



**WSEA**

WISCONSIN SOCIETY  
OF ENROLLED AGENTS

POWERING AMERICA'S TAX EXPERTS

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## President's Message

By Trish Evenstad, EA, WSEA President

Summer is in full swing and flying by fast, so make sure you take time to enjoy yourself. We had a very lively and informative May seminar with Kevin Huston, EA, USTCP. Our 2<sup>nd</sup> Annual Midwest mEAyhem (joint with Minnesota) will be on September 18<sup>th</sup> – 19<sup>th</sup> at the AmericInn Hotel in La Crosse, WI. Our speaker John Sheeley, EA will be discussing the basics of marijuana, identity theft, the paperless office, Schedule E-Beyond the basics, tax court cases, nuts & bolts of representation, and self-directed IRAs. You will also have the opportunity to attend a two-hour evening class, *19 Things Your Engagement Letter Needs*. This is not for IRS continuing education credit, but important for all of us.

Back in May, I attended the NAEA Fly-In Day. If you haven't been to it yet, I would love for you to join me next year. It is very interesting to speak with our representatives and/or their staff. It's great to see that they now actually know what an enrolled agent is, including the new staffers. Better than my first year, when only one out of five or six knew. Little by little, our designation is becoming known. I have met with Ron Kind, or his staffer, for the past 3 years and have been successful in educating them on some of NAEA's initiatives. He signed on to the EA credential bill the first year it was introduced and again the next year, since it didn't make it in a larger bill the first year. I'm also happy to report he is now the co-sponsor of the *Electronic Signature Standards Act* ([H.R. 3153](#)). This bill is bi-partisan and noncontroversial so hopefully we can get it passed, just like the EA credential bill. This will make filing Forms 2848 and 8821 easier for us and our clients.

Don't forget about our federal and Wisconsin update seminar on January 12<sup>th</sup>, 2018 in Fond du Lac with David & Mary Mellem, both are enrolled agents from the Green Bay area. It is always a great seminar!

*Trish*

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### New WSEA Officers Installed May 22, 2017



(L to R): Vice President Michelle Gross EA, President Trish Evenstad EA, Treasurer Julianne Molek EA, Director Jim Barstul EA, Director Crystal Wheeler EA, Director Marti Myers-Garver, Director David Fayram EA.

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### Welcome New WSEA Members

Welcome to the following new members who have recently joined WSEA:

Jim Canfield, EA	Plover
Todd Hoeft, EA	Oshkosh
Georgeann Janisch, EA	Amery
Joseph Nwanja, EA	Milwaukee
Vicki Schulze, EA	Columbus

We extend our sincere desire to get to know each of you. Networking with other members is one of our strengths, so please check out the Facebook pages: [Wisconsin Society of Enrolled Agents](#) and [National](#)

[Association of Enrolled Agents \(NAEA\)](#). Both are Closed Groups, so you must click on “Join Group” to be admitted by the Administrator. Please allow 24 – 48 hours to be admitted. We hope to see you at our seminars in January, May and September.

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## SE Wisconsin Tax Circle

By Michelle Gross, EA

The SE WI Tax Circle has met three times since the end of tax season. During our first meeting in May, we shared tax season stories - the good, the bad, and the ugly. We brainstormed for a list of topics to discuss over the coming months.

Inspired by Kevin Huston, EA, USTCP, during our second meeting (June), we toured the TaxBook online version and attempted a few searches of tax topics and codes. We also discussed the various tax seminars and educational tools each of us uses in our practice.

During our third meeting (July) we dissected Form 8606, reviewed the adjustments required to determine if state refunds are taxable when taxpayer was subject to AMT in the prior year, and explored issues concerning day traders. We all left the meeting with an even deeper appreciation for the complexity of tax preparation.

In case you have not heard of our group, we are tax pros, members and non-members alike, who meet to share experience, knowledge, research, and build camaraderie in the tax professional community. Although we do not receive CE credit for attending, participants find enormous value in the meetings, which are free.

