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A Message from the President, May - June 2016

You Spoke; We Heard!

I hope you all had a prosperous tax season and made it through the challenges of working long hours, filing taxes, dealing with “that client”, and all the other fun ups and downs of the busy season. Every year filing a tax return becomes more complex and takes longer due to the changes in the tax code! NSA leadership continues to advocate on behalf of our members and all tax preparers by regularly communicating with the IRS and various elected officials in raising their awareness of the burdens facing tax preparers. We also continue to promote our Tax Practitioner Bill of Rights, and received recognition from Commissioner Koskinen last Fall for our efforts. We stay diligent in our efforts to fight for your right to practice; continually building on the successes of the past, the challenges of today, and inspiring progress for the future.

As the face of our industry rapidly changes and the demand for instant information and responses increases, we, at NSA, have also changed. We continue to deliver more and more of our benefits electronically for your convenience: the forum for tax discussions and networking with tax-talk; online live education as well as on-demand; electronic news letters and updates; and electronic meetings. We have tax research, training and other self-study materials readily available to all of our members via the nsacct.org. The challenges of associations and membership organizations continue; know that we are constantly looking at ways to do business more efficiently and effectively.

So, what is NSA doing? You spoke, we heard! Many of our programs and initiatives have been updated with changes you have asked for. Here are a few highlights:

• NSA Annual Meeting in August - Plans are well underway, have you registered? We have changed the format of our annual meeting, after years of various feedback from our members. NSA business will be all in one day, thus giving our members an opportunity for two full days of un-interrupted CE and networking!

• Streamlined process for proxy voting - If you are unable to attend the NSA Business session of the Annual Meeting, you can still vote! It is a great way for you to participate and to have a voice in the future of NSA. We have heard for years that members would like to vote even if they do not attend the Annual Meeting. Stay involved…Get online and vote!

• Leadership Networking Conference & Legislative Strategy Conference - we had over 50 people in attendance at the Fall training in Minneapolis. If you couldn’t make it in the fall, we are doing it again! For years we have heard that members wanted the Leadership Conference early in the year, so on July 21-22 we will be hosting the conference in St Louis. One of the greatest benefits NSA offers our ASOs and leaders is this conference and training.

• Membership Campaign – We are launching a new tag line: “Why I belong to NSA”, and are giving you the opportunity to share photos and stories of why you are a member. Join in the fun, get involved and share with your peers!
• Regulation and Oversight Committee - There was an overwhelming amount of regulation and oversight that went on during tax season. Our committee volunteers and staff stayed alert and monitored activity in every state on your behalf. Thank you for a job well done while we were busy getting tax returns out the door! NSA and our members need to continue to stay present and attentive at all the state board of accountancy meetings.

You spoke, we heard, and then we talked! EVP Ams and NSA leaders continually meet with the IRS and various elected officials in our efforts to protect and enhance your ability to prepare income taxes and represent your tax clients. The Federal Taxation committee stays on top of current issues and participates in the National Practitioner Liaison meetings where we are able to communicate tax preparer concerns. NSA has a well-respected voice within the IRS and we are looked to frequently for comments.

I am humbled and proud of all the work that has been accomplished by an incredibly hard working team of volunteers and staff members. This is a challenging, yet essential time for NSA in keeping our place of influence. As we continually face the challenges of change, we continue to represent and serve our members while remaining dedicated to our mission and vision, and fiscally responsible to our budget.

Please feel free to contact me with your thoughts, concerns, and ideas. I would love to hear from you!

Thank you for the privilege of serving as your President!

Kathy Hettick, EA, ABA, ATP
NSA President, 2015-2016
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When I started in the accounting business (some 34 years ago) I was lucky enough to have great mentors who had some very sage advice and observations.

One of the best pieces of advice that I received was that “things are only hard if you don’t understand them.”

As insultingly simple a statement as it is deceptively obvious.

Growing your tax and accounting firm isn’t difficult – if you understand your tax and accounting firm.

And therein lies the magic – growing your firm is dependent on your understanding your firm.

I’ve been to lots of in-person and online workshops/webinars/etc. about growing my firm. The presenters have held every credential from marketing experts, to internet geniuses, to social media gurus. Their methods were formulaic processes that guaranteed me results in response to my dedication to their assumptions.

Guess what? None of them required me to understand my firm first, or allow for deviation from their plan based upon who we already were.

I’ll agree that action will create reaction – but growing your firm is both a simpler and more individualized process.

So one thing we need to do as an industry is give-up on the “growth is hard” mindset. You had growth this last tax season by way of referrals without even trying. Growth is easy. You might just need to know the easy ways to grow. And once you know them it will be hard for you NOT to grow.

It’s All about Leverage

The key to “growing the easy way” is understanding the levers in your practice that impact growth. By that I mean the things in your firm that have an amplified affect – those are your levers.

Think of it like a teeter-totter. Remember how easy it was to jump ten feet in the air when someone of your weight was on the other side? How about when they were heavier than you? That’s a lever.

A good lever gives you a multiplied (disproportionate) benefit-to-effort return. That’s what you’re looking for – that’s the thing you need to know about your firm.

What actions can you take inside your firm so that when you give and effort level of “1” to this or that, you get “3” back?
Small Changes can lead to Big Benefits

So many of the experts wanting to help me grow my firm left me with the feeling that I had to totally change what I was already doing. That was overwhelming to think about – and wasn’t realistically going to happen. I didn’t have the time or the energy to change so much that quickly. The result was paralysis – my inaction! And my inaction wasn’t going to grow my firm.

One of the other great bits of knowledge I’ve learned over the last 34 years of doing this is thinking about progress in the terms of “next steps”. That means to just focus on the very next (small – doable – right now) thing that helps me makes progress toward my goal.

Building the entire cathedral is a lot of work. But laying one brick – the next step – is easy. And easy is self-motivating. I want to do more of it because it’s easy.

“Next steps” have really allowed me to focus my attention and my energies on committing the single action that is next – the one that will move my cause forward. That’s the application of focused attention on a lever.

Understanding that concept has changed the game for me. Growing your/my/any firm is not a big sweeping effort that changes everything inside the company at once. It’s understanding the levers of that firm, and how to use them.

I’ve identified four levers that drive growth in my firm – let’s see if any of these apply to you. Once you understand these, you’ll start to see how simple it can be to achieve “easy” firm growth.

The Four Levers that are Key to Growth

• Lever 1 – Transitioning in and out of tax season
• Lever 2 – Increasing my year-round revenue
• Lever 3 – Optimizing my pricing
• Lever 4 – Changing my client relationships

For a deep dive discussion of each of these topics, check out the National Society of Accountants special webinar series devoted to this subject of growth. For now, let’s take some time to define and explain the value of each.

Lever 1 – Transitioning in and out of tax season

Ours’ is a business of two seasons. Tax season, and the rest of the year. They are uniquely challenging and as different in operation as anything could be.

The tax season is client driven, deadline motivated, and puts us in a “defensive” or “survival” mode. The rest of the year is tax pro driven requiring us to be offensively minded – aggressively seeking out new business.

Moving from one attitude to the other is the transition from defense to offense. Successful sports teams and famous coaches have figured out how to do this. How to quickly and seamlessly move from offense to defense and back again. In a basketball game this changeover will occur 50-60 times for each team. It happens so quickly and so often that you don’t even notice it unless you are looking.

Our transition is different. We must move from defense to offense after having been hunkered down for months – we must transition as we physically recover from exhaustion. And we only make two transitions a year. That means many of us never even recognize the need to do it, or that we are doing it.

Unintentional activity (things we do without intent) rarely yield good results.

When my firm makes a good, intentional transition into

How to Grow Your Firm the Easy Way
Special Free NSA Webinar Series

The Key to Generating Post Tax Season Revenue
Tuesday, June 14, 2016; 2:00-3:00pm EDT

Double Your Fees
Thursday, July 7, 2016; 2:00-3:00pm EDT

Client Obedience Training
Tuesday, July 19, 2016; 2:00-3:00pm EDT

Continued on the following page
and out of tax season we have a better year! We do this by:

- Recognizing the reality of the transition – in fact we almost celebrate it
  
  This means as soon as staff gets back from their “tax season vacation time”, we have an all hands meetings to celebrate the close of the busy-season and the start of the post-season
  
  Each member of the staff is responsible for presenting their ideas for initiatives the firm should prioritize in the next 90 days and clients that should receive extra attention

- Making physical changes in our activity
  
  We change our client availability calendar, work hours, and trackable activity
  
  These on-purpose decisions help everyone acknowledge that we still have goals for this time of year and the logistics in the firm that need to be aligned with those goals

- Self-reporting and analyzing business development results each week
  
  It’s impossible to track your progress against your goals if you don’t collect data to see what’s really happening. Purposefully tracking the data around activities everyone in the firm is taking to help with business development, allows us to analyze this data and see if and when adjustment is needed to those activity levels.

Can you see how this part of the year is devoted to intentional activity – collectively acknowledged – on purpose? A successful transition comes from this mindset.

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**Lever 2 – Increasing your year-round revenue**

A successful transition is key to lever 2! Historically, firms in our industry produce 70-80% of annual revenue during tax season. What? That’s a business model doomed to fail. Needing to capture 80% of annual revenue in less than 25% of the year is just plain nuts.

Breaking out of that cycle requires using the other 75% of the year to create revenue. Have you ever noticed how incredibly productive you are during tax season? Have you ever measured how much you can get done on March 12th?

Contrast that with your productivity on August 28th... It’s staggering to think about what would be possible if you could take the rest of the year to simply replicate your tax season output.

Putting this theory to practice, you actually now how 75% of the year during your post-season calendar to achieve the same results you did in the first 25%. Mathematically that means you only need to be 1/3 as productive to receive the same amount of benefit aka, revenue.

That’s our firm goal – on April 30th each year we look at YTD revenues to know what the next eight months will look like – the target is clearly set and we get back to work.

The key to post-season revenue, and making every month a money making opportunity for us is recognizing synergy – synergy with our clients, and synergy with how we provide them value.

To successfully utilize the second lever – post season revenue, you would focus on:

- Advisory work with clients (who match your “why”, your purpose – also referred to as ideal clients)

- Aligning additional services with your “why” makes them easy to provide, and easy to engage with clients

You are your client’s most trusted financial advisor. They want to do more business with you, you just need to discover what that business is – in other words, you need to know what they want, and then (as long as it supports your why), find a way to help them get it.

---

**Lever 3 – Optimizing your pricing**

Increasing revenues also has a lot to do with pricing the services you offer. Have you ever been in a negotiation and the other side agrees to your opening offer – quickly? You walk away feeling as if you could/should have asked for more. How about making an offer and getting no response at all? Ooops…maybe you were too aggressive.

Learning how to price your services, how to optimize pricing for specific outcomes, will help your staff, clients and partners
to feel good about the work you do and the result it generates.

Paying too much doesn’t help anyone in the relationship, and neither does paying too little. But where did your pricing model come from in the first place?

Most of us didn’t set our original price menu on purpose – we priced accidentally. And we’re getting accidental results. Our pricing model shouldn’t be based on the fee schedule from the firm we left to start our own. Our pricing model needs to be based on the value we provide.

Here are some basic ways you can align your pricing with your value:

• Being more convenient for clients

  This means taking tangible steps to make working with you easier for your clients and then adjusting your price upwards based on that new level of convenience.

• Be transparent to clients

  Letting your clients know exactly what you’re really giving them for the price they’re paying. Do you still send an invoice with one line item that says “2015 Income Tax Return – $250”? How does that help the client really understand all the work you did to give them piece of mind, help them save on their tax bill and provide support throughout the year? In short, it doesn’t. You should strive to be way more explicit in how you explain what your clients are getting for your services. Think about the benefits your work for them provides, not the actual steps in your work.

• Embody (institutionally) “same team” philosophy

  That means that your attitudes, your pricing structure, and your procedures have to re-inforce the concept that you and the client are in a mutually beneficial relationship. No one is trying to “get one over” on other party. The only way you win is if both parties win. This starts with an over-arching attitude from firm management and then trickles down to the staff and into every aspect of the firm from there.

Understanding the value you create and translating that into the price you charge will make all the difference. Then, making it more convenient for your clients to pay for your value, and showing them you’re on the same side, is the icing on the cake.

Lever 4 – Changing your client relationships

Have you ever arrived at your office, taken a look at your client line-up for the day, and just wanted to go home? You looked at your calendar and saw client-after-client of difficult-to-work-with people.

You knew this was going to be a tough day. Well, stop it! Time for some training...

When I realized that my clients were treating me exactly the way I had taught them to, I knew it was time for some new lessons. The truth is that we get the treatment we deserve. If our clients are treating us poorly it’s time to change the relationship.

Much of this can be solved by making some decisions. Decisions like:

• How do we want to be treated?

• What kind of boundaries do we need to establish to get that treatment?

• What consequences are we willing to enforce to get the desired behavior?

• How will getting the desired behavior change your day-to-day happiness?

Imagine the pleasure you will have working with clients and team members who treat you the way you desire! It’s an exciting thought and it’s totally feasible if you start re-focusing on client relationships and begin training your clients to act and re-act in ways that align with your firm’s goals.

Take Aways

Growing your firm isn’t hard. It’s just different from the behavior that we’re used to. It is more our habit to spend our day running from one fire to the next in the direction of the urgent but unimportant.

The cost of operating this way is your future.
This year take the easy way to growth. Learn what levers impact growth in your firm. Then apply focused attention on those levers.

The result will create natural growth in your firm and the motivation to keep that behavior up!

You might not have been surprised by some of the things we presented here. The fact is, they are all intuitive and natural outgrowths of modern practice management. And if you found yourself nodding your head in agreement and then scratching your head wondering “but how do I do that?” you’re not alone.

Join us this summer for the National Society of Accountants free webinar series where we’ll attack the key points presented here. Each session is valuable on its own, but collectively they’ll help you understand all the key levers that make growing a small firm easier. We believe that life doesn’t have to be hard – join us if you agree!

About the Author:

Chris Basom is the co-founder of TaxPro University & SmartCenter. He is also the managing partner of a tax & financial planning firm in Southern California. With 34 years as a tax professional, Chris knows first-hand, the struggles small firms face and how to combat them. He developed TaxProU & SmartCenter to make managing a practice and collaborating with clients, simpler and easier for small firm owners.
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The Financial Accounting Standards Board recently launched a Simplification Initiative with two goals: reduce complexity of financial reporting and improve (or at least maintain) its decision usefulness.

I. Introduction

The Simplification Initiative also addresses issues that were not in conformity with the Statements of Financial Accounting Concepts. Some of these financial reporting issues could be viewed as holdovers from practice that had wide acceptance, but were not conceptually sound. Unlike many accounting pronouncements, most of these simplification projects are limited in scope and relatively short in duration [FASB 2015]. Financial statement users and preparers will need to incorporate these changes soon. As a side benefit, for many of the projects U.S. GAAP now converges with International Financial Reporting Standards (IFRS). The following items provide an overview of several simplification projects from 2015.

II. Elimination of Extraordinary Items

For over a half century, the accounting profession has been debating whether the income statement should focus on the results of current operations or should take an all-inclusive approach. The concept of extraordinary items was a compromise solution. It allowed the income statement to present current operating results first, followed by other items that would not be considered part of current operations.

Prior to Accounting Standards Update 2015-01, an event or transaction was presumed to be an ordinary and usual activity of the reporting entity unless evidence clearly supported its classification as an extraordinary item. Paragraph 225-20-45-2 of the Codification [FASB 2015] specified that extraordinary items must be both unusual in nature and infrequently occurring.

