



The Accountant

Official Publication

of the North Carolina Society of Accountants

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**NCSA Annual
Convention**

June 21-22, 2009

Hilton Riverside

Wilmington

Registration

Details Attached

A Message From The President

Denise J. Hammond



Denise J. Hammond

Almost there!!! Hello NCSA members, hope all is going well. Spring has arrived and the weather here is great.

The NCSA legislative committee is working on your behalf as usual. Please note the article on page 5. Earlier this week the Senate passed their budget without specifying where the \$500-600 million in additional revenue for each of the next two years will come from. That portion of the budget is expected in the next week or two. Taxes on services is being seriously considered and it may very well be that accountants services will be proposed for taxation. Continue to look for information from the committee as the state budget is finalized and passed. And speaking of OUR RIGHT TO PRACTICE, have you sent your contribution to the Legislative Fund.

I know everyone has the 2009 Convention on their calendar now!! The **Convention will be held in Wilmington, NC, June 21-22**. A great time to enjoy the coast, get involved in NCSA and meet some of our membership. All NCSA Chapters are encouraged to participate and advertise in the convention program. (The 2009 advertising contract is attached to this newsletter.) The length of Convention this year has been shortened, to accommodate our time constraints. Bring the family everyone is welcome. The brochure is attached to this email and will be mailed next week.

NCSA, will be sponsoring a Jennings seminar in the fall as well as NSA District IV meeting, more information to come.

Thank you to all committee members and everyone for doing a great job.

NCSA brochures and/or registration forms we be available on the Calendar page of our web site at

www.ncsainc.org

Chapter News

The end is near! (end of tax season, that is) Plan now to attend your Chapter meeting in April. Not only will you be able to share your "war stories" with your colleagues, but you may pick up an interesting pointer from one of theirs.

Support Your Chapter – Attend Meetings! - *(Bill Fischer, Chapter News Editor)*

Burlington

Burlington's March meeting was at Kimbers Restaurant in Gibsonville on March 26. Tina Junczewicz from the IRS Office of the Taxpayer Advocate was the speaker.

Cape Fear

Cape Fear Chapter met at Brass Lantern, Dunn. NCSA Past President Stephen Metelits spoke on Disclosure.

The next meeting will be on Monday, April 20 at the Barn Restaurant in Fayetteville. Linda Amos from the Employment Security Commission will speak on Contract Labor vs Employee.

Central

Central Chapter met at the Pavilion Restaurant in Greensboro on March 23. Ron Powell led a lively discussion on current tax problems and practice. Topics included employee hiring and firing and client retention or firing.

The next meeting will be on Monday, April 27.

Charlotte

Hickory

Hickory Chapter had its March meeting on the 30th at O'Charleys in Hickory. Jack Williams spoke on the 2009 Stimulus Package.

The next meetings will be on April 27 and May 25. Mark your calendar today!

Piedmont

Raleigh

Raleigh Chapter will not collect dues for the coming year. The March meeting was held at Manchester's Bar & Grill on the 24th. A panel of distinguished chapter members including Frank Brown, Stephen Metelits, and Bob Pia fielded questions on tax preparation and practice procedures.

Sanford

Western

The March 31st meeting for the Western Chapter was held at Shoney's in Arden. The meeting was a continuation of the January round table discussion on the recent Federal and State changes. The nominating committee was also appointed. The next meeting will be April 28th. Topic and location will be determined at a later date.

NEWS IS A FLEETING THING. WE CAN ONLY REPORT WHAT WE ARE TOLD. PLEASE MAKE SURE YOUR CHAPTER IS SHARING WITH *THE ACCOUNTANT*.

Please e-mail information to taxpros@nc.rr.com or fax to 910-867-1757.

Child and Dependent Care Credit

According to TT-2009-46, if you paid for someone to care for a child, spouse, or dependent, you may be able to claim the Child and Dependent Care credit on your tax return.

The care must be provided for one or more qualifying persons. A qualifying person is your dependent under age 13, your spouse, and other individuals who are physically or mentally incapable of caring for themselves.

The care must be provided so that you (and your spouse) can work or look for work. You (and your spouse) must have earned income from wages, salaries, tips, other employee compensation, or net earnings from self-employment. Spouses may be considered as having earned income if they are a full-time student or were physically or mentally unable to care for themselves.

