



**WSEA**

WISCONSIN SOCIETY  
OF ENROLLED AGENTS

POWERING AMERICA'S TAX EXPERTS

EDUCATION & NOTICE SEASON

## On the Road Again...

By Michelle McBride, EA

As the current WSEA President, I have been doing a bit of traveling since April 15th. In May I was accompanied by Trish Evenstad, EA, Matt (& Sally) Greenblatt, EA, and Laurie Ziegler, EA for the NAEA Fly-In in Washington DC.

While in DC, we had the opportunity to speak with our Wisconsin Congressmen, Ron Johnson, Ron Kind, Paul Ryan, and Jim Sensenbrenner. Our reason for contacting them was to enlighten them about Enrolled Agents and to encourage them to support the [Enrolled Agent Credential Act](#), which will protect our right to practice.

Trish and I also attended the APEX (Affiliate Council President's Exchange) meetings to learn and share ideas with other affiliate leaders. During APEX, two great initiatives were shared: (1) Educate America and (2) I Get Members Campaign.

### **Educate America** key points:

1. **Advocacy** – The opportunity for us to approach two-year and four-year colleges and universities in our area and convince them it is a good business proposition for them to participate in this joint program with Gleim. It is a

turn-key opportunity with low risk and high revenue potential.

2. **Royalties** – The NAEA/Gleim partnership program has a built-in royalty payable to the appropriate state affiliate for their support and participation.

3. **Increase recognition of the Enrolled Agent title** - Make young college students aware of the career opportunities available to them as Enrolled Agents (and their parents, who love to brag about their kids).

4. **Increase membership in NAEA** - Available market of over 800,000 PTIN holders who likely have aspirations of furthering their professional credentials and becoming Enrolled Agents.

NAEA plans to make available a turnkey Job Fair Booth complete with brochures and supporting materials. Please contact me if you are interested in doing a job fair in your area.

**I Get Members** – The campaign kicked off July 1<sup>st</sup>. Members (sponsors) will each receive a \$10 credit toward their renewal for every new member they recruit. There will be cash prizes for the top

## Summer 2014 WSEA Newsletter

sponsors and top affiliates. You should have received a postcard in the mail regarding this campaign. Please send questions to me or Connie Paradise at NAEA [cparadise@naea.org](mailto:cparadise@naea.org).

In July, Trish & I went to Chicago. We worked the NAEA booth at the IRS Forum. There were plenty of announcements and much discussion about the IRS' new Annual Filing Season Program (AFSP) certificate.

Many interested tax pros came to our booth, wanting to know more about what it takes to be an EA, how can they learn more about becoming an EA, and what NAEA is all about. It was a great opportunity for us to really let people know about the credential. Although we lost on part of the *Loving* case, this new program does give us a chance to talk about Enrolled Agents. Make sure you use this opportunity to spread the word!

I want to thank each and every one of you for being a WSEA member. Please let me know if you have thoughts or ideas that will help WSEA grow and be a better, more valuable organization for you.

# The Wisconsin Veterans and Surviving Spouse Property Tax Credit

By Michelle Gross, EA

Although the Wisconsin Veterans and Surviving Spouse Property Tax Credit is not new, there have been changes made to the original rules and a recent clarification on Federal tax treatment.

This credit provides a refundable state tax credit for certain veterans and surviving spouses based on the property taxes *paid* for the principle residence, not including special assessments, delinquent interest, and charges for services, during the tax year for which it is claimed. There are no income limitations nor is there a cap on the amount of property taxes eligible for reimbursement. Therefore, the full amount of property taxes paid to the county becomes a refundable credit on the WI tax return.

To qualify for the credit, a veteran must have a service-connected disability rating of 100%. There are variations to this qualifier. For more information, the veteran should consult with the WI

(letter) from the WDVA. The certificate of eligibility must be attached to the WI tax return the first year the credit is claimed, as well as the property tax bill and receipt for payment of such taxes. In subsequent years, only a copy of the veteran's property tax bill and receipt for payment must be attached to the return.

An "eligible unmarried surviving spouse" for purposes of this credit means an unmarried spouse of an individual who meets the WI residency requirement as defined earlier and who died while on active duty; or an individual who had served on active duty and has a service-connected disability rating of 100%, or an individual who had served in the National Guard or a reserve component of the US armed forces and died in the line of duty while on active or inactive duty for training purposes.

An unmarried spouse whose veteran spouse died before turning 65 prior to 2009 may still be eligible for the credit. The WDVA must verify eligibility.