Our next meeting will be on Thursday, **Aug 17, 2017** from 9:30 to 11:30 am; coffee and conversation begin at 9:00 am. Meetings are at the Waukesha Public Library, 321 Wisconsin Avenue, Waukesha.

If you would like to join us or if you would like to be on our mailing list for meeting announcements, contact Connie Thomas: [tjprs@ymail.com](mailto:tjprs@ymail.com).

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## Mark Your Calendar

**Sept 18 & 19** - Our **2<sup>nd</sup> Annual Midwest mEAyhem** (joint with Minnesota) will be held at the AmericInn Hotel in La Crosse, WI. John Sheeley, EA will be discussing the basics of marijuana, identity theft, paperless office, Schedule E-Beyond the basics, tax court cases, nuts & bolts of representation, and self-directed IRAs. You will also have the opportunity to attend a two-hour evening class, 19 Things Your Engagement Letter Needs.

**Jan 12, 2018** - Wisconsin update seminar in Fond du Lac with David & Mary Mellem, EAs from the Green Bay area.

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### A Call for Volunteers – Aug 18 – Free Lunch

The membership committee is planning a fun day to gather & contact EAs in WI to invite them to join WSEA. We plan to provide lunch, give participation awards, & other fun stuff. We will meet on Friday, August 18th, at a location to be determined, based on participation. Please let Michelle Gross know if you would like to attend,

[grosstax@gmail.com](mailto:grosstax@gmail.com)

## Reverse Mortgages

By David J. Fayram, EA

I have a client who is now 78 years old. She was a self-employed dance instructor for most of her life. She also earned wages working for the local middle school. Her income in 2007, when she was 68 was as follows:

Wages	7,039
Interest and Dividends	4,178
Schedule C	31,298
Social Security	<u>10,482</u>
Total	52,997

She retired from her job in 2010 when she was 71. She retired from her business in 2011 when she was 72. Her total income declined to \$39,837 in 2011 and \$25,571 in 2012. In 2014, she increased her pension plan withdrawals to increase her income to about \$30,000. By 2016, her income was as follows:

Interest and Dividends	124
Pensions	10,668
Social Security	<u>19,583</u>
Total	30,375

She has been drawing on her pension plans since 2010. Now she has only a couple of years left at \$11,000 per year. She is quite worried that she will not be able to survive on \$20,000 per year.

Her only asset is her home with an assessed value of \$214,000 and no mortgage. One consequence of her lack of income has been that the house has fallen into a state of disrepair. It should be clear that she has a choice of selling the house and renting or a reverse mortgage. She was quite happy when I described reverse mortgages.

It must be that there are many people in similar situations and the number will probably increase as the Baby Boom generation retires. Enrolled Agents have a role to play here. First, we should be able to recognize the situations where reverse mortgages might be appropriate. Second, reverse mortgages, like other mortgages, are negotiable. The sector has a tarnished reputation in the banking industry because seniors have been victimized. A real estate license might be necessary. Finally, there are tax problems. The largest of these is who gets the mortgage interest deduction?

As to the actuarial facts, there are close to one million reverse mortgage loans currently outstanding. Roughly 75 million Baby Boomers will retire over the next 15 years. Therefore, banks anticipate a significant increase in the number of reverse mortgages. The big bucks for EAs will not come from clients like the dance instructor. Those most benefited are "mass affluent retirees." These people have net worth in the range of \$1.5 million to \$3 million because they are well below the application of the estate tax. You should look for people with primarily two assets: a security portfolio (which should be in a retirement plan) and a personal residence. These two assets should be roughly the same value (the same order of magnitude).

Interest accumulates with the mortgage balance as disbursements are made to the borrower and is not usually paid until the house is sold when the borrower dies. The conventional approach for passing the borrower's home equity to heirs will generally result in loss of the mortgage interest deduction.