The payments cannot be paid to you or your spouse, to someone you can claim as a dependent, or to your child under 19, even if the child is not your dependent.

You cannot file as married separate. The qualifying person must have lived with you for more than half the year.

The credit can be up to 35% of your qualifying expenses. This varies depending on your income level. For 2008, you may use up to \$3,000 of the expenses paid in a year for one qualifying individual or \$6,000 for two or more qualifying individuals. The qualifying expense must be reduced by the amount of any dependent care benefits provided by your employer that you exclude from your income.

Mortgage Debt Forgiveness

If a taxpayer's mortgage debt is partly or entirely forgiven during tax years 2007-2012, the taxpayer may be able to claim special tax relief and exclude the debt forgiveness income.

Normally, debt forgiveness results in taxable income. However, under the *Mortgage Forgiveness Debt Relief Act of 2007*, the taxpayer may be able to exclude up to \$2 million (\$1 million filing separate) of debt forgiveness on the taxpayer's principal residence.

Taxpayers may exclude debt reduced through mortgage restructuring as well as mortgage debt forgiven in a foreclosure. To qualify, the debt must have been used to buy, build, or substantially improve the principal residence and be secured by that residence. Refinanced debt proceeds used for the purpose of substantially improving the residence also qualify for the exclusion. However, proceeds of refinanced debt used for other purposes do not qualify for the exclusion.

The special exclusion is claimed on Form 982, *Reduction of Tax Attributes Due to Discharge of Indebtedness*, and attaching it to the federal tax return for the year.

Debt forgiven on second homes, rental property, business property, credit cars, or car loans does not qualify for the new tax-relief provision. In some cases, other tax relief provisions may be available.

If debt is reduced or eliminated, the debtor will receive a year-end Form 1099-C from the lender. By law, this form must show the amount of debt forgiven and the fair market value of any property foreclosed.

First-Time Homebuyers Credit

The IRS made a concerted effort to educate taxpayers about additional options at their disposal to claim the new \$8,000 first-time homebuyer credit for 2009 home purchases. For people who recently purchased a home or are considering buying in the next few months, there are several different ways that they can get this tax credit even if they've already filed their tax return.

Under the *American Recovery and Reinvestment Act of 2009*, qualifying taxpayers who purchase a home before December 1 receive up to \$8,000 (\$4,000 married filing separate). People who qualify can claim the credit either on their 2008 tax return or on their 2009 tax return next year.

The filing options are:

- **File an extension.** Taxpayers who haven't yet filed their 2008 returns but are buying a home soon can request an extension. This step would be faster than waiting until next year to claim the credit on the 2009 tax return.
- **File now; amend later.** Taxpayers due a sizeable refund for their 2008 tax return but who also are considering buying a house in the next few months can file their return now and claim the credit later.
- **Amend the 2008 return.** Taxpayers buying a home in the near future who already have filed their 2008 tax return can consider filing an amended return. The amended tax return would allow them to claim the homebuyer credit on the 2008 return without waiting until next year to claim the credit on their 2009 tax return.
- **Claim the credit on 2009 rather than 2008.** For some taxpayers, it may make more financial sense to wait and claim the credit next year when they file the 2009 tax return rather than claiming it now on the 2008 tax return.

The IRS reminds taxpayers that the amount of the credit begins to phase out for taxpayers with modified adjusted gross income more than \$75,000 (\$150,000 for joint filers). Taxpayers can claim 10% of the purchase price up to \$8,000 (\$4,000 filing separate). To qualify, taxpayers cannot have owned a principal residence for the last 3 years.

Who's Watching Millionaires?

According to the Transactional Records Access Clearinghouse (TRAC), the IRS audit rate for millionaires plummeted in the just-ended fiscal year. The very sharp decline from FY 2007 to FY 2008 contrasts directly with a 2008 press release in which the IRS claimed it was making "strong progress in a number of key enforcement areas," especially for "individuals with incomes of \$1 million or more."

The IRS offered a curious explanation, relating the decline in millionaire audit rates to the increased workload associated with processing economic stimulus checks. The agency's own figures show that the IRS managed to maintain or increase the number of correspondence audits for income groups other than millionaires, where the number of such audits fell by 12% last year.