Based upon input from stakeholders, the concept of an extraordinary item causes uncertainty since it is unclear when an item should be considered both unusual and infrequent. Some stakeholders indicated that although they found information about unusual or infrequent events and transactions useful, they did not need the extraordinary item presentation to identify those events and transactions. Moreover, it is extremely rare in current practice for a transaction or event to meet the requirements to be presented as an extraordinary item [FASB 2015].
Accounting Standards Update 2015-01 eliminates the concept of extraordinary items from GAAP, saving time and reducing costs for preparers. They will no longer be required to assess and document whether a particular event or transaction event is extraordinary. It also reduces uncertainty for preparers, auditors, and regulators as there will be no follow-up evaluation to determine if the preparer treated the item appropriately. There will be no loss of information since the presentation and disclosure guidance for items that are unusual in nature or occur infrequently will be retained and will now include the items that were formerly classified as extraordinary items [FASB 2015].

This Update will result in a further convergence of GAAP and IFRS. IAS 1, Presentation of Financial Statements, prohibits extraordinary items.

Effective Date:

The elimination of extraordinary items is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. The effective date is the same for all entities (public and non-public). An entity may apply this amendment retrospectively (restating all prior periods presented in the financial statements) or prospectively (no restatement of prior years, the impact is presented in current and future periods). Early adoption is allowed. [FASB 2015]

III. Debt Issue Costs

To simplify the presentation of debt issuance costs, the costs related to a recognized debt liability are required to be presented on the balance sheet as a direct deduction from the carrying amount of the debt liability. “This is consistent with the guidance in Concepts Statement 6, which states that debt issuance costs are similar to a debt discount and in effect reduce the proceeds of borrowing, thereby increasing the effective interest rate. Concepts Statement 6 further states that debt issuance costs are not assets because they provide no future economic benefit. This presentation also improves consistency with IFRS, which requires that transaction costs be deducted from the carrying value of the financial liability and not recorded as separate assets” [FASB2015]. Thus, the new approach prohibits debt issue costs from being presented on the balance sheet as an asset or deferred charge.

Because the debt issue costs will now be deducted to obtain the net proceeds of the debt, the effective rate of interest will be recalculated. For instance, assume a reporting entity issued $2,000,000 of 6%, 10 year bonds when the market interest rate was 6.5%. Interest is paid semiannually. The bonds would sell for $1,927,303, resulting in a discount on the bond issue. If there are $39,963 of bond issue costs incurred, the net proceeds would be further reduced to $1,887,340. The effective interest rate for the bond issue would now be 6.785%. The result on the income statement will be that the bond issue costs are amortized using the effective interest method. Prohibiting debt issue costs from being recorded as an asset and requiring it to be included in the effective interest on the debt also increases the convergence of GAAP with IFRS.

Effective Date:

For public business entities, these reporting requirements are effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. For all other entities, these reporting requirements are effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within fiscal years beginning after December 15, 2016. Early adoption is permitted for financial statements that have not been previously issued.

An entity should apply the new guidance on a retrospective basis (the balance sheet of each individual period presented should be adjusted to reflect the period-specific effects of applying these reporting requirements.)

In the period of transition, an entity is required to comply with the applicable disclosures for a change in an accounting principle. Disclosures include the nature of and reason for the change in accounting principle, the transition method, a description of the prior-period information that has been retrospectively adjusted, and the effect of the change on the financial statement line items (that is, debt issuance cost asset and the debt liability). [FASB 2015]

IV. Income tax Accounting

A. Classification of Deferred Tax Assets and Liabilities

In November 2015, FASB issued Accounting Standards Update 2015-17 Income Taxes (Topic 740), Balance Sheet Classification of Deferred Taxes. This new standard requires all deferred tax assets and liabilities to be classified as
noncurrent on the balance sheet. GAAP currently requires that firms classify deferred tax assets and liabilities as current or noncurrent, based on how the related assets or liabilities are classified. If a deferred tax asset or liability is not related to an asset or liability for financial reporting purposes (e.g., a deferred tax asset related to a net operating loss carryforward), the deferred tax asset or liability is classified as current or noncurrent based on the expected reversal date of the associated temporary difference.

Stakeholders indicated that the requirement to divide deferred income tax assets and liabilities into current and noncurrent portions resulted in little or no benefit to users of financial statements since this classification does not generally align with the time period in which the recognized deferred tax amounts are expected to be recovered or settled [FASB 2015]. If there is any cost involved, the classification of deferred tax assets and liabilities into current and non-current portions would not meet the cost-benefit test.

Since the deferred tax liability or asset will be classified as non-current, any valuation allowances would likewise be classified as noncurrent. Thus the change results in a further simplification by eliminating the need to allocate the valuation allowances between current and noncurrent portions.

Simplifying deferred tax balance sheet classification will increase convergence with IFRS. IAS 1, Presentation of Financial Statements, requires deferred tax assets and liabilities to be classified as noncurrent in a classified statement of financial position [FASB 2015].

Effective Date:

For public business entities, this requirement would be effective for annual periods (including interim periods within those annual periods) beginning after December 15, 2016. For all other entities, the effective date would be annual periods beginning after December 15, 2017, as well as interim periods the following year.

Earlier application is permitted for all entities as of the beginning of an interim or annual reporting period. This standard may be applied either prospectively to all deferred tax liabilities and assets or retrospectively to all periods presented. If an entity applies the guidance prospectively, the entity should disclose in the first interim and first annual period of change, the nature of and reason for the change in accounting principle and a statement that prior periods were not retrospectively adjusted. If an entity applies the guidance retrospectively, the entity should disclose in the first interim and first annual period of change the nature of and reason for the change in accounting principle and quantitative information about the effects of the accounting change on prior periods [FASB 2015].

B. Tax Effects of Intra-Entity Asset Transfers

Current GAAP requires comprehensive recognition of current and deferred income taxes. However, paragraph 740-10-25-3 of the Accounting Standards Codification provides a number of exceptions to the requirement of comprehensive recognition of current and deferred income taxes. One such exception is that recognition of current and deferred income taxes on intra-entity transfers is not allowed until the asset is transferred to an external entity [FASB 2015].

Outreach activities to stakeholders revealed that the exception does not provide useful information to financial statement users because the exception requires deferral of the income tax consequences of an intra-entity asset transfer. Since the exception does not provide useful information, the Board proposes to eliminate the exception in GAAP that prohibits recognizing current and deferred income tax consequences for an intra-entity asset transfer until the asset or assets have been sold to an outside party. In other words, the proposed change would require that an entity recognize the current and deferred income tax consequences of an intra-entity asset transfer when the transfer occurs [FASB 2015].

Requiring the recording of current and deferred income taxes on intra-entity transfers would further the convergence of IFRS (IAS 12 Income Taxes) and GAAP.

Effective Date:

For public business entities, the proposed amendments would be effective for annual periods, including interim periods within those annual periods, beginning after December 15, 2016. Early adoption would be prohibited for public business entities. For all other entities, the proposed amendments would be effective for annual periods beginning after December 15, 2017, and interim periods in annual periods beginning after December 15, 2018. Early adoption would be permitted, but not before annual periods ending after December 15, 2016.

All entities would be required to apply the proposed amendments on a modified retrospective basis. This approach would require a cumulative-effect adjustment directly to retained earnings as of the beginning of the period of adoption for the
recognition of the income tax consequences of intra-entity asset transfers occurring before the effective date. In addition, an entity would be required to disclose at the date of transition the nature of and reason for the change in accounting principle, as well as quantitative information about the effects of the accounting change [FASB 2015].

V. Debt Classification

The Board received input from stakeholders that guidance on balance sheet classification of debt is unnecessarily complex. FASB tentatively decided to simplify the debt classification guidance in Accounting Standards Codification (ASC) 470-10-451 by replacing it with a cohesive principle for determining whether debt should be classified as current or noncurrent on the balance sheet. The Board directed the staff to draft guidance in a proposed Accounting Standards Update for vote by written ballot, with a comment period of 60 days.

Work on the proposal to date stipulates that an entity should classify a debt as noncurrent if one or both of the following criteria are met as of the balance sheet date:

- The liability is contractually due to be settled more than 12 months (or operating cycle, if longer) after the balance sheet date
- The entity has a contractual right to defer settlement of the liability for at least 12 months (or operating cycle, if longer) after the balance sheet date.

Thus, decisions about the classification of debt will be made based on facts and circumstances that exist as of the reporting date (that is, as of the balance sheet date). The guidance would apply to all debt arrangements, including convertible debt and mandatorily redeemable financial instruments that are accounted for as liabilities [FASB 2015]. This treatment would eliminate the reclassification from current to noncurrent of current liabilities expected to be refinanced in the upcoming accounting period. Since IFRS has no provision for current liabilities expected to be refinanced, this change would increase convergence with IFRS.

In the first interim and annual financial statements following the effective date, an entity would apply the proposed amendments on a prospective basis to all debt that exists as of that date. The following transition disclosures should be required: the nature of and reason for the change in accounting principle, and the effect of the change on affected financial statement line items in the current period [FASB 2015]. An effective date has not been specified, but will be forthcoming when the Board votes on the final proposal.

VI. Inventory Valuation

A long-standing accounting requirement is that inventories be valued at the lower of cost or market as of balance sheet date. Currently, market is defined as the median value among replacement cost, net realizable value, or net realizable value less a normal profit margin. FASB will simplify the lower of cost or market analysis by requiring that inventory should be measured at the lower of cost or net realizable value. Thus, reporting entities would no longer consider replacement cost or net realizable value less an approximately normal profit margin when applying the lower of cost or market rule. Inventory measured using the last-in, first-out (LIFO) and retail inventory methods would be exempt from this requirement. This change increases the convergence of GAAP and IFRS with respect to the measurement of inventory [FASB 2015].

Effective Date:

Public business entities will be required to apply the amendments in annual reporting periods beginning after December 15, 2016, including interim reporting periods within those annual reporting periods. Entities other than public business entities would be required to apply the amendments in annual reporting periods beginning after December 15, 2016, and interim reporting periods within annual reporting periods beginning after December 15, 2017.

Prospective application of this standard is required. An entity may early adopt this standard as of the beginning of any interim or annual reporting period [FASB 2015].

VII. Transition to the Equity Method of Accounting

Many businesses hold investments in other entities, for a variety of reasons ranging from short-run returns to control of a subsidiary. Accounting for the investment depends on the level of ownership and ability to influence the investee. When the level of ownership or influence increases, the accounting treatment for the investment may also need to change. Currently,
when an investment previously accounted for using fair value (i.e. available for sale security) now qualifies for equity method treatment, the transition to the equity method requires retroactive application of the equity method. Thus, the equity method is applied on a step-by-step basis as if it had been in effect for all previous periods in which the investment was held.

During a review of this treatment, stakeholders commented that assimilating the information to apply the equity method retroactively is both costly and time-consuming, but provides little benefit to the financial statement user. The FASB further indicated that often the investor does not have ready access to data for prior periods and that the resulting information on the financial statement may be inaccurate. Even if the information was readily available to account for the change retroactively, the FASB agreed that retroactive application did not pass the cost-benefit test.

Accordingly, the amendments in this Update eliminate retroactive application of the equity method when the degree of ownership or of control increases to the point that a change from fair value treatment to equity method accounting is required. Instead, the equity method investor adds the cost of acquiring the additional interest to the current basis of the investment. The equity method is then adopted as of the date the investment qualified for equity method accounting.

In addition, for investments previously accounted for as available for sale, the unrealized holding gains or losses in accumulated other comprehensive income will be recognized in earnings at the date the investment qualifies for the use of the equity method. The changes in these amendments increase convergence of US GAAP and IFRS. Unrelated to the Simplification Initiative, the FASB has also issued Accounting Standards Update No. 2016-01, Financial Instruments-Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Liabilities. This update will eliminate the inclusion of investment holding gains/losses in other comprehensive income. All investment holding gains and losses will go to earnings. Thus, the question of how to treat the holding gains/losses at transition is a temporary issue, until adoption of Update 2016-01.

Effective date:
The amendments are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016 for both public and non-public companies. Earlier application is permitted, and the amendments will be applied prospectively.

Summary of the Simplification Initiative

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VIII. Conclusion:
The FASB’s Simplification Initiative intends to provide financial reporting that is more understandable and transparent, as well as less costly to prepare. The specific projects presented above will streamline reporting for these various topics, often based on input from financial statement users. Although convergence with IFRS is not a stated goal of the Simplification Initiative, more uniform financial reporting standards is yet another type of simplicity that is desirable. While somewhat modest in scope, these financial reporting changes are evidence of a responsive, proactive standard-setting body. Financial statement users and preparers will need to keep these changes and their effective dates in mind as they go forward into 2016.

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24 Tips for **Passing the Exam the First Time!**

John O. Everett CPA, Ph.D.

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*When a tax professional passes the Enrolled Agent exam it is a step on the ladder to success and an invaluable boost to one's career and self-esteem.*

**Preparation Prior to the Examination**

**Introduction**

An enrolled agent is an individual who is licensed to represent taxpayers before all administrative levels of the IRS. This privilege is reserved only for attorneys, CPAs, certain former IRS employees, and any other individual who passes the Special Enrollment Examination (SEE).

However, studying for and passing the exam can be a daunting task, but it need not be an impossible one. This article includes 24 tips for calming your nerves and approaching the exam in an organized and focused manner. But, when all is said and done, there is a direct correlation between your motivation and your score on the exam, and no set of study tips can substitute for adequate preparation.

The SEE, commonly referred to as the EA Exam, was administered by the IRS until 2005, at which time Thomson Prometric was selected as the exam vendor. The first exam under the new on-demand, three-part, computerized format was given in October 2006. The SEE is now a closed exam; test questions under the on-demand format are no longer available to the public, although copies of all questions for the open-exam period of 1999-2005 are available on the IRS website.

The examination is designed to demonstrate technical competence in tax matters for purposes of representing taxpayers before the IRS. The revised exam consists of the following three parts:

- Part 1 – Individuals
- Part 2 – Businesses
- Part 3 – Representation, Practice, and Procedure

Each part of the examination consists of 100 multiple-choice questions. The length of each part is 3.5 hours, plus an additional half-hour required for a computer tutorial and survey. Questions are in three possible formats: (1) direct questions;
(2) incomplete sentences; and (3) “all of the following except” narratives. All three types of questions are in a multiple-choice format, with four possible answers for each question. Each part of the exam may be taken separately and on different dates.

Applicants passing a part of the exam may carry over a passing score for up to two years from the date of passing that part. Thus, a two-year clock starts ticking on the remaining parts of the exam once the first part is passed; such carryover credit is lost after the two-year window closes.

Applying for the Examination

Candidates may take each part of the exam up to four times during the 10-month window of May 1–February 28. The testing fee for each part of the exam is $109. Candidates register online at www.prometric.com/irs by clicking Schedule My Test. Candidates select an appointment time and a site for taking the exam during the registration process. Prometric has approximately 300 test sites in the U.S. For additional details, visit their website and click on Review the Candidate Information Bulletin.

IRS Study Materials

Although there are no particular educational requirements for taking the exam, candidates are expected to answer basic tax questions at an intermediate level of knowledge equivalent to undergraduate courses. When studying for the examination, you may wish to refer to the Internal Revenue Code, Treasury Department Circular 230, IRS publications, and IRS tax forms and their accompanying instructions. Circular 230, current and prior year versions of IRS publications, forms and instructions are accessible online at www.irs.gov/forms-pubs.

IRS Tax Map may also be useful when studying for the exam. Tax Map gathers IRS forms, instructions, publications, and web pages by topic and organizes links to these sources on a single topic page. IRS Tax Map is available at www.taxmap.ntis.gov. Content on Tax Map is tax year specific. You can’t be expected to master all this information, but some material is more important than others (see the Study Tips section below).