### Home Equity Conversion Mortgages (HECMs)

In order to serve either the dance instructor or a mass affluent taxpayer, we should be familiar with a specific

kind of reverse mortgage. Home Equity Conversion Mortgages (HECMs) were created by Congress, are governed by HUD and are insured by FHA. These mortgages are secured by the borrower's principal residence. They are similar to conventional mortgages. The borrower retains title to the home and must pay real estate tax and homeowner's insurance. The borrower must maintain the home. The specific rules listed below were taken from an article in *The Journal of Taxation* [Barry H. Sacks, Nicholas Maningas, Sr., Stephen R. Sacks, and Francis Vitagliano, *Recovering a Lost Deduction*, 124, 4 J. Tax'n (Thompson Reuters), 157 (April 2016)].

1. **Age Requirement:** HECMs are available only to borrowers 62 years of age or older. If a married couple is the borrower and one of spouses is below the age of 62 at the time the loan is taken, that spouse can be treated as a so-called "non-borrowing spouse" (NBS). If the borrowing spouse predeceases the NBS, the NBS can remain in the home for as long as he or she chooses, but cannot draw any further loan proceeds if the proceeds have not all been drawn. Also, in light of the fact that the NBS is younger than 62 at the time the loan is established, the amount available to borrow is actuarially reduced to reflect that age.
2. **Loan Amount Available:** The amount of loan available (the "principal limit") is a function of the age of the youngest borrower, the appraised value of the home, and the "expected" interest rate (the value of which is determined by HUD on the basis of the LIBOR 10-year swap rate). The value of the home that is considered in determining the amount available is the lesser of the appraised value or \$625,000. At the current expected rate (as of January 2016) the typical loan amounts available are between approximately 40% of the considered home value (for borrowers in their early 60s) and approximately 65% of the considered home value (for borrowers in their late 70s or early 80s). Thus, a 67-year-old borrower, with a home value of \$625,000 or more, can borrow approximately \$350,000.

After the loan is established, the amount available, to the extent not drawn, increases at the same rate as the interest that applies to the amount actually drawn. To illustrate, if the borrower described above does not draw on the loan until he reaches age 72, and average interest rate is 5% during the five-year period leading up to his reaching age 72, the loan amount available at age 72 would be more than \$450,000. (The line of credit established but not immediately drawn upon is sometimes referred to as a "standby line of credit.")

3. **Ways in Which Loan Proceeds Can Be Received:** The loan proceeds can be received in any of three ways, or in any combination of the three ways: (a) as a lump sum at the outset, which may be all or any portion of the loan amount available; (b) as a line of credit, which can be drawn upon in any amount, and at any time, until the amount available has been completely drawn down; and (c) as a series of regular periodic payments, for a fixed number of periods or for the life of the borrower.
4. **Interest Rates:** Generally, the interest rates on reverse mortgages are variable. The exception is that a fixed interest rate can be obtained when the entire available amount of the loan is taken at the outset of the loan. The annual interest rate is most often the one-month LIBOR rate plus a "margin" (fixed at the outset of the loan) plus a "mortgage insurance premium" amount (generally equal to 1.25% of the loan amount borrowed). The margin is usually in the range of 2% to 4%. The higher figure generally will be chosen in exchange for a lower Origination Fee.
5. **Set-Up Fee:** The set-up fee for a HECM includes three components.
  - a. One component is the "Initial Mortgage Insurance Premium," which is equal to .5% of the appraised value of the home (up to a maximum of \$625,000) if 60% or less of the amount available is taken in the first year, or is equal to 2.5% of the appraised value of the home (up to a maximum of \$625,000) if more than 60% of the amount available is taken in the first year.

