



# The Accountant

*Official Publication*

*of the North Carolina Society of Accountants*

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## A Message From The President

*Jan Allison*

Are you ready for the year-end? This year has truly flown by. Tax schools have been attended and state schools soon to be over as well.

Since it is December – to me it is a time to reflect on memories of the year. Good times, bad times, loved ones near and far, and family. The North Carolina Society of Accountants has always been a part of my family, and at this time, I want to say Thank You to each of my “sisters and brothers” for many years of memories.

I hope that each of you have a very Merry Christmas, and a very prosperous New Year. May God bless each of us through the year of 2004.



**Jan H. Allison**

### Continuing Professional Education Requirements

*Denise McBride Rollins*

While beginning the process of lining up speakers and topics for the Fall 2004 Professional Accounting Seminar to be held at the Wilmington Hilton on September 20-21, 2004, I thought maybe I should revisit CPE requirements by NCSA and IRS for Enrolled Agents.

**NCSA–Section 9 of the By-Laws states a requirement of 30 hours of continuing professional education every two years in courses which qualify under rules established by the Board of Directors.** I do not believe that the Board of Directors has ever established rules for qualifying courses. I believe that those of us who have planned these seminars have always felt that these hours should be primarily in accounting. Secondly, there is no minimum per year requirement. This means that you could wait and get all 30 hours in one year.

**IRS–Eligibility for renewal for the cycle beginning April 1, 2004, requires 72 hours every three years. Each year a minimum of 16 hours must be completed of which 2 hours must be in ethics.** Subject matter in Federal Taxation, Federal Tax Related matters, including accounting, tax preparation software and taxation, and ethics are permitted.

To easily meet all above CPE requirements if you are a NCSA member and an Enrolled Agent, annually you should obtain 22 hours in tax and/or accounting and 2 hours in ethics.

**Accreditation Council for Accountancy & Taxation (ACAT)–Eligibility for renewal for the cycle beginning July 1, 2002, and ending June 30, 2005.** There is no minimum per year requirement. If you hold the following credentials through ACAT, you may have to restructure your hours and make up of hours (accounting versus tax) to be in compliance with necessary requirements:

**ABA, ABA/ATA/ATP, ABA/ATA, ABA/ATP–120 hours each cycle–40 hours must be in accounting and related subjects, 80 hours must be in taxation.**

**ATA, ATA/ATP–90 hours each cycle–all hours must be in taxation, taxation related subjects, and/or accounting and related subjects.**

**ATP– 2 hours each cycle–all hours must be in taxation, taxation related subjects, and/or accounting and related subjects.**

## Chapter News

### Central

The Central chapter met Monday, October 27 at the Nascar Café in Greensboro with 10 members present. Attorney Gerard M. Chapman of Chapman Law Firm spoke on immigration laws. He discussed work visas and the economics of immigration.

The next meeting of Central chapter will be held November 24 at Nascar Café at 6:30 pm. The speaker will be Victor Dau from RCC-Small Business. His topic will be Market/Business Plans.

### Western

The Western Chapter meeting was held on October 28 at Ryan's Steakhouse with 10 members and 6 guests present. The speaker was Jackie Bracey of the Taxpayer Advocate Office of the Internal Revenue Service. She spoke on the conduct, use and procedures for the Taxpayer Advocate Service.

The Christmas party will be held on December 16 at Coral Bay Seafood on Tunnel Road in Asheville. Anyone wishing to attend should R.S.V.P. by December 9. Western and Hickory chapters are planning a joint meeting for January with David Jackson speaking on Offers in Compromise.

### Cape Fear

The Cape Fear Chapter meeting was held at 6:30 pm October 21 at the Haymont Grill and Steakhouse in Fayetteville. Val Eucare of the North Carolina Department of Labor spoke on Wage and Hour Laws. He covered minimum wage, overtime law, and tipped employees.

The November 10th meeting was held at 6:30 pm at The Brass Lantern in Dunn NC with 16 chapter members and 8 guests. Three new members were approved. Charlene Dawkins of the Secretary of State's Office spoke on Corporate Annual Reports.