Twenty-Four Study Tips Part I - Preparation Prior to the Examination

1. Know the Two Cardinal Rules of Studying - Rule 1: There are absolutely no shortcuts to passing the SEE. Rule 2: Refer to Rule 1. You must have an organized approach. Plan to study at least 50 hours for each part of the exam, at a pace of at least 10 to 15 hours per week. Take plenty of notes (in your own words) that provide shorthand references to the tax law for the more important provisions. Leave time to take a practice exam at least two weeks prior to the exam to highlight weak spots. Past exams are available at www.irs.gov, although these are in the old format. Still, they’ll give you a feel for the types of questions (and time pressure) you’ll likely see on the real thing. But remember, the entire exam is now multiple-choice; there are no true-false questions as was true on these old exams.

2. Consider a Review Course - There are a number of review courses, both self-study and live, devoted to the SEE. The advantage of such courses is that the authors have usually analyzed the past examinations and have organized the study material in a condensed manner for maximum coverage. In essence, you are paying for an organized approach to studying for the exam, and this may be of some value to you.

   The National Society of Accountants offers study courses in various formats:
   - NSA Enrolled Agent Exam Self-Study Review Course (Study for the EA exam on your own schedule.)
   - NSA Enrolled Agent Exam Live Review Course (A very intensive live course, offered over three days prior to the Annual Meeting this August.)

3. Don’t Worry About the Math of Passing - The grading procedure on the closed exam as described by Prometric is somewhat murky, as the raw score (number right out of total number of questions) will be converted to a scale between 40 and 130, with 105 set as a passing score per mandate by the IRS. Assuming this is a linear scale that starts at a score of 0, a passing score of 105 is 65 points above the lowest score, out of 90 total points. This seems to imply that a score of roughly 73 percent would be passing (65/90), but who really knows? For example, if the minimum score of 40 is given to all scores below a certain level (say, 30 percent), then the required percentage of right answers would decrease.

   Under the old open IRS format of the exam, each part had 80 questions of varying point values that totaled 175 points. Parts 1 through 3 of the old exam had 20 true-false questions worth 1 point each, 25 non-computational, multiple-choice questions worth 2 points each, and 35 computational, multiple-choice questions worth 3 points each. Note that 60 percent of this 175-point total is 105 points. This appears to be the source of the 105 points on the new IRS-mandated scale, but the question is whether this scaled score implies a 60- or 70-percent minimum passing score.
The moral of the story? Don’t worry about the possible scale. If you really work at it, you’ll clear either hurdle.

4. **Think Like an Examiner** - Never lose sight of the purpose of the examination - to ensure that the successful applicant has demonstrated a minimum level of competence necessary to represent a taxpayer before the IRS. For that reason, expect the vast majority of the questions on the exam to test the basic fundamentals of taxation.

For example, the exam may not address the exotic details of a tax straddle, but you can certainly expect questions on the basic netting of capital gains and losses. Ask yourself what are some of the basic tax concepts that every practitioner should know, and make sure that you can answer those questions. These include such items as the basic corporate tax formula, the flow-through nature of partnerships and S corporations, the basic features of an IRA, and the distinguishing characteristics of deductions for and from adjusted gross income.

5. **Examine the Exams.** The more previous exam questions you review, the better. For one thing, the Prometric Licensing Information Bulletin (available at [www.prometric.com/IRS](http://www.prometric.com/IRS)) provides detailed lists of possible topics for each part of the exam (discussed below). These, by and large, mirror questions asked on previous exams under the old IRS format. True, there are some new topics, mainly related to client relations and audit and representation responsibilities, and we’ll discuss this factor next. But you need to get a flavor of the questions and the depth of knowledge expected on the exam under the old format.

More importantly, such reviews will help you consciously and subconsciously prioritize your studying, because you’ll begin to note those topics that appear time and time again on the exam. Again, the National Society of Accountants offers study courses in various formats that include hundreds of updated prior exam questions, as well as sample questions on new topics.

The basic core knowledge required for tax return preparation and client representation has not changed; only the format of the exam has been tweaked. The taxation of sales and exchanges of property was extremely important on the old open exam, and will continue to be important on the closed exam, because that’s a big part of practice. These “serial repeaters” occurred on past exams, not because the examiners were waiting for candidates to finally get them right, but simply because they were (and are) part of the minimum core of knowledge expected of an enrolled practitioner. By constantly repeating these questions, the IRS is telling you that they want you to know these things.

Although EAs are writing most of the exam questions these days, the questions will mirror what they deal with every day in practice. And remember, they are likely to examine the old exams when writing new questions as well. Given that all topics are not created equal, it may be useful to examine tendencies on the old exams under the IRS format that are publicly available. In performing this analysis, for example, the NSA EA Review Course divides prior open-exam questions on each of the three parts of the exam into approximately 150 different topics. These analyses provide some interesting insights. Appendix A discloses all of those topics on each part of the exam that appeared in at least seven of the last ten open exams.  Note that most of these topics mirror the “think like an examiner” approach discussed earlier, in that most frequently-tested topics are fundamental staples of tax practice.

A Word of Caution – These lists were for exams prior to 2006, so don’t forget that the tax law is constantly changing and important new concepts will be tested regularly as well. Think Affordable Care Act!

6. **Don’t Panic** When Confronted With the “Softer” Practice Topics of the Closed Format. Many candidates are somewhat anxious about the “soft” topics added when the exam went to a closed format. These include the following new major categories in the examination specification content outlines mentioned earlier:

   Part 1:
   - Preliminary Work to Prepare Tax Returns
   - Tax Returns for Individuals, Taxpayer Data
   - Minimization of Taxes Paid
   - Advising the Individual Taxpayer

   Part 2:
   - Analysis of Financial Records
   - Advising the Business Taxpayer

   Part 3:
   - Building the Taxpayer’s Case: Preliminary Work
   - Reviewing Taxpayer Information Before the IRS
   - Representation

Continued on the following page
• Building the Taxpayer's Case: Reviewing the Financial Situation
• Building the Taxpayer's Case: Supporting Documentation
• Completion of the Filing Process: Accuracy
• Completion of the Filing Process: Information Shared With the Taxpayer

Incidentally, candidates for the SEE Exam are not the only ones panicking; those of us writing review courses are also trying to figure out just how the examiners can ask decent questions on some of these topics! But everyone needs to step back a minute, relax, and consider these factors:

• A close inspection of these categories reveals that, most likely, a number of the questions can be answered with reference to basic knowledge on many of the technical topics studied for the exam. In most cases, any questions on minimization of taxes or advising taxpayers will invariably be offshoots of basic knowledge of the computation. For example, knowledge of the common adjustments and preferences for the alternative minimum tax would probably provide enough information to answer planning or interview questions on this topic. And knowing the five tests for dependency would probably be enough to answer any “taxpayer data” questions regarding exemption deductions.

• Many of the soft topics in Part 3 relate to taxpayer representation before the IRS, and will necessarily touch on a number of technical issues covered elsewhere in your basic studying. For example, the old exams included a number of questions on recordkeeping and document retention requirements, and these are probably relevant here as well.

• Knowledge of solid office tax practices may help you answer a number of the preliminary work and initial preparation questions. Many of these questions might be answered with knowledge of the typical client questionnaire completed at the beginning of an engagement, the client interview form, or the interview question portions of the typical tax preparation software package. A number of professional organizations offer client checklists or office practice guides on their websites, and these might prove valuable in preparing for these types of questions.

• But what if they still ask a question on one of these topics and you have no idea what they are talking about? Here’s where the scientific guess comes in. Seriously, if you are having problems with a question, other candidates are likely experiencing the same problem, and this may ultimately be reflected in the final scoring adjustments for that part of the exam. Remember, you don’t have to outrun the examiners; you just need to keep pace with the other candidates!

7. Crack Open the IRS Data Vault. I know, I know. You purchased a review course to avoid opening all the IRS Forms & Publications. And most review courses promise that you won’t need to open the package. But if you did not purchase a review course you must examine some of these materials, and even if you did purchase such a course there is still much to be gained by examining selected IRS materials. For one thing, many of the answers to questions are word-for-word from these publications, and your memory can surprise and delight you at times. Not all of these materials are created equally, and some publications (such as Publication 17, Your Federal Income Tax) provide enough basic information to avoid the more tedious and detailed, specific-topic publications such as Publication 501, Exemptions, Standard Deduction, and Filing Information.

At a minimum, the following general publications, forms, and instructions should serve as the core for your studying efforts if you do not purchase a review course (or at least serve as prime supplementary reading for complex topics in a review course):


* Essential for both Part 1 and Part 2.

Note: As electronic preparation of returns becomes virtually mandatory, so does the number of questions regarding this topic on the exam. And electronic filing considerations are mentioned as possible test material under some of the soft topics added to Part 3, such as “Accuracy.” So be absolutely sure to review Publication 1345 before taking the exam. In fact, the two publications you should review in every situation are Publication 1345 and Circular 230. Both are available on the IRS webpage.

8. Know the Various Formats for the Tax Calculation by Heart. In many cases knowledge of the basic formats of the tax computation (e.g., tax formulas) for the various tax entities can pay huge dividends. For example, here are descriptions of past-exam questions on four possible tax entities where format knowledge is essential:

Individuals – More than likely your exam will have several questions that require you to (1) distinguish deductions for
adjusted gross income and those from adjusted gross income and (2) determine if an itemized deduction is or is not subject to the 2% of adjusted gross income floor;

C Corporations - A favorite question on the old open exams was to compute the corporate charitable deduction when a corporation has gross dividend income as well. If you know the corporate format, you will remember that the 10% of taxable income limit for corporations is based on an income figure that includes the gross dividend but does not take into account the dividends received deduction.

Partnerships and S Corporations – If you simply remember the definition of ordinary income for a partnership and an S corporation, you will be able to distinguish ordinary income from items that must be separately allocated to owners. The latter items all have one thing in common; they can't be included in ordinary income because they may affect different partners differently—capital losses, for example.

Estates and Trusts – For these entities, it is important to remember that a distribution deduction is allowed on the flow-through entity so that the party taxed is the beneficiary who ultimately received the distribution, and not the estate or trust. To the extent that distributions are made, estates and trusts are in effect flow-thru entities.

9. Know “What’s New” on the Topics Specification List. Since going to a closed exam, ProMetrics has tried to stay on top of the changing tax landscape. In the Information Bulletin (which is REQUIRED reading for every candidate), a topics specification list for each part of the exam is listed. This is occasionally updated in consultation with practicing EAs and IRS personnel. A revised topics specification list was just added for the 2016-2017 test window, and several new topics appear on this list. Appendix B lists those new topics for each part of the exam, and these items should certainly be reviewed before sitting for the exam.

A note of caution – These lists are fairly long and can be intimidating, but many of the items just clarify topics on the original list and would be items you would study in any case. But some, such as taxpayer identity security issues, are indeed new items for discussion. An asterisk on an item in Appendix B indicates a new topic that is very new and/or was completely ignored on exams in the past. Be sure to review the complete Topics Specification List in the ProMetrics Bulletin to see the breadth of the exam and also the areas of most importance; note that the number of questions from each domain is also given in these lists.

10. It's the Health Care Law and It's Rising Like a Bullet! Tax provisions of the Affordable Care Act first applied in 2014, and the documented high error rates in reporting the credits and personal responsibility payments insure that this will be a primary area of testing for years to come. Expect fairly basic questions for the first few years of implementation, followed by a move toward more nuanced topics later. Remember that this topic can appear on all three parts of the exam (in Part 3, the emphasis would be on reporting issues and office review procedures). For the first two years, the examiners may mix in a few “experimental questions” on this topic as well; see the discussion of experimental questions below.

11. Practice, Practice, Practice. Prometrics realizes that many individuals have never taken an electronic examination, so they ask that you arrive at the test site at least 15 minutes early to take a tutorial on the computerized exam. But why wait until then? Prometrics offers the same tutorial online on their website. Whatever you do, take this tutorial several times before actually taking the exam. Things will be different enough at the testing center, and this is one way to remove some of the anxiety ahead of time.

The software developed by Prometrics is very user-friendly and quite logical. Be sure to master the calculator function as well before actually taking the exam. Hint: If you take the sample tutorial questions online, be aware that at the end several of the questions are marked for review, even though you may not have marked them as such; Prometrics just wants to demo this feature before you exit the tutorial.

12. Which Parts to Take and When? The electronic format permits candidates to take the exam more or less wherever, and more importantly, whenever they want. Obviously, this means that there is a huge data base of questions for each part of the exam, and more than likely each exam will be randomly generated from this data base (based on the percentages shown on the exam specification outlines). All of the options and requirements are explained in the Licensing Information Bulletin pamphlet available for download at www.prometric.com/IRS. Given these options, which part or parts should you take first? There is no magic answer to this question, as this is an individual decision. Most candidates will simply choose to take each part separately, with a window for studying between each part.

On the other hand, if significant travel is involved in reaching a test center, some candidates may choose to take the entire exam over a two-day period. If more than one part is to be taken in a single day, it would make sense to take Part 3 as one of those two tests. There are less complicated details to master with Part 3, and no numbers at all. In this respect, it might be easy to compartmentalize the studying for each part and do well on both. And if you are taking all three parts, you'd have a break that night to brush up on the next part for the next morning. Many candidates may choose to take Part 1 (Individuals) first,
since they are more familiar with the coverage. However, don’t shortchange this portion of the exam. As mentioned earlier, no detail is too insignificant for this part.

Incidentally, what are the pass rates on the exam? Prometrics discloses the average pass rates for the last three years, which are (1) approximately 88% for Part 3, (2) 72% for Part 1, and (3) 57% for Part 2. So perhaps your best confidence booster right out of the box may be to take Part 3 first. But don’t take it lightly.

One other thought: If you are going to take the exam one part at a time, try not to schedule a long interval between Parts 1 and 2. There are a number of topics that overlap these two parts (e.g., travel and entertainment expenses, related party losses, sales of property, nontaxable exchanges), and topics you mastered from studying one part may kick in on the next part.

Twenty-Four Study Tips Part 2 – When Exam Day Arrives

13. It is All Relative, So Go Ahead and Anoint Yourself Master of the Universe. We all have feelings of anxiety and inadequacy as a big day in our lives approaches, and the SEE is no different. However, try not to forget that the exam is in many respects graded on a curve, and many others taking the exam are a lot less prepared than you are. So if you have put the time in and believe you are ready, approach the exam with an air of confidence and defy them to ask any question that you can’t answer. For test days, you should firmly believe that you are the master of the universe.

14. Respond to Those Guilt Pangs. Most authorities on exam taking will suggest that you study very little (if at all) on the night prior to an exam. And generally this is good advice. But if there is a big part of you that feels guilty about doing this, then go ahead and study for a short period the night before the exam. However, do not turn this into a panic attack; just brush up on topics that you just know are going to be on the exam. Allocate a maximum of one to two hours to this and then go to bed for hopefully some guilt-free rest.

15. Budget Your Time and Answer Each Question Correctly. Now, this is sure a keen insight into the obvious, isn’t it? The point is a simple one; make sure you mark each question as you intend to, and make liberal use of the flagging feature of the software for questions you would like to review before completing the exam. If you budget 1½ minutes for each exam question, that would leave almost an hour for reconsidering flagged questions and reviewing the entire exam. Mark estimated times for every question (i.e., at Question 21 you should be 30 minutes into the exam, at Question 41 you should be 1 hour into the exam, etc.). Try to stick with this rough schedule so that you will have plenty of time for reviewing the exam.

16. Move On, As First Impulses Are Usually Your Best Answers. There are several studies indicating that a person’s first instinct as to an answer is more likely to be correct than a revised answer. This is especially true for multiple-choice questions. Answer the question and move on. If you are quite unsure about your answer, flag the question and return to it as time permits. But again, don’t talk yourself out of your first impulse unless a light bulb suddenly comes on and this revelation was not considered the first time. And remember; for each possible answer you can eliminate as not being feasible, this greatly increases your odds of guessing the correct answer.