In addition to the collapse in the audit rate of America's millionaires, TRAC's investigation found the agency's earlier boast about its increased focus on the wealthy was, as the IRS now admits, untrue since it was based upon faulty agency records.

NOL Carry Backs

Small businesses with deductions exceeding their income in 2008 can use a new net operating loss tax provision to get a refund of taxes paid in prior years. The IRS updated Forms 1045 and 1139 that small businesses can use to make use of the special carry back provision. These forms are used to accelerate the payment of refunds.

The new provision, enacted as part of the *American Recovery and Reinvestment Act of 2009*, enables small businesses with a NOL in 2008 to elect to offset this loss against income earned in up to five prior years. Typically, an NOL can be carried back for only two years.

The normal two year carry back remains available if the small business does not elect the special carry back provision. If the loss exceeds the income for the carry back period, the taxpayer can continue to carry forward the remaining balance of the NOL for up to 20 years.

To qualify for the new 5 year carry back provision, a small business must have no greater than an average of \$15 million in gross receipts over a 3 year period ending with the tax year of the NOL. Businesses with more than \$15 million in gross receipts still qualify to carry back their 2008 NOL for two years.

Tax Free Unemployment Benefits

All or part of unemployment benefits received in 2009 will be tax free for many unemployed workers, according to the IRS in IR-2009-29. Under the *American Recovery and Reinvestment Act*, every person who receives unemployment benefits during 2009 is eligible to exclude the first \$2,400 of these benefits when they file their tax return next year. For a married couple, the exclusion applies to each spouse separately. Thus, if both spouses receive unemployment benefits during 2009, **each** may exclude the first \$2,400 of benefits they receive.

The law doesn't affect the return taxpayers file for 2008. Unemployment benefits received in 2008 and prior years remain fully taxable.

Unemployed workers can choose to have income tax withheld from their unemployment benefit payments. Withholding on these payments is voluntary. However, choosing this option may help avoid a surprise at year-end or a possible penalty for having paid too little tax during the year. Those who choose this option will have a flat 10% tax withheld from their benefits.

Unemployed workers who expect to receive more than \$2,400 in benefits this year should consider having tax withheld from their benefit payments in excess of that amount. Those unemployed workers who already have chosen to have tax taken out of their benefits should consider the \$2,400 exclusion in determining whether to continue to have the tax withheld.

Legislative Committee

Curt Lee

S647 was introduced by Senator Rand regarding CPA reciprocity. This bill was a joint effort by the CPA Board of Examiners and NCACPA. Nothing in this legislation affects NCSA members.

Just a heads up. Governor Purdue is trying to increase the privilege license fee to \$200.

NCSA Schedule of Events

2009

May 16—**Board of Directors meeting**—
Optimist Club, Lenoir, NC—1 p.m. Lunch

June 21—**Board of Directors Meeting**—
Hilton Riverside, Wilmington

June 21-22—**NCSA Convention**—Hilton Riverside, Wilmington

July 18—**Board of Directors Meeting**—Greensboro

July 18—**Leadership Conference**—Greensboro

August 17-19—**IRS Carolina Tax Forum**—
Hilton University Place, Charlotte, NC

October 23—**NCSA Practitioner's Forum**—Greensboro

November 2—**Board of Directors Meeting**—
Embassy Suites, RDU, Cary

November 2-3—**Jennings 1040 Tax**—
Embassy Suites, RDU, Cary

2010

May 4—**Board of Directors Meeting**—
Dinner Meeting—TBD

June 6-8—**NCSA Convention**—TBD

2008-2009 OFFICERS

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Plan your family vacation now in conjunction with the NC Society of Accountants Annual Convention!

Special group room rates are available as follows:

All rooms in the group block are in the Hilton Wilmington Riverside and are priced per night single or double.

Each room is \$129 per night.

\$9 per day parking fee for all overnight guests
\$5 per day for daily attendees
\$12 per day for Valet Parking

The above rates will only be available until

May 20, 2009. Make your reservations early, this room block is expected to sell out fast!

Once this block is sold regular rates will prevail if rooms are available.

Make your room reservations by contacting the hotel at 1-800-324-8170 mention you are with the NCSA group.

Fellow Members:

I cordially invite you, your spouse/guest, and entire family to join me at the 62nd Annual NCSA Convention. I look forward to seeing everyone in Wilmington. This is an important time for all NCSA members to get together and elect and install new officers and board members for our society.