Publishers, also addressed the topic in the 2013 issue.

For federal income tax purposes, this refundable credit is treated the same as a state income tax refund. If itemized deductions are claimed on Schedule A, the refund of property taxes must be reported as income to the extent a tax benefit was received for the deduction. If not itemizing, the credit is not taxable.

What is interesting to note is that, from my experiences, Form 1099-G does not reflect the refund as taxable.

For Wisconsin tax purposes, the refundable credit is not income. A subtraction modification is allowed for any amount of the credit that is reported as income on the Federal return.

Up until the past five years I seldom, if ever, saw use of this tax credit. However, with the Vietnam Veterans coming of age and experiencing medical issues, I now have a number of them in my practice. It is important to chat with your

Department of Veterans Affairs (WDVA).

Effective January 1, 2009, the age and residency requirements changed favorably for WI veterans. Prior to January 1, 2009, the veteran had to be 65 years of age or older. That age requirement was dropped. As a result, many more taxpayers are now eligible to claim the credit. In addition, prior to 2009, the veteran must have been a resident of Wisconsin prior to admission into the service. Now, the veteran must have been a resident of Wisconsin for any consecutive five year period after entry into active duty.

Before claiming the credit, the veteran must obtain an eligibility certificate

The credit must be claimed within four years of the unextended due date of the return.

No credit is allowed if the individual also files a claim for the Farmland Preservation Credit, Homestead Credit, or the School Property Tax Credit. Whichever credit is more beneficial should be claimed.

The tax treatment for Federal purposes has recently been addressed by WI Department of Revenue (DOR). The issue has been clarified on the DOR website, under the [Veterans and Surviving Spouse Property Tax Credit Q&As](#). The *WI Tax Guide*, authored by Robert A Kuehn and published by D.A.T.

clients, as some of them may be unaware of this refundable credit.

I have also had several clients who have been granted disability status for diseases such as Alzheimer's and prostate cancer. My understanding is that if the veteran served in areas where chemical compounds such as Agent Orange were used, substantiation of service in those regions may qualify the vet for the disability status, despite a long and successful working career.

For eligibility information, [click here](#). The veteran should check with the [County Veterans Services Officer](#) or on the Internet at [www.dva.state.wi.us](http://www.dva.state.wi.us).

# EA Public Relations Update

By Gigi Jarvis

Here is a link to the NAEA video on EAs that will be shown on American Airlines flights in October & November: <http://vimeo.com/clearwind/review/102258112/9cedef1446>



## Leadership Academy Wants You

If you would like to become involved in WSEA, or expand your leadership skills, and are interested in attending the Schuldiner - Smollan Leadership Academy, please notify Michelle McBride.

## IRS Hosts Working Group on New Online POA Initiative

The IRS held its first working group for the online POA authorization on Thursday, August 14. The IRS has committed to working with practitioners to develop a user-friendly online tool that works for the taxpayer, practitioners, and the IRS. The working group was formed to find a solution to problems created by the IRS decision to retire the Disclosure Authorization application last fall.

### Issues discussed included:

- Recognition of actual client interactions and the reluctance of most clients to interface with the IRS.

You may be wondering what NAEA is doing to promote enrolled agents during the summer months when media interest in tax preparation is at a low ebb.

NAEA President Lonnie Gary, EA, has recorded a two-minute interview that will be shown on American Airlines flights over the full months of October and November of this year.

The video will be shown on 5,800 worldwide flights to a captive audience who will learn what an EA is, why they should hire an EA, and how to locate one using the "Find an EA" directory.



- Ready access to taxpayer information by practitioners
- The need to enhance system functionality to make it as easy as possible for practitioners.
- The need to accommodate business entities.

When the online POS system is rolled out in 2015, the long-term IRS goal is to reduce, or eliminate, the paper processing of Forms 2848 and 8821.

## IRS Bankruptcy Aids

The IRS has a new [bankruptcy](#) web page, announced by Ann Makres, IRS Stakeholder Liaison, at the July "First Thursday Call" session.

NAEA has purchased a corporate sponsorship on NPR stations across the country for January and February of 2015.

Our sponsorship message referring to enrolled agents, America's Tax Experts®, and NAEA, will run on all NPR stations across the country at various times in available slots – of which there are many in the first months of the year.

Our sponsorships will mainly run during "Morning Edition" and "All Things Considered," the morning and afternoon news shows, but will also be heard on weekend shows, such as "Car Talk."