17. Remember: This is a Tax Exam, Not an Accounting Exam. Anytime you believe the answer to a question is the same answer that you would have for financial accounting purposes, stop and ask yourself if you have missed something. There are a number of areas where accounting and tax rules differ, and many of these instances are tested on the exam. For example, suppose that a calendar-year, accrual-basis lessor receives a $36,000 prepayment for 3 years rent from a calendar-year, cash-basis taxpayer. Financial accounting would dictate that the lessor report $12,000, or one-third, as rental income in Year 1 under the matching theory, while tax law states that the entire $36,000 prepayment is taxed immediately under the
wherewithal-to-pay doctrine. Likewise, the tax law states that an item cannot be deducted by a cash-basis taxpayer until it is both paid and incurred, so the lessee could only deduct $12,000 in Year 1 (even though $36,000 was paid).

18. Watch For Clues in the Answers. Sometimes a little knowledge can go a long way and help you eliminate some answer choices. For example, assume that you remember that a personal casualty and theft loss must always be reduced by a $100 floor, and you are confronted with the following exam question:

   Several years ago, Mr. B purchased an antique vase for his personal use at a flea market sale for $500. This vase was stolen on July 1, 2006, when its fair market value was $1,000. Mr. B had insurance on the vase, but only for $300 with no deductible amount. B had no other casualty losses. What is the amount of B’s allowable casualty loss for the year, disregarding the limitation based on adjusted gross income?

   a. $100
   b. $200
   c. $500
   d. $600

   Since you know that the $100 floor per casualty or theft must be subtracted, there is no way that answers (b) or (c) could be correct with any combination of the numbers. If you start with $1,000 as the initial loss and subtract the $300 insurance and $100 floor, you obtain an answer of $600; if you start with $500 as the initial loss and subtract the $300 insurance and $100 floor, you obtain an answer of $100. Even if you forget to subtract the insurance, your answers would be either $900 or $400, and these are not among the answer choices. So the answer has to be either (a) or (d), and hopefully you will choose answer (a), since the tax law never permits a loss greater than the actual cost of the item since the appreciation in value of the item was never reported as income.

19. Do Not Let the Part 2 “Advanced Topics” Scare You. Some of the real fears of many SEE candidates are questions related to aspects of taxation that they do not normally encounter in their practice. This is only natural, and many times this fear discourages individuals from ever taking the exam. However, there is a key point worth remembering here. Generally, only a fundamental knowledge is required for the exam, and this is especially true for questions on tax entities other than the sole proprietor in Part 2 (e.g., partnerships, corporations, S corporations, and estates and trusts).

   Here the exam questions look more like “book exam” questions, and some candidates find that they actually do better on these parts of the exam than Part 1 (where no question related to individual taxpayers is considered too picky; once again, just look at the recent pass percentages mentioned earlier). These areas are where review courses and/or college textbooks can be of immense help in preparing for the exam. You will most likely have to devote more time to studying Part 2 than the other two parts, but this extra time should pay off. The pass percentage has been lower on Part 2, and for that reasons the questions will probably veer more to straight-forward, fundamental questions in the future.

   In some respects, the closed exam format actually lessens the weight assigned to a few of these “advanced topics.” For example, the sole proprietorship and partnerships, formerly tested separately, are now tested on Part 2, along with C corporations and S corporations. And all of the business income (e.g., farm income, inventories, etc.) and deduction principles (e.g., depreciation, bad debts, etc.) that were formerly tested on Part 1 are now in Part 2.

20. You May Know More Than You Think You Do. Sometimes the answer to a question that you think you know nothing about may be answered by applying a few basic tax fundamentals that you do know something about. For example, the basic principles of Sec. 1031 like-kind exchanges of properties are applicable to a variety of other situations. What if a question involves the formation of a corporation, and a contributing shareholder receives shares of stock and cash? Or perhaps the transaction is a corporate reorganization, where the shareholder surrenders old stock and receives new stock and some cash. In both cases, taxable gain is limited to the “boot” received in the exchange (the non-similar property received, in these cases the cash). Both illustrations are just a variation in the more familiar like-kind exchange rules, where the taxable gain is limited to the taxpayer’s wherewithal to pay tax. In fact, the wherewithal to pay principle, which states that the tax is imposed when the taxpayer is best able to pay and the government is best able to collect, can answer a variety of tax questions and may become your best friend come examination time.

21. Settle for Less Than 100 Percent. No matter how prepared you are, there will be a few questions that you will know absolutely nothing about. Some of the questions will be unbelievably picky and pulled out of obscure documents on the IRS
Study List. Maybe it’s an unwritten rule that candidates must be taught humility at some point in the exam, and perhaps that’s a good thing—we’ll never know all the rules in practice either. Don’t be alarmed, as other candidates will have the same reaction as you. Just give the examiners that question (after making your best guess, of course - there is no penalty for guessing!) and move on. Hopefully, these questions will be few and far between, and your time is better spent on questions you do know something about.

22. **Experimental Questions.** As noted in the Prometrics Bulletin:

   Your examination may include some experimental questions that will not be scored. If present, they are distributed throughout the examination and will not be identified as such. These are used to gather statistical information on the questions before they are added to the examination as scored items. These experimental questions will not be counted for or against you in your final examination score.

   What does all of this mean? It goes back to one fundamental idea: a statistically “good” question is one answered correctly by those candidates passing the exam and incorrectly by those candidates failing the exam. (I know, you’re thinking, “Gee what an insight!”) Nonetheless, once a question is asked the first time, the statistical analysis will tell the examiners whether or not it was a “good” question to use again. So if you have a question that baffles you, it may well be an experimental question that will not count against you. A nuanced question on the health care law definition of coverage may likely be an experimental question, but a computational question on the individual basic credit computation or the shared responsibility payment is likely to be a real question for credit. Incidentally, the revised test specifications list now states that each part of each exam will include 85 regular test questions and 15 experimental questions.

23. **Post-Mortems: Avoid at All Costs.** It is a natural tendency to want to obsess about an exam right after taking the test. But, there’s nothing you can do about it after the fact. If you fall short on an exam, redouble your study efforts the next time. And, if you are taking another part of the exam soon, just view the previous test as a past history and move on with optimism and determination. Fortunately, the new exam format provides instant gratification (or instant mortification), as the exam score will appear on your screen immediately at the end of the exam, and you’ll receive a printed copy. If you pass, you will not receive a score, only notification that you have passed; if you fail, you will be given your scaled score (between 40 and 104), and some diagnostic information by topic area as to whether or not you score considerably below, marginally below, or at or above the minimally accepted score.

24. **Success!** If you decide to study hard, take this big step in your career, and stand out in your profession, this is what you will see on the screen when you press that little button to submit the exam:

   ![Score Report for Lastname, Firstname, MI](image)
   
   Special Enrollment Examination – Part 1: Individuals
   
   Scaled
   
   Topic Area:
   
   Grade: Pass
   
   (A total score of 105 is required to pass)

   You Did It! Successful candidates may apply for enrollment when notified that they have passed all three parts of the Special Enrollment Examination. They must file a completed Form 23, along with a check for $125, within one year of passing all three parts of the exam. Expect a few weeks delay before receiving your enrollment card, but this is something definitely worth waiting for! Good luck on the exam! YOU CAN DO THIS!

Topics Covered at Least Seven Times in the Last Ten Publicly Available EA Exams

Newly Listed Topics for 2016 and Later Years

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**About the Author**

John O. Everett, CPA, Ph.D., is Professor Emeritus of Accounting at VCU in Richmond, VA. John’s teaching specialty is federal taxation. He has authored or co-authored over 90 articles in academic and professional journals including the NSA EA Exam Review Course and 1040 101 Course, and is the coauthor of several textbooks, including CCH Practical Guide to Schedule M-3 Compliance, The HBJ Federal Tax Course, Income Tax Fundamentals, and Tax Planning With the Computer.
**You Can’t Be Everything to Everyone**

*Katie Tolin*

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As a small business owner, the concept of saying “no” to a prospect seems ridiculous, but when you narrow your focus it will help you spur growth.

You will find that you will actually experience more growth and greater profitability while doing more rewarding work when you narrow your focus to a sub-segment of the buying population you can help best.

Implementing a niche strategy is one way professionals can differentiate themselves from their competition. It’s quite difficult to claim that you prepare a better tax return than the person down the street. There is no way you could even prove that. However, you can claim an area of expertise your competition doesn’t have. For example, a significant part of your work may be done with businesses in the oil & gas industry or with churches. Or you could have significant experience with expat tax services. As a result, you are able to bring something extra to those businesses and individuals; you can translate sound experience into better advice.

**Identifying a Potential Niche**

There are clients out there you can serve better than others – and they will be better clients. Here’s how you figure out your unique position in the marketplace:

- **Understand your strengths.** This requires that you segment your revenue. Break out every dollar by service line and industry. For example, look at the total revenue generated within a specific industry like manufacturing. How many dollars do you generate from tax services for manufacturers? Accounting? Payroll? Be as specific as you can with the services you offer. Calculate the percentage of revenue each industry or service line represents, too. The rows and columns that make up the highest percentage of your revenue represent the areas in which you have the most expertise.

- **Know your competition.** Spend time looking at each of your competitors. Determine their areas of strengths so you can focus on an area they don’t. You can gather this information from personal knowledge, their website and conversations with people who know them, like mutual referral sources.
• Be aware of your market potential. Let’s say you have 10 physician clients. That’s a great start. But how many other physicians are in your marketplace? If there are only 25 more, the potential return may not be worth your investment. If there are 5,000, your revenue potential is greater.

The area where you decide to build a specialty should capitalize upon a current strength, where you have the least competition and many potential prospects.

**Developing a Marketing Strategy**

After you know where to specialize, you have to spell out how you’ll obtain the clients you desire. This is done by developing a channel of distribution strategy. In simple terms, this is a list of services that you’ll sell to a specific buyer through a channel (service à channel à target). Unless you are targeting individuals, you sell through channel of distribution. A channel could be an association, a partnership, a referral source, an event or any figurative place where your potential buyers congregate.

Not all channels are created equal. There are some that you’ll engage with in certain ways and others that will be totally different. Take the time to understand each channel and how you can best use it to obtain new clients. Be strategic about where you are going to sell your services, and you will position yourself for the referrals and prospects you desire.

**Measuring Success**

If you decide to implement a niche strategy to grow, know that it will take time. You won’t see that growth from day one. As you decide to grow a column, row or cell from your market segmentation report, be sure to measure how you’re doing. If you were to complete the exercise a year later, you should see growth in the area you decided to target.

Over time you will begin to obtain more clients that fall within your niche. Many providers simply add these clients to the existing client base and adjust staffing as needed to serve them. There are other professionals who decide to let these clients replace existing clients that are then transitioned to another provider. No matter which method you choose, don’t sacrifice profitability. A niche strategy should help you increase your profit margin.

The hardest part of implementing a niche strategy is recognizing that you have an ideal client that you can serve better. That not all revenue is good revenue for you. That you may have to say no to prospects that fall outside of your sweet spot. If you take any work that comes through the door, you are more likely to find yourself dissatisfied with realization, lack of client responsiveness, last minute requests or something else.

Be more strategic about the types of clients you work with, and you can build a stronger company.

**About the Author:**

Katie Tolin, Chief Growth Guide, CPA Growth Guides LLC Before founding CPA Growth Guides in 2015, Katie Tolin spent nearly 20 years in professional services marketing in local, regional, super regional and national firms. An award winning marketer, she now helps firms across the country drive top-line revenue and profitability.

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A frequent speaker and author, Katie is a past president of the Association for Accounting Marketing. For the past two years, Accounting Today named Katie one of the top 100 most influential people in accounting, and she was one of CPA Practice Advisors’ Most Powerful Women in Accounting in 2015. In addition, she was named Accounting Marketing of the Year in 2010 and has won a total of 12 Marketing Achievement Awards from the Association for Accounting Marketing and a Silver Quill and Best of Division award from the International Association of Business Communicators. Katie is also a contributing author to Bulls-Eye: The Ultimate How-To Marketing & Sales Guide for CPAs.

Katie Tolin will present Positioning Your Practice for Growth at NSA’s 71st Annual Meeting in Tampa on August 20th. Her sessions will include a presentation followed by interactive roundtable discussions around overcoming obstacles to specialization and which growth strategies produce the greatest return.

Before concluding, attendees will be asked to develop a short action plan of things they will do when they return to the office to increase their focus on growth and will be encouraged to find a fellow attendee to serve as an accountability partner.

Registration and schedule details for the NSA Annual Meeting can be found here.
Domestic Production Activities Deduction - Planning and Practicality

J. Michael Pusey, CPA

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This specialized deduction is easily overlooked but can be a material benefit to your clients. Taxpayers who work more closely with their advisors can maximize the deduction.

The Section 199 deduction is claimed on Form 8903, the instructions of which estimate the time to learn about the deduction and complete the form at almost two days not counting recordkeeping time for the client or the accountant. So when the deduction is an issue for a particular client, keep in mind that the materiality and complexity are such that it may even affect the tax professional’s fee quote.

Accountants should also be advising clients on the type of recordkeeping needed to establish the domestic production activities deduction, DPAD. Consideration might also be given to the client using separate entities, one for qualifying activities and another for non-qualifying revenue, as a means of establishing a clearer path to measuring this important deduction.

This tax benefit focuses mainly on U.S. sellers of personal property and isn’t aimed at benefiting pure service providers. But service providers may be part of the process and qualify as part of the framework that benefits from this special deduction. Also, there are aspects of the real estate industry that qualify. Those who benefit from the deduction are a broader class than one might think from some brief summaries of the provision. As usual, it is up to the tax professional to dig into the details of the rules and relate them to their clients.

The Basics

The DPAD is generally 9% of qualified production activities income but subject to a couple of important limitations based on income and wages.

The deduction cannot exceed 9% of taxable income, or adjusted gross income if an individual. So decisions about maximizing other deductions that reduce AGI can negatively impact this deduction.

Another important limitation is that the deduction cannot exceed 50% of wages, including flow-through wages from partnerships or other flow-through entities.

To the extent an individual’s taxable income consists of DPAD, it is generally a fair statement the deduction reduces the individual’s tax bracket to 91% of such rate; e.g., a high individual rate of 39.6% becomes approximately 36% as to qualifying income. If an individual’s tax rate were 25%, it would reduce the rate to a little under 23%.

The deduction is relatively significant. Over the years, the deduction has grown. The percentage deduction wasn’t always as high as the current 9%.

Continued on the following page
Guaranteed payments to a partner are deducted in arriving at qualifying income to the extent allocable to qualifying production activity income. The receipt of the guaranteed payment isn’t qualifying income to the partner. Guaranteed payments don’t count as wages for purposes of the wage limitation.

There are special adjustments for oil-related taxpayers.

Married taxpayers combine their figures on one Form 8903.

The rules are generally applied at the shareholder or partner level, but certain S corporation and partnership make calculations and allocations at the entity level. (Instructions to Form 8903, p 1-2.)

Even exempt organizations may benefit; exempt organizations are generally limited to deducting 9% of their unrelated business income. (Instructions to Form 8903, p. 8)

The deduction isn’t per se subject to a cap, a maximum amount. Both small and large taxpayers can benefit. The law aims at providing an across-the-board incentive, tax relief rather than, as is often the case, providing relief for smaller taxpayers.

On individual returns for 2015, the deduction is claimed on line 35. The deduction is taken in arriving at adjusted gross income.

The deduction is aimed at increasing business activity whether sales are going to U.S. or international customers.

The DPAD, subject to certain rules, can also reduce the taxpayer’s alternative minimum tax.