Come and participate in the fellowship that makes membership in this organization second to none. Meet with your peers, share your professional experiences, and relax for a while.

Denise J. Hammond

Schedule

Sunday, June 21st

1:00 PM	Officer's Meeting
2:00	Board of Director's Meeting
3:00-6:00	Registration
5:30	Vespers
6:00-7:00	President's Reception
7:00-9:00	Dinner
9:00-11:00	Nominating Committee Meeting
9:00	Scholarship Bingo

Monday, June 22nd

8:00 AM	Registration
9:00	Opening of 62nd Annual Convention
9:30	General Business Session
12:00 PM	Past President's Luncheon
2:00	General Business Session Resumes
6:30	Social Time
7:30	Banquet and Installation Ceremony

Tuesday, June 23rd

9:00 AM	Board of Directors Meeting
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Your full registration includes President's Reception and Dinner on Sunday, General Business Session, Past President's Luncheon and Installation Banquet on Monday.

Please call the hotel Directly to make your reservations. Please ask for North Carolina Society of Accountants Group Rate of \$129.00 per night. The room block expires **May 20th**. Reservations made after May 20th will be charged a higher rate and are not guaranteed to be available.

For additional information or questions contact:

Candace Cansler, Executive Director
NC Society of Accountants, Inc.
P.O. Box 1126, Conover, NC 28613
866-755-6272 or candacecansler@bellsouth.net
Fax: 828-695-2522



62nd Annual Convention
Wilmington, North Carolina

June 21 - 23, 2009

*Hilton Wilmington
Riverside*

301 North Water Street
Wilmington, North Carolina 28401

Telephone
(910)763-5900

Fax
(910)763-0038

Reservations
(910)763-5900
(888)324-8170

NCSA 2009 CONVENTION REGISTRATION FORM

PLEASE PRINT LEGIBLY TO AVOID ERRORS AND DELAYS ON-SITE

Name (To appear on Badge) _____

Spouse/Guest Name _____

Children's Names _____

Street Address _____

Address should be the billing address of your credit card, if you decide to pay by credit card.

City/State/ZIP _____

Phone _____ Fax _____

E-mail _____

**Registration Fees Include all Convention Events (make your hotel reservation separately)*

Registration Fees*

	# Attending	Registration (Prior to May 19th)	Registration (After May 19th)	Total
Members	_____	\$185.00	\$210.00	_____
Spouse/Guest/Children (16 & older)	_____	\$130.00	\$150.00	_____
Children Age 6 to 15	_____	\$100.00	\$115.00	_____
Children under 6 are free	_____	\$ 0.00	\$ 0.00	_____

(For individuals that do not attend the entire convention)

Separately Paid Items

President's Reception & Dinner	_____	\$ 60.00	\$ 65.00	_____
Business Session	_____	\$ 35.00	\$ 40.00	_____
Luncheon Honoring Past Presidents	_____	\$ 40.00	\$ 45.00	_____
Installation Banquet—Adult	_____	\$ 60.00	\$ 65.00	_____
Installation Banquet –Child	_____	\$ 35.00	\$ 40.00	_____

Total Amount being submitted \$ _____

Cancellation Policy: Registration fees are non-refundable after June 1st. Refunds approved by the NCSA Board prior to June 1st are subject to a \$50 service charge.

Special Meal Requests

Menus including beef and chicken are planned for convention meals. If you or your guest have special dietary needs please advise the NCSA office at the time of registration for meal Substitutions.

Dress Code

President's Reception—Dress Casual

Business Sessions—Business
Installation Banquet—Semi Formal

TOTAL FEES BEING SUBMITTED WITH THIS REGISTRATION FORM

Amount \$ _____

Method of Payment:

Check # _____

Make checks payable to NCSA and return with this registration brochure to:

***Post Office Box 1126
Conover, NC 28613***

Or for your convenience credit cards are accepted (*indicate your preference below*)

Visa _____ MC _____ AE _____

Credit Card

Exp. Date _____

Signature

**NORTH CAROLINA SOCIETY OF ACCOUNTANTS
62nd ANNUAL CONVENTION
HILTON WILMINGTON RIVERSIDE
WILMINGTON, NORTH CAROLINA
JUNE 21 - 23, 2009**

Name of Advertiser: _____

Address: _____

City/State/Zip Code: _____

Telephone: _____

This contract by and between the North Carolina Society of Accountants and _____ shall be for the printing of advertising in the convention program for the 62ND Annual Convention of the North Carolina Society of Accountants.