The December 9<sup>th</sup> meeting will be held at the Haymont Grill & Steak House. Chapter president Bill Fischer will present a tax update detailing the major changes and other information for the 2003 filing season and beyond.

The Christmas party is scheduled for Thursday, December 4, at Logan's Steakhouse in Fayetteville.

### Burlington

The September meeting of the Burlington Chapter was held on September 25 at the Azalea Grill with 6 members and 1 guest present. Shane Snively spoke on Asset Preservation Planning: Trusts and Sec. 412 plans.

### Hickory

The Hickory Chapter met on October 27 at Prime Sirloin in Hickory with 12 members and 1 guest. M. Scott Kelly of Edward D. Jones spoke on Asset Preservation.

Hickory and Western chapters are planning a joint meeting with David Jackson speaking on Offers in Compromise on January 8 at Countryside Bar-B-Que in Marion at 6:00 pm.

The November meeting was held on November 24 at Prime Sirloin in Hickory. Present were 3 members and 1 guest. Scheduled speakers from the NC Department of Revenue cancelled with the flu.

### Raleigh

The Raleigh Chapter meeting was held on October 28 with 8 members and 4 guests present. Nathaniel Clement, Attorney, and Jeff Ellington, Insurance Agent, presented a program on the Phoenix Plan, a section 79 Affiliated Group Plan that can provide significant personal tax savings to business owners while reducing business income taxes.

On December 9 Charlene Dawkins of the Secretary of State Office, Corporations Department, will present the new annual reporting rules.

### Charlotte

The October meeting of the Charlotte Chapter featured David Gannoway, supervisor of the Greensboro office of Criminal Investigation Division of IRS, and Kathy Hout, an agent in the office. They spoke on some of the current targets of the Division. Offshore credit cards, abusive trusts, EIC, and false W2's are being used to escape all tax or generate refunds.

Charlotte Chapter's Christmas party will be at the Meadowview Steak House, Matthews, on December 8.

The November 24<sup>th</sup> meeting of the Charlotte Chapter will be held at Matthews Country Kitchen & Steak House in Matthews. The speaker will be Avery Henline of the Taxpayer Education and Communication Division office of the IRS in Charlotte. Mr. Henline will update the chapter on new tax laws.

## North Carolina Tax Changes

There are a lot of changes to the NC tax laws. Some were made in previous years but take effect this year. Others were passed by the General Assembly in 2003. Some have been mentioned before in other articles. Here is an abbreviated list of some of the highlights:

- The 2002 Assembly modified the formula for calculating the estate tax for estates that include property located in North Carolina and in other states. GS 105-32(b) was amended so that if using the new formula creates an increase in tax for a decedent dying before August 22, 2002, the estate may be calculated under the prior law.
- This same portion of the statutes was amended in 2003 to sunset July 1, 2005. This means that the NC estate tax will continue to equal the state death tax credit for federal purposes without regard to the phase-out and termination of the federal credit.
- The law was amended to extend the requirement to add to federal taxable income a percentage of the additional first year depreciation allowance to the taxable year 2004. Federal tax law was changed in 2003 to increase the bonus depreciation rate to 50%. To delay the impact of this change on the NC budget, the add-back percentage for the taxable year 2004 was increased to 70%.
- The corporate tax laws were changed so that dividends received by a corporation from regulated investment companies (RICs) or real estate investment trusts (REITs) are taxable for NC income tax purposes to the same extent as for federal income tax purposes. While this has little effect on dividends from RICs, dividends from REITs are not subject to the federal dividends received deduction provisions.
- The temporary individual income tax rate of 8.25% was scheduled to expire for tax years beginning after December 31, 2003. GS 105-134.2(a) was amended to delay the sunset until January 1, 2006. This tax bracket is for joint returns with taxable income over \$200,000, head-of-household with taxable income over \$160,000, unmarried individuals other than surviving spouses and head-of-household with taxable income over \$120,000, and married filing separate with taxable income over \$100,000.
- The elimination of the standard deduction marriage penalty phase-in was delayed until tax year 2003. For 2003, the standard deduction is \$2,750 for filing separate and \$5,500 for joint. For 2004, the standard deduction is \$3,000 for filing separate and \$6,000 for filing joint. The child credit is \$75 for 2003 and \$100 for 2004. The age limit was changed to the federal limit, which is under age 17 on the last day of the taxable year.
- A new statute was enacted to permit an individual to agree to allocate \$3 of the individual's tax liability to the North Carolina Public Campaign Financing Fund. The fund was established to provide campaign money to nonpartisan candidates for the NC Supreme Court and Court of Appeals who voluntarily accept strict campaign spending and fund-raising limits. On a joint return, each individual may agree to allocate \$3 to the Fund. The statute makes it clear that a decision to make an allocation to the Fund can be made only by the taxpayer. It prohibits a paid preparer from marking the return to make an allocation to the Fund without the consent of the taxpayer.
- The state portion of the sales tax retains the additional ½% until after June 30, 2005.
- A new subsection GS 105-164.4(a)(8) levies a 2½% state tax on the sales price of a modular home, including accessories attached when delivered to the purchaser.
- The exemption for medical equipment was rewritten. It applies to sales of prosthetic devices, mobility enhancing equipment sold on prescription, durable medical equipment sold on prescription, and durable medical supplies sold on prescription. The application of tax for most items remains the same as under prior law. However, some articles that were exempt under prior law regardless of to whom they were sold now are exempt only when sold on prescription. An example is a wheelchair which now is considered mobility enhancing equipment exempt only when sold on prescription.
- The exemption for drugs was rewritten. It applies to drugs required by federal law to be dispensed only on prescription, over-the-counter drugs sold on prescription, and insulin.
- The exemption on vending items was rewritten. Until January 1, 2004, 50% of the sales price of tangible personal property sold through vending machines except for closed container soft drinks and tobacco products is taxable; 100% of the sales price of tobacco products and closed container soft drinks is taxable. Effective January 1, 2004, the partial exemption of the sales price of closed container soft drinks sold through vending machines will be taxable.
- The section on the basis for exempting food was rewritten. With the exception of candy, the exemption no longer references items for home consumption and items eligible under the Federal Food Stamp Program. The following items are subject to state and local sales tax: alcoholic beverages, tobacco products, candy (unless purchased for home consumption and exempt if purchased under the food stamp program), soft drinks, prepared food, dietary supplements, and food sold through vending machines. Effective January 1, 2004, all candy will be exempt from state sales tax and subject only to the 2% local tax.

*(continued on page 7)*

## Late Changes for Form W-2

In a QuickAlert, the IRS announced that it has been receiving mixed feedback from state taxing authorities and some software developers regarding the new Optional Statement Records for Form W-2 which would allow multiple W-2s from the same employer to be submitted electronically. The IRS has made a business decision to pull this initiative for those Boxes 15-20 pertaining to state reporting activity.

The IRS will revisit the issue for 2005. Other Optional Statement Records added for Boxes 12-14 of Form W-2 will be implemented as scheduled.

## Some Refinancing Costs May Be Deductible

The IRS reminded taxpayers who took advantage of this year's low interest rates to refinance their mortgages that they may be eligible to deduct some costs associated with their loans. Generally, taxpayers who itemize may deduct the "points" paid to obtain a home mortgage as interest. They may deduct the points on the mortgage related to a home purchase or a home improvement in the year paid, but for other loans—such as a refinanced mortgage—they must deduct the points over the life of the loan.

A taxpayer who uses part of the refinanced mortgage money to pay for improvements to the home, and meets certain other requirements, generally may deduct the points associated with the home improvements in the year paid, spreading out the rest of the points over the life of the loan.

When refinancing for a second time, or paying off a loan early, a taxpayer may deduct all the not-yet-deducted points from the first refinancing when that loan is paid off.