- b. The second component is the Origination Fee, which can be any amount in the range of zero to a maximum of \$6,000. The amount can be negotiated, as noted in paragraph 4, with a lower Origination Fee in exchange for a higher interest rate.
  - c. The third component, sometimes called third party charges, include appraisal and survey fees, title and title insurance fees, and credit checks. As a general rule of thumb, these cost \$1,000-\$2,000.
6. **Must Be the Only Loan Secured by the Home:** The reverse mortgage must be the only loan secured by the home. Thus, if there is a conventional mortgage on the home, a reverse mortgage can be taken only if the conventional loan is first paid off. When the conventional loan balance is relatively small compared to the amount of reverse mortgage loan available, a portion of the reverse mortgage proceeds is used to pay off that conventional loan, as part of the closing process. If the conventional loan balance is slightly larger than the amount available from the reverse mortgage, the borrower may bring some of his own assets to the closing to complete the transaction. The purpose of the reverse mortgage in such a situation would be to relieve the borrower of any future obligation to make mortgage payments.
  7. **Borrower Cannot Be Evicted Except for Failure to Pay Property Tax or Homeowner's Insurance, or Failure to Maintain the Home:** Despite residual reports left over from the early days of pre-HECM reverse mortgages, the borrower cannot be evicted from the home for any reason, except for: failure to pay the property tax, failure to maintain homeowner's insurance, or failure to maintain the home.
  8. **HECM Debt is Non-Recourse:** HECM loans are non-recourse. Thus, neither the borrower nor his or her heirs can be responsible to the lender for any greater amount of debt than 93% of the value of the home. (The 7% figure allows for the costs of sale.)
  9. **When Repayment is Due:** Repayment of a HECM debt is due only after the borrower has permanently left the home. The typical arrangement, as set out in the standard promissory note, is that the borrower, or the family or other representative of the borrower, has three months (which can be extended in three-month increments to a total of 12 months) to arrange for the repayment.

### HECM Example

As an example, take the dance instructor. She is 78 years old, so the principal limit should be about \$139,100 (214,000 X 65%). This assumes that the appraisal comes out close to the assessed value on her real estate bill.

From Number 4 above, the LIBOR 10-year swap rate is around 1.5%. The margin rate is decided by a negotiation with the bank, but could be between 2% and 4%. For this example, I used 3%. The mortgage insurance premium is 1.25%. The total interest rate is 5.75%. This seems high compared to mortgage interest rates, but she would not have any income to support payments on a conventional mortgage.

The initial mortgage insurance premium would be \$1,070 (214,000 X .5%). The origination fee is negotiated and could be between zero and \$6,000. I assumed \$3,000. Finally, we have miscellaneous closing costs that I assumed to be \$1,000. The total fees come to \$5,070.

If repairs needed for the house come to \$30,000, then the remaining loan amount is \$104,030 (139,100-5,070-30,000).

According to Number 2 above, the standby line of credit would increase at 5.75% each year, but the details of how this is computed are not shown. The result of this would be that borrowers who have maxed out the loan amount would be able to continue living in the house without having to come up with cash to pay the interest. Based only on the \$104,000, the dance instructor could draw \$10,000 for eight or nine years before the loan

maxed out. After that, she could continue to live in the house as long as she paid the real estate taxes, homeowner's insurance and repairs.

### **The Mass Affluent Retiree Example**

A person with over \$1.5 million in net worth will have many more options than our dance instructor and will have many more possibilities for using reverse mortgages. There follows a summary of one of the most common problems.

If a person has used a reverse mortgage, then a large amount of interest could have accumulated upon their death. Usually, the house becomes property of an estate which sells the house and pays off the reverse mortgage, including accrued interest. The deduction for this interest is controlled by Regulation §1.691(b)-1 that reads as follows:

1.691(b)-1. Allowance of deductions and credit in respect of decedents.

(a) Under section 691(b), the ... interest ... described in sections ... 163 for which the decedent ... was liable, which were not properly allowable as a deduction in his last taxable year or any prior taxable year, are allowed when paid –

1. As a deduction by the estate; or
2. If the estate was not liable to pay such obligation, as a deduction by the person who by bequest, devise, or inheritance from the decedent acquires, subject to such obligation, an interest in property of the decedent...

