp Loshak LTC Insurance, Metlife, Morgan Stanley, Smith Barney, NL Financial Alliance, Office Tools Professional, Pace Professional Service, Real Estate Tax Strategies, Inc. Legal 1031, Exchange Services Inc., Sales Tax Defense LLC, Sovereign Bank, Thomson Reuters Checkpoint, Thomson Reuters Tax and Accounting, and VCORP Services.

With more signing up all the time.

TECHNOLOGY DAY IS GROWING!

Technology Day was an incredible success when initiated at the 2010 LITPS, and 2011 will be even better! Held on Friday at the Long Island Tax Professionals Symposium, Technology Day will provide attendees with a special opportunity to sit in on technology seminars and presentations.

Visit Technology Day vendors one-to-one:

ADP, Intuit, Thomson Reuters, Bisk Education, Best Buy, CMIT, AICPA/CPA2BIZ, Inc., and Office Tools Professional

BASIS OVERSTATEMENTS COULD RESULT IN A SIX YEAR STATUTE OF LIMITATIONS

Several recent cases have created a split among the circuits on the question of whether a basis overstatement is an omission of gross income, and may therefore result in an extended six year statute of limitations. The divided opinions have created continued uncertainty among taxpayers and preparers, and the question of the applicable statute of limitations for basis overstatements remains unanswered.

The statute of limitations on the assessment of a tax generally begins to run upon the date of filing a (non-fraudulent) return, and lasts three years.¹ The statute of limitations can be used as an affirmative defense against audits. The taxpayer must prove the date the return was filed, and that the IRS assessed the deficiency after the expiration of the statute.² If an omission accounts for greater than 25% of gross income, such an omission will subject the return to a longer, six year statute of limitations. Section 6501(e) provides:

If the taxpayer omits from gross income an amount properly includible therein and—
(i) such amount is in excess of 25 percent of the amount of gross income stated in the return . . . the tax may be assessed, or a proceeding in court for collection of such tax may be begun without assessment, at any time within six years after the return was filed.

However, as stated in section 6501(e)(1)(B)(ii), adequate disclosure may negate the six year statute:

[I]n determining the amount omitted from gross income, there shall not be taken into account any amount which is omitted from gross income stated in the return if such amount is disclosed in the return, or in a statement attached to the return, in a manner adequate to apprise the Secretary of the nature and amount of such item.

The IRS has recently attempted to reverse longstanding precedent that an overstatement of basis is not an omission of gross income. After losing a series of recent cases, the IRS passed new regulations defining the term “omission” as encompassing an overstatement of basis.³ Despite the efforts by the Department of Treasury to quell the debate through the issuance of these new regulations, the courts are not in agreement on degree to which they are bound to accept them. The Tenth, D.C. and Federal Circuits have recently given deference to the newly issued regulations; however the Tax Court, the Fourth Circuit, and Fifth Circuit have declined to follow the regulations.

The Supreme Court ruled on this issue in *Colony v. Comm’r*,⁴ a 1958 case interpreting an analogous statute from the 1939 Code. In *Colony*, the Court held that an overstatement of basis is not an omission, and is therefore subject to a three year statute of limitations. A recent Supreme Court holding affirmed that properly issued Treasury regulations interpreting an ambiguous statute are entitled to great deference.⁵ At issue is the level of deference which this new regulation should be afforded. Since the regulations were passed, the Federal Circuit has already reversed its position,⁶ rendering a decision in favor of the IRS.

With the law in a state of flux, taxpayers and preparers should exercise caution as the IRS may have the authority to apply a six year statute of limitations after a return is filed. It is therefore recommended that full disclosure be properly made in instances where basis may be uncertain.

¹ IRC § 6501(a)

² See *Hoffman v. Comm’r*, 119 TC 140, 146 (2002)

³ See Treas. Reg. § 301.6501(e)-1(a)(iii)

⁴ *Colony, Inc. v. Comm’r*, 357 U.S. 28, 32 (US 1958)

⁵ See *Mayo Foundation for Med. Educ. & Research, et al v. US*, 131 S. Ct. 704 (2011)

⁶ See *Grapevine Imports Ltd. v. US*, 107 AFTR 2d 2011-1288, 1293-95 (Fed. Cir. 2011) (holding that pursuant to the recently issued regulations, a basis overstatement constitutes an omission)



Dear Member,

Below is a list of the 2011-2012 N/S NCCPAP Committees.

By volunteering to serve on a committee, you are making a commitment to better the Nassau/Suffolk Chapter of NCCPAP. It takes team work to foster our programs. Please sign up for a committee. We are counting on you to help direct the future of our organization. Being on a committee means that you have a say in what goes on. Board Meetings are held ten times a year usually on the first Thursday of the month at 4 PM when we have Chapter Meetings.

I respectfully request your input regarding your choice of committee(s) that you would like to serve on this year. Please indicate your selection(s) of up to five choices. **If you are interested in serving as Chairperson of a specific committee---PLEASE INDICATE THAT NEXT TO THE COMMITTEE NAME.

When completed, please fax this form back to the Chapter Office at:
(516) 997-5155 or e-mail egelbien@ns-nccpap.org

Your Name _____

Your E-mail _____

Your Phone _____

N/S NCCPAP 2011-12 COMMITTEE LIST

- | | |
|--|---|
| <input type="checkbox"/> Audit | <input type="checkbox"/> Budget |
| <input type="checkbox"/> By-Laws | <input type="checkbox"/> Education Planning |
| <input type="checkbox"/> Forward Planning | <input type="checkbox"/> Good & Welfare |
| <input type="checkbox"/> Hospitality | <input type="checkbox"/> Insurance |
| <input type="checkbox"/> 2012 LI Tax Symposium | <input type="checkbox"/> MAP |
| <input type="checkbox"/> Membership | <input type="checkbox"/> Newsletter |
| <input type="checkbox"/> Nominating | <input type="checkbox"/> Office Operations |
| <input type="checkbox"/> Pro-Bono | <input type="checkbox"/> Public Relations |
| <input type="checkbox"/> Sponsor Coordinator | <input type="checkbox"/> Tax Liaison |
| <input type="checkbox"/> Website | <input type="checkbox"/> Other _____ |

If you would like to serve on next year's nominating committee as one of the three non-board members---PLEASE CONTACT THE OFFICE

Sincerely,

Gary Sanders, CPA
Incoming Chapter President
N/S NCCPAP

National Conference of CPA Practitioners



RETURN SERVICE REQUESTED

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

**PLEASE RUSH
DATED MATERIAL**

NON-PROFIT ORG
U.S. POSTAGE
PAID
SELDEN, NY
PERMIT NO. 124

If you received more than one copy
PLEASE pass this onto a colleague!

PLEASE VISIT OUR UPDATED WEBSITE!

www.ns-nccpap.org

Submissions to our next newsletter must be made by
October 20th for the November/December Issue.

For Advertising Contract and Fees, Contact the Office