Other closing costs, such as appraisal fees and processing fees, generally are not deductible. Taxpayers with adjusted gross income above \$139,500 (\$69,750 if married filing separately) also face limits on the amount of deductions they can take.

## Advanced Health Care Directive

The Secretary of State's web site offers an Advance Health Care Directive Registry ([www.secretary.state.nc.us/AHCDR/main.asp](http://www.secretary.state.nc.us/AHCDR/main.asp)). At the site, you can find the forms you may use for 3 Advance Health Care Directives and an Organ Donor Card. All of these may be filled out either on line and printed for notarization or print them with Adobe Acrobat for your use.

The Organ Donor Card requires two witness signatures.

Whether or not you decide to register your directives on line (for a fee) with the Secretary of State, you should notify everyone that needs to know your wishes about any directives you decide to make. Make sure to distribute this information to your family, medical providers, and personal attorney.

Keep in mind that documents filed in the registry are accessible only over the Internet. All directives shall be accessible only if a person attempting to access the document enters both the file number and password.

## Wage and Hour Seminars

The Wage and Hour Bureau and the federal Wage and Hour Division, in conjunction with the Small Business Centers in selected community colleges, are hosting wage and hour seminars throughout the state. Half of them have occurred before you read this.

The seminars are presented by knowledgeable representatives from the state and federal wage and hour offices. They cover just about everything an employer needs to know about having employees. The seminar starts at 9:00 and runs to 4:00.

The registration fee of \$25 covers the cost of light refreshments and the participant notebook. Registration forms are available at [www.nclabor.com/wh/seminar\\_register.pdf](http://www.nclabor.com/wh/seminar_register.pdf).

The remaining seminars are:

- February 12, Wake Tech, Small Business Center, Waverly Place, Cary.
- March 11, Greensboro (to be announced).
- April 22, Haywood Community College, Waynesville.

## Personal Postings

*Pat Pittillo*

**Jeanne Nicholson** is supposed to be recovering from a heart attack, but she just attended a wedding in Charlotte and had "a blast" according to my sources. Was Jeanne having so much fun because this was a wedding for which she didn't have to pay?...**Bill Rollins** has had open heart surgery and is recovering at home...His son **David Rollins** is getting used to a heart-healthy menu and lookin' good!...**Erma Reynolds** had neck surgery two months ago and is working limited hours (after 12/31, "limited" no longer will be in her vocabulary). She tells her staff and family, "Oh, I just hurt too much to do [fill in the blank]," but she managed to spend a week in Myrtle Beach and claimed she was there for PTI. Girl, the rest of us need to take lessons from you on "pain management"...Send your news items to [patacct@asheboro.com](mailto:patacct@asheboro.com) or fax to (336) 626-0072.

## From the Governor's Desk

*Andy Moorehead and Wanda Goodson*

Following is a synopsis of the National Society of Accountant's Board Meeting. There was more than ordinary progress made on a variety of fronts, all of some importance to NSA's successful future.