Most of the time, the estate becomes liable for the mortgage when it receives the house. When it pays the mortgage, it gets the deduction. Unfortunately, the estate might not have much income in order to take advantage of the deduction. This is especially true when taxable retirement plan assets went directly to beneficiaries through beneficiary designations in the retirement plans. This might result in permanent loss of the deduction, but see the rules for excess deductions at IRC §642(h)(2) and Regulations §§1.642(h)-2 and 1.642(h)-3. This situation might be avoided if the house itself is passed directly to the beneficiaries and they sell it. The beneficiaries should be able to deduct their shares of the interest in that case.

What if the borrower encounters some unexpected income and wants to pay back some or the entire reverse mortgage loan? This can be done and might result in a current deduction for the accumulated interest. Be sure that the payment is not borrowed again from the loan, after the payment is made, because this might cause the transaction to lose economic substance under IRC §7701(o)(1). A careful reading of IRC §7701 might be required to justify any deduction.

### **Tax Return Preparation**

Retired people who are under financial stress should become known during the interview. An offer of additional services might be appropriate. A reverse mortgage in place might be noticed if it is not clear how the taxpayers are supporting themselves from the income on the return. If a reverse mortgage is discovered, documents should be examined to trace down the mortgage interest deduction.

### **Summary**

A market for counseling services might develop around reverse mortgages. Realistically, home equity will be the only asset available to many people in retirement. Some will choose to sell the house and pay rent. Others might want to continue living in the house. These people will become candidates for reverse mortgages.

The computations are very complex and people will need representation to evaluate the options and to negotiate the fees with a bank. Banks might even be interested in referring their customers to EAs for help

with the computations. A reverse mortgage should be worth at least as much as a tax return preparation. Perhaps EAs could be paid their fees at closing just like lawyers, appraisers and others.

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## **Deductible Points Not Reported on Form 1098**

By David J. Fayram, EA

Banks report deductible points on Form 1098 in Box 6, "Points paid on purchase of principal residence." As a tax return preparer, I am grateful for the information and enter the amount in my tax software. The problem I have is when Box 6 is blank. Does that mean there is no deduction for points? Unfortunately, the answer might be "No." The blank box only means that we must determine for ourselves if any points were paid and the extent to which they are deductible. At the height of the tax season, I am sometimes hesitant to ask the question, knowing it might lead to a lot of extra work.

Assuming that the client remembers that he or she financed or refinanced a personal residence or second home, they should be able to provide a copy of the closing statement. If the closing statement lists an item clearly labeled "points," "loan origination fee," "loan discount," or "discount points" that was computed as a percentage of the loan principal, and was paid by the borrower, then we have a problem. There is also a requirement that the fees were charged under an established business practice in the area, but this is rarely a problem.

The difference between amounts entered in Box 6 and actual deductible points is caused by an IRS safe harbor, for which there is no specific statutory authority. Revenue Procedure 94-27 has been around for a long time in tax law years, but it is still good. The procedure allows complete deduction in the year paid for cash basis taxpayers where the fees meet the tests described above. However, there are some specific exemptions from the safe harbor. Fees might not appear in Box 6 either because they are not deductible at all or because they conflict with one of the exceptions. There follows a list of situations in which points might not be listed in Box 6, but might still be deductible. If taxpayers do not qualify for the safe harbor, then they must compute the deduction under the general rules for prepaid interest at IRC §461.

### **Loans to Improve a Principal Residence**

This is one of the exceptions to the safe harbor. Points are generally deductible, but they must be amortized over the term of the loan. There is another safe harbor for this, which is even older than Revenue Procedure 94-27. It is the rules under Revenue Procedure 87-15:

1. The loan is secured by a residence. This means any residence, not necessarily the taxpayer's residence.
2. Term of the loan is no longer than 30 years.
3. If the term of the loan is greater than ten years, repayment terms must be customary in the area.
4. Either, the initial principal amount is less than \$250,000 or the number of points charged is less than four if the term of the loan is 15 years or less and no greater than six if the term is greater than 15 years.

That was the way things were back in 1987.