**THANK YOU**

**KATIE JANSEN**

for your many years of service as  
Editor of the WSEA Newsletter.

Those with questions regarding an open bankruptcy may call the IRS Centralized Insolvency Operations Unit, Monday through Friday, 7:00 a.m. to 10:00 p.m., EST, at **1-800-973-0424**. These phone lines are open to any person who has filed bankruptcy, a debtor's attorney, or a U.S. Trustee.

If you have clients contemplating bankruptcy, consider viewing the archived [IRS bankruptcy webinar](#).

See also:

[Pub 908, Bankruptcy Tax Guide](#)

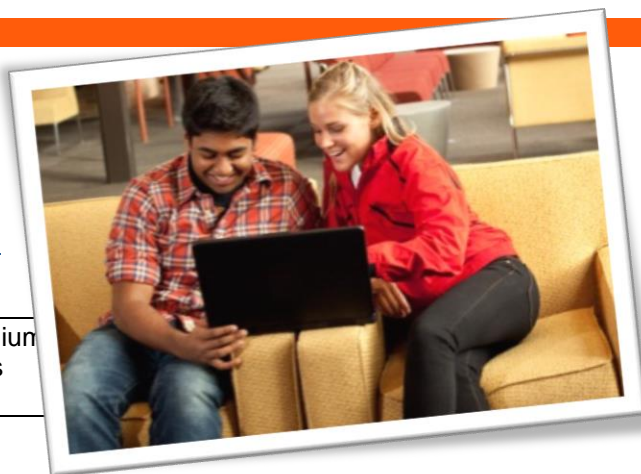
[Pub 5082, What You Should Know About Chapter 13 Bankruptcy and Delinquent Returns](#)

## UPCOMING IRS WEBINARS

9/17/14 [Combating Identity Theft Part I \(Webinar\)](#) (IA, MN, MT, ND, SD, WI)

9/24/17 [Combating Identity Theft Part II \(Webinar\)](#) IA, MN, MT, ND, SD, WI-

LIVE - EO Workshop for small and medium size 501(C)(3) ~ Eau Claire, WI (Details available soon.)



*Webinars can be viewed from the comfort of your home, office, or any comfortable spot that has Wi-Fi and be shared with a friend or fellow tax pro.*



### Imagine a Future for Young Pros

You can play a role in encouraging young people to become tax professionals and Enrolled Agents. Help Educate America about EAs. NAEA will be providing materials in the near future for you to use.

## FAST FACTS

# 146million

Taxpayers file their federal returns annually. (95%)

# 7 million

Taxpayers fail to file federal returns annually. (5%)

## Enrolled Agent Credential Act

As proposed by Sen. Rob Portman, R, OH

The *Enrolled Agent Credential Act*, S.1134, was introduced on June 11, 2014 by Sen. Rob Portman, R, Ohio. This **proposal** amends the Internal Revenue Code to authorize the Secretary of the Treasury to prescribe regulations to regulate the conduct of enrolled agents in their practice before the Internal Revenue Service (IRS) and allows properly licensed enrolled agents to use the EA designation.

The **proposed** wording of S.1134 states:

(a) **IN GENERAL.**—Chapter 77 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

### SEC. 7529. ENROLLED AGENTS.

(a) **IN GENERAL.**—The Secretary may prescribe such regulations as may be necessary to regulate the conduct of enrolled agents in regards to their practice before the Internal Revenue Service.

(b) **USE OF CREDENTIALS.**—Any enrolled agents properly licensed to practice as required under rules promulgated under subsection (a) shall be allowed to use the credentials or designation as 'enrolled agent', 'EA', or 'E.A.'

S. 1134 was assigned to a congressional committee on June 11, 2014. The committee will take it under consideration before possibly sending it on to the House or Senate as a whole.

<https://www.govtrack.us/congress/bills/113/s1134>



### Get Familiar with Form 1095-A

[Form 1095-A, Health Insurance](#)

[Marketplace Statement](#), will be issued to all taxpayers enrolled in health insurance coverage through the Health Insurance

Marketplace under the *Affordable Care Act* (ACA).

The information reported on Form 1095-A is needed to complete Form 8962, *Premium Tax Credit* (PTC). Form 8962 must be attached to the 2014 tax return

to claim the premium tax credit or if the taxpayer received premium assistance through advance credit payments (whether or not they are otherwise required to file a tax return).





Laurie Zeigler EA, Trish Spengler Evenstad EA, and Michelle McBride EA visited the new NAEA office in Washington DC during the NAEA Fly-In.