If a net operating loss is incurred in a particular year, the taxpayer wouldn’t have a DPAD in that year. This is because it is necessary to have positive adjusted gross income in the case of an individual, or taxable income in the case of a corporation, for there to be DPAD. But a net operating loss carrying to another year may affect the DPAD in such year. For example, it may reduce the 50% of AGI limit for an individual.

Qualifying Income

The basic idea for qualifying receipts is the sale of U.S. produced goods. The “production” in the title doesn’t limit the deduction to manufacturers.

The concept of U.S. produced goods isn’t as strict as one might anticipate. In general, there needs to be significant U.S. production but the rules are generally fairly liberal if there is an admixture of U.S. and foreign production activities. (Regs. 1.199-3(g)(3).

Qualifying income is termed domestic production gross receipts, DPGR. Sales tax collected is generally to be excluded from qualifying income. (Regs. 1.199-3(c).

In measuring domestic production gross receipts, the distinction is item by item, not division by division, etc. But there are such practical rules as allowing the taxpayer to treat all sales as qualifying if less than five percent are considered non-qualifying.

Qualifying income isn’t necessarily limited to outright sales but also encompasses income derived from “any lease, rental, license, sale, exchange, or (generally) other disposition ...” of qualifying production property, as well as derived generally from construction activities as well as engineering and architectural services performed in the U.S. related to constructing real property in the U.S. (Regs. 1.199-3(a).)

The sale of electricity, natural gas or potable water produced by the taxpayer in the U.S. may qualify. (Regs. 1.199-3(a)(1) (iii).)

Leasing or licensing to a related party doesn’t ordinarily qualify but there are exceptions when the related party in turns rents, etc. to an unrelated party. (Regs. 1.199-3(b).)

Construction activities don’t require ownership of the property as is true, for example, of someone selling personal property. Such costs as landscaping and painting may not qualify as “construction.” (See Regs. 1.199-3(m)(3).

In general, the concept of qualifying income excludes fees received by pure service providers – fees earned by doctors, lawyers, accountants, etc. Customer services, phone support, internet access fees for books, online banking, etc. also fall...
outside the “production” concept.

Income from the sale of food at a restaurant wouldn't qualify, whereas taxable income related to the sale of food as a wholesale business would qualify. So the client’s books would need to distinguish food sales that are retail from sales that are wholesale.

Generally not qualifying are the sale and lease of land.

Advertising and product placement fees generally do not qualify, subject to some exceptions.

Another requirement is the income must be from a trade or business, such that sporadic activity may not qualify; similarly, hobby loss income doesn’t qualify.

The goal is to encourage U.S. production, and sales foreign or domestic count for purposes of this special deduction.

The main categories of qualifying income are: selling, leasing and licensing U.S. produced goods and motion pictures.

It includes construction activities in the U.S., including not only building but renovation of residential and commercial properties. It includes engineering and architectural services related to such construction.

It includes sound recordings. A film qualifies if 50% of the compensation paid to actors, production personnel, directors, producers is in the U.S.

In general, income from the sale, lease, other disposition of software developed in the U.S. qualifies, whether the software is purchased off the shelf or there is a download from the internet. On the other hand, the following don’t qualify: fees for the on-line use of software, fees for computer support, on-line services, fees for customer support, fees for phone services, and fees for playing computer games on-line. ((Regs. 1.199-3(e)(5), Example 8, 1.199-3(ii)(6)(ii)).)

Attaching items to a building doesn’t necessarily cause such items to lose their status as personal property whose sale constitutes qualifying income; e.g., machinery and signs attached to the building.

Allocating Expenses

For purposes of this deduction, cost of goods sold includes the cost of goods sold to customers as well as the adjusted basis of non-inventory property disposed of in the trade or business. The method used for allocating cost of goods sold generally should follow the method used for distinguishing DPGR and non-DPGR. There’s a statement in the Form 8903 instructions that reads, “If you use a method to allocate gross receipts between DPGR and non-DPGR, the use of a different method to allocate cost of goods sold won’t be considered reasonable, unless it is more accurate.” (Instructions to Form 8903, p. 5.)

Expenses other than cost of goods sold may include wages directly related to DPGR, other expenses directly related to it, and indirect costs allocated to DPGR.

If no wages are paid, there is no deduction, so a sole proprietor with no employees doesn’t qualify.

There are some variations in measuring wages and choices of method that sum different boxes from the W-2.

The calculations basically involve determining the W-2 wages then the portion of such wages allocable to domestic production gross receipts.

There is a small business “simplified overall method” that can be used to measure other expenses and losses as well as the cost of goods sold. (See Regs. 1.199-4(f).)

The definition of a small business for purposes of this rule is generally gross receipts under $5 million, sometimes gross receipts under $10 million, and a farmer not required to use the accrual method of accounting. (See Regs. 1.199-4(f)(2); Rev. Proc. 2002-28 and page 5 of the instructions to Form 8903.)

Estates and trusts can’t use the small business simplified overall method.

The simplified overall method basically allocates based on relative gross receipts. The regulations also contemplate a “simplified deduction method” which contemplates a similar allocation based on gross receipts but that term excludes cost of goods sold. (Regs. 1.199-4(e).)
So there are efforts toward simplification and making the deduction more readily available, but the instructions to Form 8903 also discuss using statistical sampling methods, which is to say some efforts at quantifying the deduction may get quite complicated.

**Conclusion: Plan for the Deduction**

The nature of the deduction is such that the taxpayers who work more closely with their advisors are the ones more likely to benefit.

It is generally suggested that interim discussions and projections take place a few times during the year so that the different components, such as projected taxable income or adjusted gross income and/or limitations based on wages, may be understood and managed to the client’s best tax advantage in maximizing the deduction.

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**About the Author:**

J. Michael Pusey, CPA, MSA, J. Michael Pusey, CPA, MSA, is a senior tax manager with Rojas and Associates, CPAs, Los Angeles. He has over forty years experience in tax and finance. Mr. Pusey has written or contributed to four tax books, including an AICPA Tax Study, and a finance book. Mr. Pusey began his career with KPMG before working nine years in “national tax” for Laventhal & Horwath and Grant Thornton. He was V.P., Assistant Tax Director, Manager of Research and Planning for a NYSE financial institution prior to beginning his practice, then joining Rojas and Associates.
Despite a Messy Season, Professionals Close the Office on Time

Candace Gibson

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NSA members reflect on the frustrations of the past tax season and consider the learning opportunities that have prepared them for the next one coming in 2017.

As diverse as clients might be from the Northeast to the West Coast, there are unifying traits among their tax professionals. From shared frustrations over delayed 1095s to a mutual understanding that April 18 was a day to close the office on time.

“Mess,” “confusion” and “late:” These were common descriptions of recurring issues from the tax season. More often than not, the professional was referencing the 1095 forms associated with the Affordable Care Act. Terry O. Bakker, EA, Oregon, says that her clients didn’t know what these forms were when they received them. When clients encounter paperwork that’s new and foreign, it often hits the trashcan instead of their preparer’s desk. Gene Bell, EA, ATA, CFP, Washington, adds that the 1095 debacle was delay; clients should have had forms by the end of January but didn’t receive them until March or April. “Even last week [the first week of May], I was getting corrected forms,” Bell says. The tax professional can only do his or her job when the clients are prepared, and many clients were scrambling for documents.

When the tax season wraps, professionals turn their attention to client education. The primary goal of education is preparation for the upcoming season. Ruth Godfrey, EA, California, insists that the key to education is highlighting the most important facts. “The client letter needs to call attention to items without being so wordy that people won’t read it,” she says. Andrew J. Piernock Jr, ATP, Pennsylvania, plans to send his client letter in late December this year and will list any new tax laws that might affect client returns. He also mentions that Pennsylvania piloted a new program requesting copies of drivers’ licenses for identity verification, so he wants his clients to be prepared for that. Bell adds that the Affordable Care Act (ACA) requires “more pre-emptive and proactive work. We’ll send notices to clients about informing us if they’ve changed jobs, gotten married, had a kid. Those are the kinds of details that need to be picked up by the ACA.” Less than a month after the end of tax season, Robert Thoma, EA, ABA, ATA, ATP, ARA, Illinois, was already at a seminar with other professionals “going over the issues and refreshing ourselves on what to do next year.” In addition to educating clients about what to have on-hand next year, Thoma says another of his goals is helping those with small businesses or unpredictable income sources create better tax-planning preparations.

Staying informed and prepared is vital to the practice -- and not just because tax laws are constantly changing. The clients are changing, too. As Godfrey points out, the advice must adapt as clients age. She’s seeing a lot of growth in estates and trust in her practice; what’s more, these older clients need additional education about IRS phone scams as they’re the likelier demographic to be targeted. As for Bakker, she acknowledges that tax returns are simply more difficult now. “They all came with some odd complexity this year...It used to be that you could pump out three to four returns in an hour. This year, it was
about one per hour.” Bakker cites the complexity of the tax code and additional requirements as the reason for this change, as well as her office’s changing direction. “We’ve started taking more challenging, higher-end clients and not the easy ones that people often use online software for,” Bakker says.

How do you make the most of your tax season workday when you’re missing information, handling complex client cases and working from a tax code that’s constantly changing? Holding fast to one rule you don’t break during tax season is one way to guide your workflow -- and your practice. For Piernock and Godfrey, that rule is about balance. “Don’t work on Sundays,” Piernock says. Godfrey agrees, “I don’t alter my schedule; I need time to recharge for the next day.” She also adds, “I don’t alter my value system,” a sentiment Thoma echoes. “No shortcuts!” he says. “We will not jeopardize our license for their greed. Even if it means losing a client, we don’t let them push us.” Bell’s perspective is about details. “We do not let any of our clients not fill out our questionnaire. We’re not clairvoyant. Every year, everyone fills it out again.” That starts his season on an informed, clear note.

There’s a lesson to be learned here. Educate your clients to promote preparedness, stick to your values and keep your personal time sacred. This all adds up to a successful tax season that ends before the sun sets. These NSA members didn’t leave their offices past 6:45 pm, and most closed up around 4:30. Thoma puts it like this: “Statistically and historically, if you rush through a return on the last half of the day, you’re going to make an honest mistake. Or a mess.”

**About the Author:**

Candace Gibson is a freelance writer living in Old Town, Alexandria, Virginia. Her work has appeared on HowStuffWorks.com and TLC.com, as well as in the Careforce Chronicle, a publication of Children’s Healthcare of Atlanta. Candace’s nine-year editorial career includes highlights like hosting “Stuff You Missed in History Class,” a former iTunes Top 10 Society/Culture Podcast, and producing original digital videos for Discovery Communications. Candace balances a quiet, contemplative writer’s lifestyle by teaching high-energy barre classes at a boutique fitness studio.
Apple iPad Pro Review

Al Giovetti

The new iPad Pro is here – faster, larger (if you get the 12.9-inch diagonal screen rather than the iPad Air 2-identical 9.7-inch), thinner, lighter, and with two genuine Apple accessories (which is two more than the iPad Air 2 had) and longer battery life – but it does not have more memory. It also has more pixels on the front and back cameras and on the screen, and is less reflective, and has new reactive color temperature (I will explain this later) – and, of course, it is significantly more expensive.

If you buy the iPad Pro with 128GB memory for $749, new Apple iPad pen for $99 (almost the most expensive iPad pen on the market), and Apple iPad “smart keyboard” for $149, the iPad Pro kit – the marketing name for all three – it will cost you $1,000. This price point should give you pause; a good 128 GB laptop will likely cost you much less than $1,000.

Apple CEO/Chief Creative Officer Tim Cook, in his keynote, said “There are over 600 million PCs in use today over five years old. This is really sad! These people could really benefit from an iPad Pro.” Despite this, all the experts are reminding us that this iPad kit will not yet replace your laptop. Maybe what Tim Cook is really saying is that the iPad Pro is five years behind current laptop functionality, and it might take Apple another five years to come up with a tablet that really does replace laptop functionality.

As with all new devices, it is the best of its kind ever made, not simply because it is newer, but the next version; perhaps the iPad Pro 2 will certainly be faster, lighter, thinner, have more pixels on the screen, and cameras, and some other features that Apple hopes will convince you to dump your older model and buy the new one.

Back to pricing: If you want the iPad Pro 12.9-inch version with 128GB, the price is $949. Add cellular to that package and the price goes up to $1079 – and that’s without the cellular contract. The iPad Pro is already being discounted as much as $150 for the more expensive versions on Amazon.com. Why discount the iPad Pro? Sales have been and continue to be lackluster.

What are the problems that have resulted in the lackluster sales? One big disappointment for me was the lack of a memory upgrade to 256GB. Apple traditionally charges premium prices for memory upgrades, and I believe Tim Cook’s Apple did not believe that a $1,350+ iPad Pro 12.9 (or a $1,600 iPad Pro 12.9 kit) would sell – and he’s probably right.

Why is memory so expensive, when that memory is installed within an Apple iPad or Microsoft Surface device? I just purchased a 256 GB thumb drive for $20 on sale from Amazon.com. The jump from the 32GB iPad Pro to the 128GB iPad Pro, which only represents an increase in memory of 96GB, costs you $250. These types of prices defy logic for the average consumer.

Another plus to the 12.9 over the 9.7 in the “bigger is better” controversy is that the on-chip RAM (random access memory) is twice as large on the 12.9 (4 GB) than on the 9.7 (2 GB). The larger RAM means the new, faster A9X processor is faster on the 12.9 than the 9.7.

I personally prefer the larger screen. For years I have been asking myself why is the iPad so small? Why doesn’t Apple make an iPad more like the size of my writing pad? The 12.9 inch diagonal screen is closer to the size of a traditional 8.5 x 11 inch pad of paper that I prefer for taking notes. And with the new Apple Pencil there is a greater similarity to a real pad of paper. The “true tone” also enhances the “real paper” illusion when using the pencil.

True tone color is the “reactive color temperature” feature I mentioned earlier. True tone color means that the iPad Pro uses the camera to detect the color temperature of the room in which you are working (or playing). For example, if the room has a yellow color tone instead of a white color tone, the iPad changes its color to look more like paper would under yellow lights. The true tone color is softer and more pleasing to the eye, as opposed to the “electric blue” screen you see in computers and tablets without the true tone.

What does faster processing mean? Web pages and graphics render faster. So much faster that when you go back to the iPad Air you notice more than ever how much you are waiting for the screen to come up. But on the negative side – there still is no USB port on the iPad Pro. You cannot use those oh-so-convenient thumb drives (some call them flash drives).

I found the new Apple $149 “smart keyboard” easy to use. The key spacing and tactile feedback were all superlative. Unfortunately, the keyboard is not backlit, requiring you to have a light on or a flashlight if you like to use the device when in bed, for example.

More bad news for those who like to type in bed is the Continued on the following page
“one viewing angle only” on the Apple “smart keyboard” and clumsy folding action that may get upset by movement while typing. Those who buy the iPad Pro may find lower cost, better designed Bluetooth keyboards from providers such as Logitech or Clamcase.

The Apple Pencil is not as good as the Pencil by 53 that we reviewed several months ago. The Pencil by 53 has an “eraser” on top and free applications that allow you to do graphics. Fifty Three applications include “Paper,” which works on the iPad, and allows you to use the free “Finger” application to get more functionality out of the device. The Pencil by 53 costs between $35 and $60 on Amazon.com. The “Finger” comes free on your hand.

Steve Jobs understood the iPad best. When he introduced the device in his first iPad keynote, he said that the iPad was a “third category of device.” He went on to say that the iPad was not a computer or laptop or even a smart phone, but “something between a laptop and a smartphone.” Tim Cook seems to be obsessed with turning this “third category of device” into a laptop, destroying the uniqueness of the iPad that most of us have come to love.