### **Loans to Purchase or Improve Second Homes, Vacation Homes, Investment or Business Property**

This is another exception to the safe harbor. These points might be amortized under Revenue Procedure 87-15.

### **Home Equity or Line-of-Credit Loans**

These points are **not** deductible.



## Refinancing

This is another exception. The points are not deductible when paid, but can be amortized over the term of the loan. See IRS News Release IR-2003-127. There is an exception to the exception. Points related to loan proceeds used to improve a principal residence are deductible when paid.

## Acquisition Loan Greater Than \$1 Million

Points paid on loan balances greater than \$1 million are **not** deductible.

**Note:** If the home is sold while amortizing points, the remaining balance may be written off in the year of sale. If the loan is refinanced while amortizing points (after the first refinancing) then the remaining points can usually be written off in the year of the refinancing. But if the loan is refinanced with the same lender, then add points on the latest refinancing to leftover points from the first one and deduct the amount over the term of the new loan.

## Tax Return Preparation

For tax return preparation, the conclusion is simple. For every Form 1098 with nothing in Box 6, you must ask about financing and refinancing.

## Comment

Many of the rules for home mortgage interest deductions are at Regulations section 1.163-10T. The “T” at the end means that these are temporary regulations. These regulations are long, about 17 pages, but if you look at the end, you will find that the IRS first adopted them on December 21, 1987. It is now illegal for the IRS to issue temporary regulations and then leave them in temporary form for 30 years, but these were grandfathered. Reg. §1.163-10T must be among the oldest temporary regulations in existence. They are somewhat favorable to taxpayers, so taxpayers have not objected. I was around in 1987 and these seem like old friends. I wonder if I am among the oldest tax return preparers in existence.

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## California Tax Controversy

By David J. Fayram, EA

Appeals of decisions by the Wisconsin Department of Revenue go to the Wisconsin Tax Appeals Commission. The Commission is an administrative agency separate from the Department of Revenue. Hearings at the Commission are conducted by Commissioners who are employed by the Executive Branch and are not judges. Despite this, the hearings are conducted as though they were trials and are therefore quite formal.

Most of us will never have an appeals case in California, but the possibility exists. The system California has is bizarre. In fact, it is so bizarre that it is humorous. The following description was taken from an article by Robert W. Wood, *California Taxes and Non-Californians*, Journal of Tax Practice & Procedure, Oct-Nov 2016 at 41.

The California department of revenue is called the Franchise Tax Board (FTB). If a taxpayer disagrees with determinations of the Franchise Tax Board, the appeal goes to a five-member State Board of Equalization (SBE). You must be careful here because there is another organization, also called State Board of Equalization (SBE), which administers sales and use taxes. Decisions of the sales tax SBE agency are appealed to the five-member SBE.

Before describing the five-member board, I should remind readers that ex parte communications are unethical at the Wisconsin Tax Appeals Commission and at the IRS Office of Appeals. The IRS rules are at IRM ¶ 8.1.10.1 and print out to about 26 pages. In the past, the EA was the “ex parte” when the appeals officer wanted to talk

to the revenue agent about the case. This practice is now prohibited in most circumstances and you should be sure that you are included in all conversations that appeals officers have with other IRS employees. Don't fly off the handle, but look at the rules – you should be somewhat upset if they are violated.

From here on I think I can let Mr. Wood speak for himself...

And make no mistake, California's five-member SBE has a very tough job. They are elected, and they have a constituency. They try to resolve and administer California's tax laws, and most of them are not tax professionals. They are not judges, so it is okay to talk to them *ex parte*, to lobby them, you might say.

In fact, it is common for California tax professionals to seek out the individual members of the SBE in advance of a hearing. You can give them a private advance screening (so to speak) of what your client's case is about, and why you think you should prevail. Much like lobbyists trying to count on legislator votes on a bill facing an upcoming vote, you can try to persuade them.