The advertiser agrees to the following:

1. Advertising shall be received in camera-ready form for printing. Any ad received which is not in this form will be returned for re-submission in the proper form.
2. All advertising will be paid in full prior to printing.
3. All advertising must be received at the below address, in proper form and with payment, prior to May 30, 2009. If advertising is received after this date, it will be returned to the advertiser and will NOT be included in the program for this convention.

Advertising Rates:

Business Card Size	\$ 25.00	_____
1/4 Page Ad	\$ 45.00	_____
1/2 Page Ad	\$ 65.00	_____
Full Page Ad	\$120.00	_____
Inside Front Cover	\$150.00	_____
Inside Back Cover	\$150.00	_____

The undersigned, being in agreement with the terms and conditions of this contract, shall conform to all terms and conditions as set forth above.

Per: _____

Date: _____

Please mail this signed contract with camera-ready advertising and remittance to:

North Carolina Society of Accountants
Post Office Box 1126,
Conover, North Carolina 28613
Telephone: (866) 755-6272

ALL INFORMATION MUST BE RECEIVED PRIOR TO MAY 30, 2009.

North Carolina Society of Accountants, Inc.

Nominating Committee 2009-2010

The Nominating Committee of the NCSA is asking for your assistance in the selection of nominees for Line Officers, Board of Directors, State Director and Nominating Committee for the year 2009-2010 that will be elected at this year's annual convention the week of June 21-23 in Wilmington, NC. Following is a list of the current Officers, Board Members, and Nominating Committee Members, with the number of years of service through June 2009. Board Members can only serve three years in succession and it is recommended that Nominating Committee Members only serve three years in succession. **The Board Members and Nominating Committee Members whose terms are expiring are in bold print and are marked with an asterisk.** The State Director may serve (2) two year terms. NCSA makes a recommendation for State Director to NSA. Please make your selections keeping in mind the need to consider all chapters and geographic areas so that all members are being represented. Consider your selections carefully and enter their names in the spaces provided. Please check with the individual you are selecting, to make sure they are willing to serve if elected. Being a Line Officer or Board Member requires a commitment of time and effort. Make sure your selected individual is willing and able to make that commitment. Our focus should be on the individuals who are willing to serve their society and be a team player without bringing prejudice or personality conflicts into the affairs of managing your organization.

Your prompt response would be appreciated. Please respond to me by June 10th. You may fax your response to me at 910-484-3980 or mail your selections to: Florence Black. My E-Mail address is florenceblack@nc.rr.com, for those who desire to use that media.

Officers

President-Elect - J. R. Lawson _____
 Treasurer - John L. Blanton _____
 Secretary – William S. Fischer _____

Board of Directors - 2 Past Presidents Required

Paula Brown (3) * _____ Raleigh Chapter	PP Steven G. Pace (1) _____ Piedmont Chapter
Mary Fuller (1) _____ Raleigh Chapter	Margie Strider (1) _____ Central Chapter
PP James N.E. Helgreen (2) _____ Western Chapter	Marsha Wheeler (1) _____ Cape Fear Chapter
PP L. Dean Gunter (3)* _____ Piedmont Chapter	Cheryl Hudson (3)* _____ Cape Fear Chapter
Lottie Neal (1) _____ Central Chapter	Louise Proctor (2) _____ Charlotte Chapter
PP Denise McBride Rollins (2) _____ Charlotte Chapter	Richard F Zavesky (2) _____ Cape Fear Chapter

Nominating Committee — 3 Past Presidents Required

PP Florence Black (3) * _____ Cape Fear Chapter	Danelle T. Hills (4) * _____ Burlington Chapters
PP Rhonda Marsh (1) _____ Charlotte Chapter	Larry Matthews (2) _____ Piedmont Chapter
PP Jan Allison (1) _____ Western Chapter	Sarah McCoy (3)* _____ Central Chapter
Ronald Powell (1) _____ Central Chapter	

State Director

Curtis B Lee 2nd year of 1st Term (1 term = 2 years) _____