About the Author:

Alfred Giovetti is a Principal at Giovetti and Giovetti Certified Public Accountants in Catonsville, Md., a full-service, small CPA firm he founded in 1992. He has been self-employed as an accountant since 1982. During this time he has worked as a lecturer and adjunct professor at local community colleges and the University of Maryland. Active in the industry, Giovetti has served on numerous state and national committees and presented at numerous organizational events including the Internal Revenue Service, Small Business Administration, Accreditation Council on Accountancy and Taxation, National Association of Accountants, Maryland Society of Accountants and NSA.
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Generational Differences and Your ASO
- What your association needs to know about X, Y & Z
- Create a membership association that is relevant and meaningful to Generations X and Y
- Identify your association’s roadblocks to recruiting and retaining younger members and the appropriate responses

Lessons For Leadership
- Challenge the status quo
- Inspire a vision
- Establish shared values
- Enable others to act
- Model the way
- Encourage the heart

Public Speaking
As a leader in your profession, every time you talk, you are “public speaking.” During this session, you will have opportunities to speak in front of your peers and other groups. You will improve your speaking skills and learn that there is nothing to fear about public speaking. Presented by Gene Bell

Legislative Strategy

Basic Legislative Strategy
- NSA regulation and oversight
- Monitoring your accountancy board
- Learning and understanding the legislative process
- Developing a legislative game plan and strategies
- Lobbying basics

Advanced Legislative Strategy
- How to read and understand a bill
- How to work with legislators
- How to handle a public hearing
- Strategies and alliances
- The future of accounting and tax

KEYNOTE SPEAKER: CHRIS CEBOLLERO
A certified member of The John Maxwell Team, Chris Cebollero will present:
- Working with the new generation
- Your professional development
- Using persistence, will power and desire to achieve your goals
- Emotional Intelligence
- Tidbits from his book Ultimate Leadership.
Hotel Information

Crowne Plaza St. Louis Airport
1128 Lone Eagle Dr.
Bridgeton, MO 63044

$106.00 single/double
Reservation cut-off: June 29, 2016

Reserve Online

Or call 866-282-4643 and be sure to ask for Leadership/Legislative Networking Conference group block.
Complimentary wifi in sleeping rooms, public areas & meeting space.
Complimentary airport shuttle & shuttle to/from Metrolink station.
$5 reduced parking rate for overnight guests and meeting attendees.

Refunds and Cancellations:
Requests for refunds must be received in writing by July 15, 2016 and are subject to a $50 cancellation fee.
No refunds will be granted after July 15.

For More Information Click Here

NEW 2016-2017 NSA INCOME AND FEES SURVEY OF ACCOUNTANTS IN PUBLIC PRACTICE

NSA conducts a periodic survey of members to gauge the average fees charged for tax and accounting services. The final report, NSA’s Income & Fees Survey, contains detailed information on fees charged for tax preparation/forms and accounting services, broken down by state, geographic region and practice size; operating expenses broken down by category; information on billing practices; succession planning and other business practices.

Highlights Include:

• National, regional, and state average fees for federal tax returns by form and by schedule along with average minimum and hourly fees.
• National, regional, and state average hourly fees and fixed monthly fees for write-up work and additional client services such as payroll, etc.
• Additional fee averages for IRS representation, expediting returns, extensions, etc.
• Average frequency of tax and accounting fee increases & office billing practices.
• Practice management data including average operating expenses, marketing, technology, practice mix and more.

Look for the new fee survey tool in August!

As an NSA member, we are asking you to participate in the new 2016-2017 Income and Fees Survey which will be sent out via email in August for members to complete so we can publish the results later this fall. The results will once again, be made available, at no cost, to NSA members.

NSA members have access to the current fee survey online when logging into http://www.nsacct.org/nsafeestudy. Here you can access online calculators for quick rate information, state and regional averages and the full report.
Leadership, Networking & Training Topics:

- Generational Differences and Your ASO
  - What your association needs to know about X, Y & Z
  - Create a membership association that is relevant and meaningful to Generations X and Y
  - Identify your association’s roadblocks to recruiting and retaining younger members and the appropriate responses

- Lessons For Leadership
  - Challenge the status quo
  - Inspire a vision
  - Establish shared values
  - Enable others to act
  - Model the way
  - Encourage the heart

- Public Speaking
  As a leader in your profession, every time you talk, you are “public speaking.” During this session, you will have opportunities to speak in front of your peers and other groups. You will improve your speaking skills and learn that there is nothing to fear about public speaking.

Legislative Strategy Topics:

- Basic Legislative Strategy
  - NSA Regulation oversight committee
  - Monitoring your Accountancy board
  - Learning and understanding the Legislative Process
  - Developing a Legislative Game Plan and strategies
  - Lobbying basics

- Advanced Legislative Strategy
  - How to read and understand a Bill
  - How to work with Legislators
  - How to handle a Public Hearing
  - Strategies and alliances
  - The future of accounting and tax

REGISTRATION FORM

Name __________________________________________
Address _______________________________________
City, State, Zip ________________________________
Phone ________________________________
Email _______________________________________

Payment:
☐ Check made payable to NSA enclosed
Charge to:  ☐ Visa  ☐ MasterCard  ☐ American Express  ☐ Discover
Name as it appears on card _______________________
Card Number ________________________________ Exp Date ____________

Signature ______________________________________

Yes! I want to attend the 2016 Conference!

Three Ways to Register:
1. Mail: National Society of Accountants 1330 Braddock Place, Suite 540 Alexandria, VA 22314
2. Fax: (703) 549-2984
3. Online: www.nsacct.org/LNC

Questions? Call NSA (800) 966-6679

Please note: Refunds issued until July 15 less a $50 cancellation fee. No refunds issued after July 15.
The National Society of Accountants (NSA) 71st Annual Convention and Expo
August 15-20, 2016 at the Grand Hyatt Tampa Bay

Full Conference Registration Rates
Early Bird Discount: Register by July 8th:
NSA Members: $579; Nonmembers: $725
After July 8th:
NSA Members: $679; Nonmembers: $825

The meeting theme is “AMP IT UP,” and it will draw accountants and tax professionals from across America.

Prior to the Annual Meeting, NSA is offering a Live Enrolled Agent (EA) Exam Review Course August 15-17. The course will be taught by two leading experts: John O. Everett, CPA, Ph.D., and Bill Duncan, CPA, Ph.D. An Accredited Tax Preparer (ATP) Exam Review Course – also taught by Everett and Duncan – will take place on August 15 with the optional exam given on August 16.

During the Annual Meeting, August 18-20, the industry’s best thought leaders and influencers will present on topics that include SSARS 21, accounting, innovative marketing strategies, positioning your practice for growth, social media, retirement, ethics, due diligence, estate planning and more.

Monday – EA Part 1 & ATP Review
Tuesday – EA Part 2 & ATP Exam (optional)
Wednesday – NSA Business Meeting
Friday – Accounting Topics
- Joseph Santoro, CPA, ABA- “SSARS 21 and Accounting.”
- Steven G. Siegel, JD, LLM- “Planning for the 99%: Income, Retirement and Other Planning Suggestions for Most of Our Clients” followed by “Common Estate Planning Mistakes: Identify and Avoid Them!”

Saturday continues on the following page
Saturday – Ethics and Business Development


- Josh Dye- “From A to Zuckerberg: New Tech & Social Media for Tax Accountants.” He will also lead two roundtable discussions on the topic, “Social Media & Technology for a Tax Accountant’s Business” on Saturday afternoon.

- Katie Tolin- “Positioning Your Practice for Growth.” She will also lead two roundtable discussions on overcoming obstacles to specialization and which growth strategies produce the greatest return.

For more information and to register, visit www.nsatampa2016.org or contact NSA at 800-966-6679 or members@nsacct.org.

More Information

- Full CPE schedule
- Annual Meeting schedule

HOTEL & TRAVEL INFORMATION

Grand Hyatt Tampa Bay
2900 Bayport Drive
Tampa, FL 33607

Room rate: $139 single/double
Reservation cut off date: 7/22/16
(888) 421-1442
Ask for National Society of Accountants Group

Make a Hotel Reservation Online Now

Complimentary Airport Shuttle available from 5:00 AM – 1:00 AM daily to and from Tampa International Airport (5 minutes away) departing the hotel every half hour or upon request for pick up.

Parking at the Hyatt is free and complimentary standard internet access is included in each guestroom.

Continues on the following page
# Registration Form

**Please print legibly to avoid errors and delays on-site**

- **Name**: ________________________________________________
- **Title**: _________________________________________________
- **Name to Appear on Badge**: _________________________________
- **Company**: _____________________________________________
- **Street Address**: _________________________________________
- **City**: _________________________________________________
- **State**: __________  **Zip**: __________
- **Phone**: __________  **Fax**: __________
- **Email**: ________________________________________________
- **NSA Member ID#**: _______________________________________
- **CTEC Member ID#**: ______________________________________
- **PTIN#**: ________________________________________________

- [ ] This is my first NSA Annual Meeting
- [ ] I am an ACAT credential holder
- [ ] Special meal request: __________________________________
- [ ] I have special needs and would like to be contacted by an NSA representative

## 4 Easy Ways to Register

- **ONLINE**  [www.nsatampa2016.org](http://www.nsatampa2016.org)
- **MAIL**  this form with a check or credit card payment to:
  NSA, 1330 Braddock Place, Suite 540, Alexandria, VA  22314
- **FAX**  form with credit card payment to: 703-549-2984
- **CALL**  800-966-6679

## Method of Payment

- [ ] Check  [ ] Discover  [ ] MasterCard  [ ] Visa  [ ] AmEx
- **Credit Card #**: ___________________________  **Exp. Date**: __________
- **Signature**: ________________________________________________

**Total Due**: $________________________

**Cancellation Policy**: Registration fees are refundable (less a $75 per registration administration fee) until August 1, 2016. No refunds after August 2, 2016.

**Questions?**  Call NSA toll-free: 800-966-6679

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## Registration Packages

### Early Bird Discount

| Package | Full Conference | 16-Hour CPE Package | Spouse/Guest:
<table>
<thead>
<tr>
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<tbody>
<tr>
<td></td>
<td><strong>$579</strong></td>
<td><strong>$399</strong></td>
<td><strong>$240</strong></td>
</tr>
<tr>
<td>NSA Member</td>
<td><strong>$679</strong></td>
<td><strong>$499</strong></td>
<td><strong>$299</strong></td>
</tr>
<tr>
<td>NSA Nonmember</td>
<td><strong>$725</strong></td>
<td><strong>$450</strong></td>
<td><strong>$299</strong></td>
</tr>
</tbody>
</table>

### Spouse/Guest Package

- The Spouse/Guest Package is intended for guests of NSA members and is not available to NSA members.
- Each child 3-12:  [ ] **$99**

### 4 Easy Ways to Register

- **ONLINE**  [www.nsatampa2016.org](http://www.nsatampa2016.org)
- **MAIL**  this form with a check or credit card payment to:
  NSA, 1330 Braddock Place, Suite 540, Alexandria, VA  22314
- **FAX**  form with credit card payment to: 703-549-2984
- **CALL**  800-966-6679

### Method of Payment

- [ ] Check  [ ] Discover  [ ] MasterCard  [ ] Visa  [ ] AmEx
- **Credit Card #**: ___________________________  **Exp. Date**: __________
- **Signature**: ________________________________________________

**Total Due**: $________________________

### Cancellation Policy

Registration fees are refundable (less a $75 per registration administration fee) until August 1, 2016. No refunds after August 2, 2016.

**Questions?**  Call NSA toll-free: 800-966-6679

---

## Registration Packages

- **Early Bird Discount**
  - **Postmarked by**:
    - [ ] **July 8**
    - [ ] **After July 8**
  - **NSA Member**:
    - [ ] **$579**
    - [ ] **$679**
  - **NSA Nonmember**:
    - [ ] **$725**
    - [ ] **$825**
- **16-Hour CPE Package**
  - **NSA Member**:
    - [ ] **$399**
    - [ ] **$499**
  - **NSA Nonmember**:
    - [ ] **$450**
    - [ ] **$550**
- **Spouse/Guest**:
  - [ ] **$240**
  - [ ] **$299**
  - The Spouse/Guest Package is intended for guests of NSA members and is not available to NSA members.
  - Each child 3-12:  [ ] **$99**

## For Registration Package Details, Click Here.

### EA Exam Review Course & Accredited Tax Preparer Review Course/Exam

- **Monday, August 15**
  - EA Part I: Individuals/Accredited Tax Preparer (ATP) Exam Review Course
- **Tuesday, August 16**
  - EA Part II: Businesses Accredited Tax Preparer (ATP) Exam (Proctored)
- **Wednesday, August 17**
  - AM: EA Part II: Businesses
  - PM: EA Part III: Representation, Practices and Procedures

### NSA Member/ACAT Credential Holder

<table>
<thead>
<tr>
<th>Non-member:</th>
</tr>
</thead>
</table>
| Complete Course (all three parts): | [ ] **$650**
| EA Part I/ATP Combo Course: | [ ] **$250**
| ATP Exam Fee: | [ ] **$75**
| EA Part 2: | [ ] **$350**
| EA Part 3: | [ ] **$195**

### NSA PAC Suite Deal Raffle

- Buy your NSA PAC Suite Deal Raffle ticket(s) and you’ll be entered to win an upgrade from a standard room already purchased to a Suite for up to 5 nights. Raffle ticket sales end on August 1st.

<table>
<thead>
<tr>
<th>NSA PAC Suite Deal Raffle Tickets:</th>
</tr>
</thead>
</table>
| $50 each x ______ = ______

The PAC can not accept corporate contributions.

### NSA Scholarship Walk Donation

- Pre-registration:
  - $35 per person x ______ = ______
- Sleep in for Scholars:
  - $50 per person x ______ = ______
REGISTRATION PACKAGE DETAILS

Your Full Registration Package is All-Inclusive!
You Get:
• 16 Hours of CPE including Roundtables
• Three Continental Breakfasts
• Awards Luncheon
• Two Lunch Vouchers
• Welcome Reception
• Dessert Reception
• Expo
• ACAT Reception
• Hospitality Suite
• Installation Reception and Banquet
• Experience the Fire of Flamenco Dinner and Show

16-Hour CPE Package
The CPE Package on Friday, August 19 & Saturday, August 20 Includes:
• All CPE sessions and facilitated roundtables
• 16 hours CPE in Tax, Accounting, Ethics and Practice Management Topics
• Continental breakfast on Friday and Saturday
• Lunch vouchers on Friday and Saturday
• Experience the Fire of Flamenco Dinner and Show

The Spouse/Guest Registration Package Includes:
• Three Continental Breakfasts
• Welcome Reception
• Dessert Reception
• Awards Luncheon
• Installation Reception and Banquet
• Experience the Fire of Flamenco Dinner and Show

The Spouse/Guest Package is intended for guests of NSA members and is not available to NSA members.

Child Registration Package (ages 3-12) includes all meals.

HOTEL INFORMATION

Grand Hyatt Tampa Bay
2900 Bayport Drive
Tampa, FL 33607

Room rate: $139 single/ double
Reservation cut off date: 7/22/16
(888) 421-1442 • Ask for National Society of Accountants Group

MAKE A HOTEL RESERVATION ONLINE NOW

Complimentary Airport Shuttle available from 5:00 AM – 1:00 AM daily to and from Tampa International Airport (5 minutes away) departing the hotel every half hour or upon request for pick up.

Parking at the Hyatt is free and complimentary standard internet access is included in each guestroom.
The Enrolled Agent Exam Review Course is designed to give tax professionals the best opportunity to pass the EA exam on the first try, this 3-day course provides in-depth review of all the key components of the exam. Presentations will include coverage of new topics added to the updated Exam Content Specification List by the IRS in March, 2016. Detailed study notes will be provided.