You may (or may not) be able to garner a commitment that your client's position is meritorious. However, information, as they say, is power. If the member is going to vote against you, you are at least better off knowing in advance. You might find that the particular tax case in question is going to go down party lines. For example, perhaps Republicans will vote for the taxpayer, and Democrats will vote for the state.

You might get clear signals (or outright) statements that [*sic*] an individual SBE member that he or she cannot—or will not—vote for your client. Sometimes a “no” vote in this circumstance can have its own kind of empowerment. Indeed, where this happens, one of the most unique features of California's tax system kicks in: money.

You may donate to that SBE member, and both you and the member will then need to disclose that. Any contribution of \$250 or more must be disclosed. Your contribution will disqualify that member from considering your case.

However, the SBE member will not be disqualified if he returns the contribution within 30 days from the time he knows, or has reason to know, of the contribution and the proceeding pending before the SBE. With a five-member board, if you identify two members who will vote against your client and make contributions to them, they will likely be disqualified.

Your board is now three members. If you can garner two votes out of the three remaining, you have won. Non-Californians may find this kind of playing field strange or even untoward. It is certainly different, and not for the untutored. But until they change the rules, that is our system. [End quote.]

Things get even better after the State Board of Equalization hearing. If the taxpayer wins, that decision is binding on the Franchise Tax Board. The Franchise Tax Board can petition for a rehearing within 30 days, but the Franchise Tax Board cannot appeal to another body or court. On the other hand, if the taxpayer loses, it can bring suit in California Superior Court, the primary trial level courts in California, for a *de novo* [it means from the very beginning!] trial of the tax dispute—perhaps with a jury.

I think it is clear that Wisconsin EAs need professional help if we stumble into an appeal from the Franchise Tax Board decision.

## Announcement of Disciplinary Sanctions from the Office of Professional Responsibility

By Dave Fayram, EA

**REMINDER:** As EAs, we are prohibited from doing business with anyone who has been sanctioned by the OPR.

Location	Name	Designation	Sanction	Date	NAEA	Note
San Mateo, CA	Miyabara, Morris	Enrolled Agent	Disbarred by ALJ default decision.	July 8, 2016	NO	
Madison, WI	Armstrong, Jenny R.	Attorney	Suspended by default decision in expedited proceeding under 31 C.F.R. section 10.82(b).	Indefinite from May 3, 2016	NA	1
Greendale, WI	Noggle, John C.	CPA	Suspended by default decision in expedited proceeding under 31 C.F.R. section 10.82(b).	Indefinite from April 28, 2016	NA	2
Sheboygan, WI	Sherman, Scott	CPA	Suspended by default decision in expedited proceeding under 31 C.F.R. section 10.82(b).	Indefinite from May 25, 2016	NA	3

**Note 1:** Armstrong, Jenny R. - See the September 2015 issue of this newsletter for a complete article on this situation. The Wisconsin Court System website lists the action dated June 24, 2015 and her status as "Suspended."

**Note 2:** Noggle, John C. - We could not find anything about Mr. Noggle on the Wisconsin Department of Safety and Professional Services website. We could not confirm that he is or was a CPA authorized to practice in WI.

**Note 3:** Sherman, Scott W. - The Accounting Examining Board issued final decision and order 0004873 on August 16, 2016. Mr. Sherman's address was 720 Sommer Drive, Sheboygan. The Board found that he had filed a fraudulent 2011 Federal income tax return with his wife. The Board ordered "The VOLUNTARY SURRENDER of Respondent Scott W. Sherman's right to renew his certified public accountant certificate..." and also that "This surrender constitutes Respondent's permanent relinquishment of his Wisconsin certified public accountant certificate and his right to practice certified public accounting in the State of Wisconsin."

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➔ Remember to Visit the WSEA Website: <http://wienrolledagents.org/>

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## WSEA Board of Directors – Contact Info

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## WSEA Committees

(If you would like to help, please contact us — we’d love to have you!)