Trish Spengler Evenstad EA visited with WI Senator Ron Johnson regarding the EA Credential Act.



Laurie Zeigler EA, being sworn in as NAEA Board Member.

## Cir 230 Change Eliminates Email Disclosure

Circular 230 was updated effective June 12, 2014. [Treasury Decision 9668 (T.D. 9668), dated June 30, 2014]. One of the changes removed the covered opinion rules, which eliminates the need to post the Circular 230 disclaimer at the end of e-mails. Therefore, please be sure you have removed this disclosure statement from your email template.

## MNSEA & WSEA Joint Fall Seminar Sept 18<sup>th</sup> and 19<sup>th</sup> Register Now

WI and MN are offering a joint 2 day seminar featuring Sue Voth EA & Tom O'Saben EA, CFP. Topics include: Hobby or Business, Special Taxpayers, Form 4797, Small Business, Depreciation, S Corp, Education, 1099's, and Divorce Issues. See details & to register, go to: <http://mnsea.org/events/>

## Connect on Facebook

Today, the easiest way to network with other WI EAs is through the Facebook group, [Wisconsin Society of Enrolled Agents](#). It is a closed group, so only members (and not your clients) can view the posts. Discuss Wisconsin tax law, post any tax questions, network with other WSEA members, and see current events.

## A Word from the Editor...

Summer is not officially over, but with these cooler temperatures of late, one would think it is October and not early September. However, if the weather did not change as much as it does, we would think we were no longer in Wisconsin.

This is Mary Olson, EA, writing as the new Editor of the WSEA Newsletter. I am new to WSEA and WI tax laws, but am an old-timer when it comes to federal tax law. I bring to the table a background in taxes from many angles.

I began my career in taxation with the IRS in Indianapolis in 1972. At that time, the toll-free lines were just coming in to existence. I worked in the Taxpayer Service call center on the front lines, referral lines, and as a group manager.

In 1992, I returned to my home state of WI and began working for a tax pro, did some substitute teaching, and then worked at the NATP headquarters as a Tax Research Specialist. I enjoy researching tax issues for other tax professionals, which I relate to solving mysteries, and writing technical materials. I have authored many articles and textbooks, but mostly as an employee, so had no By Line. I enjoyed each challenge. (I do get credit currently as a writer for the *National Income Tax Workbook*, taught in WI by Phil Harris for *Tax Insight*.)

In 2011, I began working from home for Intuit, as a TurboTax Advisor (Ask a Tax Expert). I begin my fourth tax season in November. I am a people person, so enjoy helping others understand the tax laws. However, I wonder how many of these do-it-yourselfers will end up taking their future problems to a tax pro.

In 2012, I opened The Lola Tax Place, with the help of a friend, and have enjoyed the challenges & rewards of a small town practice. It is amazing the number of non-filers who have come to my doors. I want them to feel safe with me, as the road ahead is not an easy one, nor is the burden of their past...

This is a joint project, so any WSEA member may submit information or articles for inclusion. As you run across tax or representation issues that you think would benefit other WI EAs, share them in our Facebook group, for immediate feedback, and then pass them on to me for inclusion in the Newsletter. Thank you.

# Making the Rounds in DC



During the NAEA Fly-In, WSEA members visited with WI Congressmen Ron Johnson, Ron Kind, Paul Ryan, and Jim Sensenbrenner.

The visits included photo opportunities, but more importantly, provided a face-to-face opportunity to share issues facing EAs and other tax professionals.

We always hope that these visits make an impression on our WI Congressmen.

Thank you, WSEA members for sharing these pictures.

This was Laurie Zeigler's fifth trip to Washington DC to visit our WI State Congressmen, so she felt very comfortable making her presence known. It is this grass roots effort that helps to bring about recognition of the position & importance of EAs.