The ATP Exam Review Course will take place on August 15 and the exam will be given on August 16.

Both the Live Enrolled Agent Exam Review Course and the ATP Exam Review Course will be taught by two leading experts:

John O. Everett, CPA, Ph.D., Professor Emeritus of Accounting at Virginia Commonwealth University in Richmond, VA. His teaching specialty is federal taxation. Everett has authored or co-authored over 90 articles in academic and professional journals and is the coauthor of several textbooks, including CCH Practical Guide to Schedule M-3 Compliance, The HBJ Federal Tax Course, Income Tax Fundamentals, and Tax Planning with the Computer.

Bill Duncan, CPA, Ph.D., Associate Professor of Accounting at Arizona State University. He was formerly a Director with Ernst & Young where he guided tax education for the firm. Duncan is the author or co-author of three textbooks and has published a number of articles on a variety of tax topics in publications including Taxes, The CPA Journal, and The Journal of the American Taxation Association. He has taught in the AICPA National Tax Education program for over 20 years.

Choose Any 1 Part or All 3!

<table>
<thead>
<tr>
<th>Course</th>
<th>NSA Member/ACAT Credential Holder</th>
<th>Non-member</th>
</tr>
</thead>
<tbody>
<tr>
<td>EA Part 1/ATP Combo Course</td>
<td>$250</td>
<td>$300</td>
</tr>
<tr>
<td>EA Part 2</td>
<td>$350</td>
<td>$400</td>
</tr>
<tr>
<td>EA Part 3</td>
<td>$195</td>
<td>$250</td>
</tr>
<tr>
<td>Complete Course (all three parts)</td>
<td>$650</td>
<td>$750</td>
</tr>
</tbody>
</table>

Early Bird Discount Rates - Register by July 8th

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Monday, August 15
8:00am
Enrolled Agent Exam Review Course:
Part 1 Individuals/Accredited Tax Preparer Exam Review
ATP course ends at 6:00pm
CPE: 2 Hours/Federal Tax Law Update; 2 Hours/Federal Tax Law; 4 Hours/SEE Exam Preparation

Tuesday, August 16
8:00am
Enrolled Agent Exam Review Course: Part 2 Businesses
9:00am
Accredited Tax Preparer (ATP) Exam
Total CPE Part 2: 3 Hours/Federal Tax Law Update; 3 Hours/ Federal Tax Law; 6 Hours/SEE Exam Preparation

Wednesday, August 17
8:00am
Enrolled Agent Exam Review Course: Part 2 Businesses
CE: 1 Hour/Federal Tax Law; 1 Hour/Federal Tax Law Update; 1 Hour SEE Exam Preparation
1:00pm - 5:00pm
Enrolled Agent Exam Review Course:
Part 3 Representation, Practices & Procedures
CPE: 2 Hours/Ethics/Regulatory Ethics

REGISTER

Continued on the following page
NSA Live EA Exam Review Course/Accredited Tax Preparer Course & Exam

Pass the IRS Special Enrollment Exam the first time with NSA’s Enrolled Agent Exam Review Course

Want to earn the Accredited Tax Preparer (ATP) credential and be exempt from the Annual IRS Filing Season Program Tax Refresher Course each year? Take Part 1 of the EA course and the ATP exam onsite!

NSA’s Enrolled Agent Exam Review Course is a comprehensive and intensive—and we mean intensive—review geared toward a single purpose: to help you master tax basics and pass the EA exam.

Detailed study notes will be provided for each topic, including figures and charts and more. Hundreds of practice exam questions are incorporated and each is reviewed in class so the real exam itself will look like an old friend. Study tips, tricks and shortcuts are a staple of this course. Earn up to 24 Hours CPE!

Presented by William A. Duncan, CPA, Ph.D & John O. Everett, CPA, Ph.D

BONUS! Get the NSA Enrolled Agent & ATP Review Courses (online & PDF)—a $300+ Value!

“ I have taken and passed all three parts and filed form 23! Thank you John and Bill for teaching an outstanding EA Exam Course. I couldn’t have done it without you!”

Name_________________________ NSA/ACAT ID#______________________

Company________________________ Address________________________

City_________________________ State_________ Zip____________________

Phone_________________________ Email______________________________

<table>
<thead>
<tr>
<th>Choose Any 1 Part or All 3!</th>
<th>NSA Member</th>
<th>Nonmember</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complete Course (Parts 1, 2 &amp; 3) August 7 - 9; 8:00am – 5:00pm each day</td>
<td>$650</td>
<td>$750</td>
</tr>
<tr>
<td>Part 1: Individuals/ATP Combo Monday, August 15; 8:00am - 5:00pm</td>
<td>$250</td>
<td>$300</td>
</tr>
<tr>
<td>Part 2: Businesses Tuesday, August 16; 8:00am - 5:00pm Wednesday, August 17; 8:00am - 12:00pm</td>
<td>$350</td>
<td>$400</td>
</tr>
<tr>
<td>Part 3: Representation, Practices &amp; Procedures Wednesday, August 17; 1:00pm - 5:00pm</td>
<td>$195</td>
<td>$250</td>
</tr>
<tr>
<td>ATP Exam Tuesday, August 16; 9:00am - 12:00pm</td>
<td>$75</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$___________</strong></td>
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</tr>
</tbody>
</table>

**Hotel Information**
Grand Hyatt Tampa Bay
2900 Bayport Drive
Tampa, FL 33607

Group rate: $139 single/double
(888) 421-1442
Ask for National Society of Accountants Group
 Reserve by July 22, 2016 to receive the group rate.

**Accreditation Council for Accountancy and Taxation**

**Payment Information**
Credit card: ☐ Discover ☐ MasterCard ☐ Visa ☐ American Express ☐
Check made payable to NSA

Card Number_________________________ Exp. Date______________________

Cardholder Signature________________________

Return to: NSA 1330 Braddock Place, Suite 540 Alexandria, VA 22310; Fax: 703-549-2984; members@nsacct.org

**Questions?** For more details including CPE information, go to http://www.nsatcc.org/eacourse or call NSA at 800-966-6679
NSA GEAR UP 1040 INDIVIDUAL TAX SEMINAR NOVEMBER 10-11, 2016

Back by popular demand, NSA Gear Up 1040 Tax Seminar Returns to Mohegan Sun Resort in CT, November 10-11.

2-Day 1040 Course Details

This comprehensive course covers key tax issues for completing complicated individual returns. All topics include coverage of new legislation, revenue rulings and procedures, as well as case law to help the busy practitioner keep current. Speakers are all practicing preparers who share practical tips and insights to help you get ready for this tax season.

Schedule:
November 10:  8:00 am – 4:45 pm
November 11:  8:00 am – 4:45 pm

16 hours CPE
13 hrs Tax + 3 hrs Tax UpdateRegister Online
Download Learning Objectives

Register by October 1st and Save!
Bonus! Register by June 30th & Get 2-Hours FREE NSA Webinars!

NSA Member: $365
Non-member: $425

After 10/1/16:
NSA Member: $400
Non-member: $459

Register Online

Refunds and Cancellations:
Requests for refunds must be received in writing by October 1, 2016, and will be subject to a $75 cancellation fee. No refunds will be granted after October 1, 2016.

For more information regarding refund, complaint and/or program cancellation policies, please contact our offices at (800) 966-6679.

Hotel Information

Mohegan Sun Casino and Resort,
1 Mohegan Sun Boulevard
Uncasville, CT 06382

General Information: 1.888.226.7711
Hotel Reservations: 1.888.777.7922

Click here to reserve your room online

Group code: NSACC16
Group rate: $149 plus 15% tax*
Daily resort fee discounted to $9.95
Dates available: November 9-10, 2016

*Reserve your room by October 19, 2016 to receive the group rate.

Mohegan Sun, created in 1996 by the Mohegan Tribe of Connecticut, is one of the world’s most amazing destinations with some of New England’s finest dining, hotel accommodations, retail shopping, live entertainment and sporting events. Amenities include: three world-class casinos, a 10,000 square foot pool, a luxurious day spa, and a state-of-the-art Poker Room.
Make a vacation of it!
As past presidents of the National Society of Accountants, when an opportunity arises to lead – the opportunity is seized. This is what happened last August 2015 when Past President Steve Hanson and I, as a Past President, were asked to head a Furnishings Fund Drive for our new NSA offices at 1330 Braddock Place.

I would like to thank the thirty-five donors who came forward and gave $14,350 towards the new furnishings. As NSA’s “Thank You”, these names now hang proudly in the hall of the new offices. These members and friends of NSA understand “the times” NSA has helped our careers through knowledge, expertise, guidance, leadership and networking.

I now want to give these thirty-five donors my personal “Thank You”.

Harlan Rose
Harlan Rose
NSA Past President

Furnishing Fund Drive Donors

Platinum
Niwao & Roberts, CPAs, aPC
Harlan D. Rose
Daniel E. Setters
Donny and Sue Woods

Gold
John G. Ams
Sharon E. Cook
Robert J. Genovese
Stephen C. Haworth
Carolyn A. Holomon
Paul F. Kersten
Dave Rancourt
Jim Weickgenant

Silver
Terry O’Leary Bakker
Virginia A. Bruns
Bobby Joe Buchanan
Shirley A. Buchanan
Bradley S. Crain
Christine Z. Freeland
Joel L. Grandon
Steven J. Hanson
Bernadette C. Koppy
Curtis Banks Lee, Jr.
Joan C. LeValley
Brian L. Thompson

Bronze
Roy Frick
Alfred Charles Giovetti
Kathy R. Hettick
Brian Iwata
Robert E. Kulig
William R. Silzer
Perry W. Smith
Robert L. Thoma
Lawrence C. Walkden

Friends of NSA
Sandra E. Herring
Amy Suggs
NEW MEMBER BENEFITS

NSA is pleased to announce four new programs that will provide our members with discounted services and resources.

**Office Depot and OfficeMax**

Office Depot and OfficeMax are now one company! NSA Members can save up to 80% on over 93,000 products. Great for your printing, cleaning and office needs. Shop online or in any Office Depot or OfficeMax store. Enjoy FREE next-day delivery on online orders over $50! Click here to shop online or print off a FREE Store Purchasing Card. NSA member firms with three or more members save $50 off each member dues for members 3, 4, 5 and so on.

**Constant Contact®**

Constant Contact®’s email marketing and online survey tools help small businesses and organizations connect to customers quickly, easily, and affordably and build stronger relationships. NSA Members receive an additional 10% off the standard prepay discounts. That is 20% off six months, or 25% off the full year. Pre-payment is required for these member exclusive savings. Click here to start today!

**Paychex, Inc.**

Paychex, Inc. offers payroll, payroll tax, human resource, and benefits outsourcing solutions for small- to medium-sized businesses. The company also offers 401(k) plan recordkeeping, section 125 plans, a professional employer organization, time and attendance solutions, and other administrative services for businesses.

NSA members are now eligible for unique benefits for their firm, as well as discounts to refer to clients. Clients referred by NSA members will receive discounted payroll processing, along with a 401(k) recordkeeping discount.

NSA member practices enjoy free payroll processing (up to 50 employees) upon subscribing to our CPA Member Program - which provides our 401(k) recordkeeping service at a highly reduced rate and over 5,200 fund choices - all while you continue to work with your existing financial advisor.

In addition, members have access to Paychex’s Accountant Knowledge Center (AKC).

- Daily News — hot topics and breaking news on federal and state tax, payroll, HR, and benefits.
- Mobile Ability — receive industry alerts on-the-go from any mobile device.
- U.S. Master Tax Guide — authoritative, online tax guide that’s accessible 24/7.
- Financial Calculators — includes tax, retirement, insurance, investment, and more.
- Payroll and HR Resources — interactive payroll and HR forms and research tools.
- State Compliance — state law summaries and wage and tax information.

NSA has a brand new Career Center for Members. Advertise for your next great employee, or upload your resume and search for your dream job. NSA Members receive special discounts on job advertisements placed on our site.
NSA PRESENTS SESSIONS AT THE 2016 SUMMER IRS TAX FORUMS AND MEMBERS SAVE

NSA’s highly rated speaker team will be presenting two sessions at the 2016 Summer IRS Tax Forums.

**Due Diligence for Practitioners in the Real World!**

**CE: 1 hour/Ethics**

Day One: Seminar Room 2  
2:45 pm - 3:35 pm

Day Two: Seminar Room 4  
2:15 pm - 3:05 pm

Circular 230 was revised in June, 2014. We will review the changes as well as the basics of Circular 230. As a tax professional, do you ever worry about all the “due diligence” that is required of you? Are you asking the right questions concerning the ACA, EITC, Hobby versus Business and Foreign Accounts? What effort is required of you as a reasonable and prudent preparer to obtain the relevant and pertinent facts? We will present scenarios and provide resources you need so you can be confident that you understand Circular 230 and are meeting your due diligence requirements in the real world of your practice.

**Basis, Basis, Basis for S-Corp shareholders – How it affects the Client!**

**CE: 1 hour/Federal Tax Law**

Day One: Seminar Room 3  
8:00 am - 8:50 am

Day Two: Seminar Room 4  
10:10 am - 11:00 am

Do you prepare tax returns for S-Corporations or for S-Corporation shareholders? You will not want to miss this session! One of the biggest challenges we face in preparing those tax returns is the calculation of shareholder basis. In this session you will learn how profits and losses, distributions, dividends and shareholder loans affect basis. What about losses that are limited by basis, and when can you deduct suspended losses? How do you calculate inside and outside basis? We will go through calculations and help you establish a solid process for establishing basis for your S-Corporation and shareholder tax clients.

These sessions will be presented by Kathy Hettick, EA, ABA, ATP, Gene Bell, EA, ATA, CFP, Terry O. Bakker, EA, and James L. Holmes, EA.

Register to attend one of the five IRS Tax Forums in destination cities throughout the U.S. NSA Members save $10 off pre-registration rates. The discount code is: 2016-$10=NSA

Register Now

Stop by and visit us at the Tax Forums this summer. NSA will have an exhibit booth during exhibit hours and a table outside the session room after exhibits close. Stop by and get your I Belong to NSA Member Ribbon

SPREAD THE MEMBERSHIP LOVE: TELL US WHY YOU #BELONGTONSA

NSA is creating a new membership campaign “Why I Belong to NSA”. It will feature photos and quotes from NSA members that we will use on marketing campaigns, at trades shows, on our website and on social media.

Help us spread the word about the benefits and rewards of NSA membership.

Tell us why you are an “NSA Belonger” by filling out this survey: Belong to NSA

Also, any good campaign needs photos or images. If you would like to share a photo of yourself (headshot preferred) for this campaign, please email one to jgoldberg@nsacct.org. The higher resolution of the image, the better (200-300 dpi), a JPEG, GIF, TIF, PNG file. Please try to provide headshots that are cropped or can be cropped into a square. We will be making a photo montage of many, many NSA members.
EA Exam Prep Series
Presented by John O. Everett, CPA, Ph.D. and Cherie J. Hennig, CPA, Ph.D.

This series of four webinars covers selected, heavily-tested parts of the Enrolled Agent (EA) exam—you can take the complete series or any part.

**Wednesday, May 18, 2016**; available as a recorded archive
Part 1: Individuals CE: 1 Hour/Federal Tax Law; 1 Hour SEE Exam Preparation

**Wednesday, May 25**; available as a recorded archive
Part 2: Businesses Part 1 CE: 1 Hour/Federal Tax Law;
1 Hour/Federal Tax Law Update; 1 Hour SEE Exam Preparation

**Wednesday, June 15, 2016**; 1:00-4:00pm EDT
Part 2: Businesses Part 2 CE: 1 Hour/Federal Tax Law;
1 Hour/Federal Tax Law Update; 1 Hour SEE Exam Preparation

**Wednesday, June 22, 2016**; 2:00-4:00pm EDT
Part 3: Representation, Practice and Procedures CE: 2 Hours/Ethics

Learn more about the Enrolled Agent Webinar Series [here](#).