<b>Audit</b> – Graciela Aubrey	<b>Finance/Budgeting</b> – Julie Molek
<b>By-Laws</b> – Trish Evenstad, Jeremy Burri	<b>Newsletter/Publications</b> – Dave Fayram, Mary Olson, Marti Myers-Garver
<b>Educate America:</b> Jeremy Burri, Connie Thomas, Robert Foley	<b>Nominating</b> – Trish Evenstad, Michelle Gross
<b>Education/Convention</b> – Michelle Gross, Marti Myers-Garver, Trish Evenstad, Crystal Wheeler	<b>Public Relations</b> – Robert Foley, Marti Myers-Garver
<b>Government Relations</b> – Michelle Gross, Connie Thomas, Trish Evenstad	<b>Ethics &amp; Professional Conduct</b> – Jeremy Burri, Laurie Ziegler
<b>Membership</b> – Robert Foley, Connie Thomas, Char Meshiguad	<b>Webpage/Facebook</b> –Trish Evenstad, Michelle Gross, Marti Myers-Garver

## WSEA Presidents – Past & Present

It is always good to remember our WSEA Presidential roots. Several of the names listed below will be familiar if you have been involved with WSEA or attend our meetings on a regular basis. At the next seminar, if you see one of these past Presidents, please take a moment to thank them for all of their hard work.

President's Name	Date Installed	President's Name	Date Installed
Michael D. Barnes, EA	June 21, 1986	Diane M. Lotto, EA	May 15, 2003
Marshall D. Mennenga, EA	July 10, 1987	Diane M. Lotto, EA	May 13, 2004
Richard J. Bast, EA	September 8, 1988	Joel Guthmann, EA	May 19, 2005
Dennis C. Alt, EA	October 20, 1989	Joel Guthmann, EA	May 18, 2006
Dennis C. Alt, EA	October 19, 1990	Joel Guthmann, EA	May 17, 2007
Dennis C. Alt, EA	October 18, 1991	Laurie Ziegler, EA	May 15, 2008
David J. Fayram, EA	October 16, 1992	Laurie Ziegler, EA	May 28, 2009
David J. Fayram, EA	October 8, 1993	Laurie Ziegler, EA	May 13, 2010
Edna Kratochvil, EA	October 21, 1994	Jeremy Burri, EA	May 19, 2011
Edna Kratochvil, EA	October 19, 1995	Joel Guthmann, EA	May 24, 2012
Richard L. Gause, EA	October 17, 1996	Julianne Molek, EA	May 23, 2013
Richard L. Gause, EA	October 24, 1997	Michelle D. McBride, EA	May 19, 2014
Roy B. Kortz, EA	October 23, 1998	Michelle D. McBride, EA	May 18, 2015
Roy B. Kortz, EA	October 8, 1999	Trish R. Evenstad, EA**	August 22, 2015
Roy B. Kortz, EA	October 19, 2000	Trish R. Evenstad, EA	May 23, 2016
Roy B. Kortz, EA*	October 18, 2001	Trish R. Evenstad, EA	May 22, 2017

\*Mr. Kortz was president from his election in October 2001 until Ms. Lotto was elected to replace him in May 2003.

\*\*Ms. Evenstad stepped up from VP to President when Ms. McBride moved out of WI.

>> **Newsletter content, articles, comments, suggestions, ideas, tidbits, Q & A are always welcome**, as are Getting to Know You articles. Submissions can be in any format, but preferably a Word document. Please submit articles to: Dave Fayram, EA & USTCP at: [dave@madcitytax.com](mailto:dave@madcitytax.com) or Mary Olson EA, at: [tax@theiolatallax.com](mailto:tax@theiolatallax.com).

>>This Newsletter is intended to provide accurate and complete information to tax professionals. Although every effort has been made to assure that accuracy, neither the Wisconsin Society of Enrolled Agents nor the individual writers assume any responsibility whatsoever for the accuracy or completeness of the information contained herein. The reader should independently verify all the material before applying it to a particular fact situation, and should independently determine both the tax and nontax consequences of using any particular technique before recommending its implementation.