# Fall Seminar



Thursday, September 18<sup>th</sup> and  
Friday, September 19<sup>th</sup>, 2014

Metropolis Resort

5150 Fairview Drive, Eau Claire, WI 54701



APPROVED  
CONTINUING EDUCATION  
PROVIDER



## Schedule of Events

### Thursday, September 18<sup>th</sup>, 2014

- 7:30AM - 8:00AM ~ Registration ~ Coffee and Pastries provided
- 8:00AM - 9:50AM ~ Sue Voth & Tom O'Saben ~ Small Business
- 9:50AM - 10:10AM ~ Break
- 10:10AM - 12:00PM ~ Sue Voth & Tom O'Saben ~ Form 4797
- 12:00PM - 1:00PM ~ Lunch ~ Provided On Site
- 1:00PM - 1:50PM ~ Sue Voth & Tom O'Saben ~ Education
- 1:50PM - 2:05PM ~ Break
- 2:05PM - 3:55PM ~ Sue Voth & Tom O'Saben ~ Divorce
- 3:55AM - 4:10PM ~ Break
- 4:10PM - 5:00PM ~ Sue Voth & Tom O'Saben ~ Special Taxpayers

❖ 5:30 PM - WSEA Board of Directors Meeting

❖ 7:00 PM - Meet the EA's - Social





## Schedule of Events



### Friday, September 19<sup>th</sup>, 2014

- 7:30AM - 8:00AM ~ Registration ~ Coffee and Pastries
- 8:00AM - 9:50AM ~ Sue Voth & Tom O'Saben ~ Hobby vs Business
- 9:50AM - 10:10AM ~ Break
- 10:10AM - 12:00PM ~ Sue Voth & Tom O'Saben ~ S Corps
- 12:00PM - 1:00PM ~ Lunch ~ Provided On Site
- 1:00PM - 1:50PM ~ Sue Voth & Tom O'Saben ~ 1099s
- 1:50PM - 2:05PM ~ Break
- 2:05PM - 3:55PM ~ Sue Voth & Tom O'Saben ~ Depreciation
- 3:55PM - 4:10PM ~ Break
- 4:10PM - 5:00PM ~ Sue Voth & Tom O'Saben ~ Special Taxpayers

### SPEAKER BIOGRAPHIES

#### Sue Voth, EA

Sue has her own tax practice in Quincy, IL specializing in small businesses. She is a nationally known presenter on tax topics and provides seminars to various state societies on all areas of taxation. She is affiliated with the University of Illinois as a tax instructor and is a partner of Premier Tax Seminars. She has a business degree from John Wood Community College.



#### Tom O'Saben, EA, CFP

Tom has been a national presenter with the Association of Tax Professionals and with the University of Illinois. He has been involved with developing curriculum and writing textbooks as well as instructing at seminars throughout the United States. He has his own tax practice in Maryville, IL and is a partner in Premier Tax Seminars. Tom has a degree in political science and finance from Southern Illinois University.



To register for the joint Fall WSEA & MNSEA Seminar, go to: <http://mnsea.org/events/>.



# Dalton I, II, III and IV

## Collection Due Process Hearings

By David J. Fayram, EA

I am writing this summary because the actual article is longer than the usual newsletter article. In fact, the entire article is about 8,600 words and 16 pages long. The article is about collection due process hearings and how they have developed over the past 15 years or so.

I hope you will read the entire article because, by the time you encounter one of these hearings in your practice, it will be too late to find out about them. Understanding of the process will be essential to professionally represent your clients. I hope you will also find the Dalton's story interesting as just that – a story. This is an epic tale with colorful characters.

Here is the outline of the article, to help you select portions to read.

1. **Introduction** (1 page).
2. **The Record** (1 page). These few paragraphs are important because various terms are defined.
3. **NAEA and the IRS Restructuring and Reform Act** (1 page). This section gives a brief history of NAEA and its involvement with passage of the Act.
4. **Robinette and the Record** (2 pages). The difficulties with collection due process procedures first came to light in this case. Collection due process practice requires familiarity with these ideas.
5. The next few sections describe what happened in *Dalton* (about 9 pages):
  - a. **Cast of Characters**
  - b. ***Dalton IV***
  - c. **Judge Wells and "abuse of discretion"**
  - d. **Judge Wells and "reasonableness"**
  - e. ***Dalton I* and *Dalton II*: Things Get Worse**
  - f. **Let's Finish Off *Dalton IV***
6. **Conclusions**
7. **Practice Notes** (2 paragraphs). I think you will find these paragraphs helpful if you contemplate practice in collection due process hearings.
8. **Epilog** (1 page). This section tells what happened to the Daltons after *Dalton IV*.
9. **Footnotes** (1 page). Most of these are citations in case readers want to locate the material, but notes three and nine make points not considered important enough for the main article.



To access the full article, [click here](#) to go to the WSEA website.

### 2014 WSEA Board of Directors

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# Summer 2014 WSEA Newsletter

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# WSEA

WISCONSIN SOCIETY  
OF ENROLLED AGENTS

POWERING AMERICA'S TAX EXPERTS