**Register for all four in one order and save 20%!**

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**Domestic Tax Issues for Non-Resident Aliens**
06/07/2016 at 2:00 PM (EDT)
[Register](#)

**FATCA Reporting**
06/09/2016 at 2:00 PM (EDT)
[Register](#)

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**How to Grow Your Firm the Easy Way Special Webinar Series**

**The Key to Generating Post Tax Season Revenue**
06/14/2016 at 2:00 PM (EDT)

**Double Your Fees**
07/19/2016 at 2:00 PM (EDT)

**Client Obedience Training**
07/07/2016 at 2:00 PM (EDT)
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Continued on the following page
NSA SPRING 2016 WEBINARS, CONTINUED

Understanding the IRS Audit Process and US Tax Court Representation
06/16/2016 at 2:00 PM (EDT)
Register

Automate or Delegate – the Key to Small Firm Profits and a Saner Life
06/23/2016 at 2:00 PM (EDT)
Register

Using Business Tax Credits to Reduce a Firm’s Effective Tax Rate
07/20/2016 at 2:00 PM (EDT)
Register

Bonus Depreciation Update & Cost Segregation Tax Planning
08/04/2016 at 2:30 PM (EDT)
Register

Tax Professionals with International Clients
08/09/2016 at 2:00 PM (EDT)
Register

Ethics in the Eye of the Beholder: What Conduct is Most Likely to Result in Discipline under Circular 230?
11/02/2016 at 2:00 PM (EDT)
Register

Best Practices: Compliance and Documentation
11/15/2016 at 2:00 PM (EDT)
Register

Follow the on Social Media!

Be sure to join in on the discussions in our LinkedIn group.
Top Questions from NSA’s Tax Help Desk

Here are some common subjects and issues that members asked the Tax Help Desk to research during this past tax season.

Forms 1099-A and 1099-C

One of the most common questions or inquiries were those involving Form(s) 1099-A and 1099-C—forms that taxpayers receive when they lose a property in foreclosure, repossession, deed in lieu, a walk away, short sale, or any loss of the underlying ownership or title to a piece of property.

The key with all of these particular situations is to recognize that there is always a sale, or a disposition with these events. The taxpayer has lost the property; they no longer own it, and we as practitioners need to record the disposition or sale on the Form 4797 and/or Form 8949/Schedule D. This is the first step; there may or may not be cancellation of indebtedness income (COD). The second part generally depends on the existence of “recourse debt” or the “is the borrower/debtor personally liable” box being checked. This is Box 5 on Form 1099-A and Form 1099-C. You generally need “recourse” indebtedness to have COD income. IRS Publication 4681 is a good resource for the variety of tax situations that can result of the receipt of either, or both of the forms, just mentioned.

Sale of Business Assets

The Tax Help Desk had to do with the sale of the business assets of a corporation or sole proprietorship, the sale of the assets of a “Going Concern”. This involves the allocation of the sales/purchase price. The computation of gain or loss on those assets and the disclosure required when a buyer and seller of an active trade or business get together to exchange funds for the business’ assets.

The key issue in this particular tax situation is the use of Form 8594 and the allocation of the sale/purchase price agreed upon by the buyer and seller. IRC Sec. 1060 of the code governs this allocation and provides the buyer and seller with seven (7) different “Classes”, or categories to divide up the sales/purchase price. This division controls the type and amount of the seller’s gain or loss on the sale/disposition of their business. It also controls the buyer’s subsequent depreciation and amortization of the assets and intangibles they just purchased.

The IRS provides good information right in the instructions of Form 8594 as well as in Publications 334, 551 and 535. A good review of IRC Sec 1060 is very helpful.

Roth IRS Rollover

There were quite a few inquiries dealing with Roth rollovers and the high income taxpayer skirting the Roth IRA contribution AGI limits by using what has been commonly referred to as the “back door” Roth. In this situation, one often recommended by brokers and financial planners, the taxpayer with an AGI too high to contribute the traditional way through a direct deposit into a Roth IRA will instead contribute to a traditional non-deductible IRA. This IRA contribution has no AGI limits at all. So this traditional non-deductible IRA contribution is made and Form 8606 is filed with the tax return. The non-deductible traditional IRA contribution is rolled-over to the Roth IRA – effectively avoiding the Roth IRA AGI limitations.

This tactic works all well and good as long as the taxpayer does not have any regular “deductible” IRA accounts from prior years. The taxpayer just has this one (1) non-deductible IRA then the subsequent roll-over to the Roth IRA is non-taxable! If, however, the taxpayer has any other traditional IRAs funded with deductible IRA contribution then the rollover of the contributed non-deductible IRA contribution has to be aggregated with all of the taxpayers’ other IRAs and the roll to the Roth IRA becomes taxable. The key to all of this working is asking the right questions about a taxpayer’s “other” traditional
“deductible” IRA accounts.

More information can be found at irs.gov and in Publications 590-A and 590-B

Non-cash Charitable Contributions

Another very common inquiry involved the documentation of charitable contributions of non-cash property and the use or need for IRS Form 8283. These queries seemed to either be the requirement and need for appraisal and all of the reporting and substantiation that goes along with a qualified appraiser, the timing of the appraisal, and the signature requirements on page 2 of Form 8283. Other charitable issues that were common, included travel for charitable purposes, the “mission” trip, deducting out-of-pocket expenses, and the underlying need for “supporting documentation” and the absolute necessity of that substantiation.

There were a couple of inquiries where taxpayers were being audited and were losing the audit based on the lack of an appraisal were groups of “similar items” were donated at various times throughout the year and totaled more than $5,000. The trap: “similar” items are aggregated for this appraisal requirement at the $5,000 + level of non-cash donations.

Information regarding the appraisal and substantiation rules for charitable contributions can be found in IRS Notice 2006-96 (appraisals) and IRS Publication 561 and for your clients, IRS Publication 1771.

Foreign Income Issues

Foreign issues surfaced on a regular basis, with issues like the “foreign earned income exclusion” under IRC Sec. 911 and Form 2555. Specifically, the meeting of the physical presence test and the 330 day rule, the rule about testing for eligibility using prior years’ days or subsequent years’ days to meet the test and be eligible in the current year. The surprising fact that the exclusion does not eliminate or reduce the income that is subject to S.E tax, and that this exclusion is for income tax purposes only.

Other key issues included:

• “foreign tax credit” or Form 1116 under IRC Sec. 901 and its availability when Form 2555 does not work,
• the many situations when the foreign tax credit information appears on the Schedule K-1, Line 16 from a partnership.
• Also when the foreign tax credit can be taken without the need for the Form 1116.

All of these issues and more where addressed during tax season through inquiries to the NSA Tax Help Desk.

There were the dozens of queries that had to do with foreign sourced pensions and Social Security benefits paid from foreign countries, all of which need to be referenced against the U.S. based “tax treaties” that the United States has with dozens of foreign countries. Other questions involved the reporting by the recipient of an “inbound” foreign gift and the use of Form 3520 instead of Form 709.

There were so many foreign questions that were answered and many different answers, and results, depending on the different facts and circumstances that were posed throughout the tax season. Many of these issues have some basic information contained in IRS Publication 54, but so many other require the additional resources that Members can access by contacting the NSA Tax Help Desk.

Estate and Trust Taxation

Estate and trust taxation was not left unrepresented during the months of January through April.

The inherited personal residence, its basis and how that is determined and the subsequent sale at a loss, either by the beneficiaries or the decedents’ estate, and the use of the Form 1041, were frequent issues and tax dilemmas posed in inquiries
sent to the Tax Help Desk during tax season.

Other questions included topics like:

- Title
- transfer of the property to the “decedents’ estate”, its EIN
- ability to claim a loss on the sale due to the “stepped-up” basis rules of “IRC Sec. 1041”.

These all become issues or problems because often not much is done post-death and the beneficiaries come to us, the tax practitioners, with this combination of “information returns” (1099’s) in the decedents’ Social Security number (SSN), the decedents’ estate’s EIN and Form 1041 return partially filled out by the aunt or uncle who said they knew how to handle everything.

The rules of the decedents’ estate can get complicated quickly with the “stepped-up” basis rules, the tax concept of “distributable net income” (DNI), accounting income in the fiduciary tax return and the mix of K-1s to the beneficiaries.

The actual instructions to Form 1041 are rather good, as well as information in IRS Publication 559. The problem with the decedents’ estate is that the issues are so varied that the answers, and solutions are located in several places of the IRS Code, Regulations and Rulings.

If the decedents’ principal residence sale at a loss is of interest simply search “SCA 1998-012” in quotes, just like that on the internet and then check with us at the Tax Help Desk and we can help clarify issues like this, as well as the others listed above in this summary. Or you can submit any other tax issue that you may have, on your desk at this very moment. We have helped with hundreds of tax issues this tax season. We are just an e-mail away.

NSA Active and Associate members get five federal tax questions researched and answered FREE, so take advantage of your NSA member benefits and let the Tax Help Desk assist with your next troubling tax situation. Contact us via email at taxresearch@nsacct.org and be sure to include your NSA member ID#, your name, city, and state, in the text of your message. You can also visit this web page to submit your question online.
TIGTA Highlights 2016 Filing Season Interim Results, Notes Improvements

Despite the challenges from late 2015 tax legislation, the IRS began processing individual tax returns as scheduled and provided better customer service, according to an interim report on the 2016 filing season issued by the Treasury Inspector General for Tax Administration (TIGTA). As of March 4, the IRS had received more than 67-million tax returns, more than 93.9 percent of which were filed electronically, a higher total than in prior years, TIGTA reported.

TIGTA noted some improvements during the 2016 filing season. As of March 5, approximately 46.1-million taxpayers had contacted the IRS through the Service’s toll-free telephone assistance lines. IRS representatives answered 7.3-million calls and provided a 72.8-percent level of service, with a 9.6-minute average speed of answer, TIGTA found. At the same time, the IRS offered self-assistance options, including its IRS2Go app; YouTube channels; and interactive self-help tools on its website.

As of early March, TIGTA found that the IRS had issued more than 53.5-million refunds totaling more than $160 billion. In addition, as of February 25, the IRS processed 1.4-million tax returns that reported $4.4 billion in Code Sec. 36B premium assistance tax credits. More than 2.7-million taxpayers reported shared responsibility payments for not maintaining minimum essential health coverage.

The IRS also continued to expand identity theft filters to uncover fraudulent tax returns, TIGTA found. As of February 29, the IRS reported that it identified and confirmed more than 31,000 fraudulent returns involving identity theft. In addition, the IRS identified more than 42,000 returns with $227 million claimed in fraudulent refunds and prevented the issuance of $180.6 million in fraudulent refunds.

The full report can be read here.

EVP John Ams Testifies at National Public Tax Forum

NSA Executive Vice President John Ams testified at the May 17th Public Forum on Taxpayer and Stakeholder Needs and Preferences held by the IRS National Taxpayer Advocate. Ams called on the Internal Revenue Service (IRS) to make sweeping improvements to its outdated technology and use this new technology to facilitate more efficient and productive personal contact with taxpayers.

Ams and other panelists offered testimony in response to the Taxpayer Advocate’s 2015 Annual Report, which identified future needs such as making its operations more agile and efficient, strengthening cyber defense to prevent identity theft and refund fraud, using data analytics, and developing approaches to deter non-compliant taxpayer behavior.
IRS Commissioner John Koskinen has proposed technology that would create taxpayer accounts at the IRS “where they, or their preparers, could log in securely, get all the information about their account, and interact with the IRS as needed.”

Ams said this would be a “welcome improvement” but stressed that other factors are hindering taxpayer interaction with the IRS and must be addressed, including:

- Some IRS forms cannot currently be submitted online, which requires that the entire return must be submitted via the regular mail system.
- Computer-generated IRS form letters often include a date by which a taxpayer response must be received to forestall the placement of IRS liens. Since the IRS cannot currently receive an email with the information, this means the taxpayer must respond by mail. However, the IRS does not have the capability to quickly open taxpayer mail, with the result that the IRS may place liens on taxpayer assets even if the taxpayer timely replied to the IRS letter.
- IRS personnel often cannot quickly locate taxpayer forms, records, powers of attorney or other documents when taxpayers or preparers manage to reach an employee, meaning that telephone waiting time of 45 minutes or more is wasted.
- According to the Commissioner, the IRS operates more than 35 different computer systems, most of which cannot communicate with each other, creating technology-related barriers to the resolution of taxpayer problems.

NSA President Kathy Hetrick, EA, ABA, ATP, who leads Hettick Accounting in Enumclaw, Washington, added, “For most taxpayers, interaction is simply having the ability to look on the IRS website for information about tax matters in general. Other taxpayers would like to go online to review the specifics of their account and, if everything is in order, have no need to speak directly with an IRS representative. Still others, however, have specific issues that require personal interaction, either by the taxpayer or their representative, and such interaction would be much more efficient if the technology at the IRS allowed it.”

Ams recommended that the IRS implement technology upgrades that would allow any taxpayer or tax professional to:

- Submit a Form 2868 Power of Attorney and have immediate access to a client’s information.
- Submit an inquiry on any IRS Correspondence similar to what was capable on the EAR system.
- Submit form 1040X as an e-filed form.
- Have a chat capability like so many customer service companies to answer procedural questions.
- Have a secure email system for tax professionals in good standing to communicate with the IRS so that responses to any IRS correspondence can both be submitted and be logged as being timely received.

“Improved technology is not a replacement for personal contact with IRS personnel,” Ams concluded. “Rather, it is a means to make that contact more efficient and productive. It is a means of having a substantive interaction where both the taxpayer and the IRS representative have access to the same information.”
Ams also stated that achieving these goals “depends on an adequate IRS budget. NSA is disappointed in the decrease in IRS funding levels since 2010. Although the impact of these budget cuts on the IRS is and has been severe, it has been just as painful for individual and small business taxpayers who have to cope with the tax code that Congress created – a tax code that has seen more than 4,500 changes since it was last overhauled in 1986.”

He criticized the U.S. House of Representatives Appropriations Committee report last year, which declared that the reduced IRS budget it approved was “sufficient for the IRS to perform its core duties.”

“That statement can only be true if the Committee’s definition of IRS ‘core duties’ does not include such tasks as collecting revenue or responding to taxpayer requests, including answering the telephone when taxpayers call seeking help.”
Now that tax season is upon us, there’s no better time to make the most of your NSA membership and get connected to the people, programs, information, and resources to help you get answers you need and save you time.

Your Tax Season Benefits Quick Links:

• NSA Tax Help Desk: Active & Associate members, get up to five tax questions answered free.

• NSA Tax Talk: It’s not only in your inbox...You can search the Tax Talk archives anytime online by topic or keyword.

• CCH Tax Center: Get code, regs, court cases, daily tax news, briefings, and tax alerts.

• Income & Fees Survey Data: Know what your competition is charging with the latest data that includes fees for tax preparation and other services broken down by state, geographic region and practice size.

• NSA Resource Libraries: Download sample client, disclosure, and engagement letters, the 2015 tax organizer and more.

• NSA Bookstore & Discounts: Save on CCH publications and Master Tax Guide, Quickfinder, TheTaxBook; RIA/PPC, office supplies, credit card processing, client newsletters, shipping, and much more!

• Technology Search: Need help finding the right accounting or tax software for your practice? Get a free Technology Search to help you.


Whatever it takes. NSA is here for you! If you have any questions about your NSA membership, please contact NSA Member Services toll-free at 800-966-6679 or email members@nsacct.org.

Access Your Membership Tax Resources on connect.nsatcs.org Today!