1. The Long Range Committee met before the BOG meeting to measure progress against a variety of program target dates established under the Horizon Plan of two years past. We have met some of those dates and rescheduled others to a more realistic time frame. The need for, and future of, the education program was discussed; the need for expanded programs and contacts with a broad variety of both governmental and private agencies and organizations was examined; and there was much discussion of NSA/ASO relationships and methods of improving same. As is typical of long-range planning sessions, there were no board decisions made, but there was consensus on actions needed in a variety of program areas which could be considered at the formal BOG meeting.
2. Finances dominated the discussion, and for a change it was not a question of our being in dire straits but was an examination of our entire financial reporting system and ways to improve those reports and make them more timely. This was the Board's first chance to review the draft audit report for the fiscal year ending August 31, 2003, and there were comments leading to corrections that need to be made before that document can be put in final form. Perhaps most important, it presented an opportunity to meet with the firm of Langan & Associates, which is working with us to improve financial reporting and internal controls and with which we anticipate an extended contract will be signed shortly. We also looked at a two year budget projection, which represents a great leap forward from our recent past.
3. The Scholarship Foundation was represented by its new Chairman Barry Broden, and it is apparent from his report that progress is being made in putting that institution on a more solid financial footing. The final report of their consultants is in, and parts of it are being implemented. The Foundation met its financial commitment to NSA for administrative support and was able to award a normal level of scholarships for the current school year. While the ratio of administrative to scholarship expenses is far from where we would like it, progress is being made.
4. The Right to Practice Committee continues to be among the most active in NSA. It is not just in the Federal Taxation Committee area, where we have all read much of its efforts through the website and magazine, but also through the Accounting Standards Committee, which continues to work on guidelines for tax accounting which the Board has been promised will be ready for review by the May 2004 BOG meeting. The State Regulation and Oversight Committee continues to closely monitor developments around the country but particularly in South Carolina and Wyoming, and the Board approved funding authority for the committee so that it can move quickly should state requirements so dictate.
5. The NSA education program was a major topic, but despite all the discussion I cannot report that many final decisions were made. It is apparent that the BOG is most reluctant to venture into any area where we will compete with our affiliated state organizations, but we do not, by any means, wish to abandon the CPE live seminar area. A proposal was made to provide a major seminar in accounting during the summer and to sponsor another major seminar in the fall/early winter which would be free to all members, but both proposals were referred to the Professional Development Committee for its consideration. Thus, the 2004 education program is still up in the air, but the Committee was given some tight deadlines before year-end to provide recommendations.
6. The National Public Accountant will see some major changes. It already has been markedly improved by NSA staff in terms of both content and appearance. Starting in early 2004, in a break with the past, the magazine will be produced under contract, with content from an outside provider and eight pages of NSA input/advertising/notices bound in with the text. I am encouraged by this development, in part because it should stem the losses we have sustained in producing the magazine, but also because it will be produced by Tawn Rose, a professional in this field who has brought us the Software News for some years and is noted for his editorial prowess. By the way, he is also a long-time NSA member and a current member of the Board of the Scholarship Foundation.
7. Lots of discussion of the annual convention. While no final decisions were made, based on surveys and staff input as well as BOG opinion, it is apparent that we are committed to changing the convention format to one that more closely meets the needs of the traditional attendees. Moreover, there is a proposal from 2<sup>nd</sup> VP Millard Ashley that during his year the Committee week would be held in conjunction with the convention, thereby eliminating any confusion about outgoing v. incoming committee responsibilities and strengthening the idea that the convention is a place where NSA and ASO leadership gets together to conduct the business of the society and its affiliated organizations. If this proposal comes to pass, there would be less CPE, a concentration on the business at hand, and a shorter convention which seems to be the desire of all. A major CPE session, an NSA signature event, would be held separately.
8. One of the most significant accomplishments of the Board was the formalizing of Guidelines for the newly formed Board Audit Committee. This Audit Committee was set up to comply with the Sarbanes-Oxley Act, and I am proud to say that NSA immediately acted to be in compliance.

As usual, there was much more: Membership Committee recommendations including discussion of the dual membership program which now has nine states participating; reports on ACAT progress; other committee proposals; etc.

## IRS Launches First of Online Business Tools

The IRS has launched the first of a suite of Internet-based business tools that give tax professionals and financial institutions easier access to client information. Known collectively as "e-services," the suite of products provides tax professionals with new choices for working electronically with the IRS. The first three products provide a foundation for future services that will significantly enhance how the IRS does business with tax professionals and those who file selected information returns, such as banks and other financial institutions.

Three e-services applications were introduced:

**Registration** — Before using other e-services products, tax professionals must register online to create an electronic account. The registration process is a one-time process for tax professionals to select a user name, password, and personal identification number. An on-screen acknowledgment immediately confirms the registration process. For security purposes, a confirmation code is also mailed to the tax professional to complete the registration process.

**Preparer Tax Identification Number Application** — The Preparer Tax Identification Number, or PTIN, application lets a paid preparer apply for and receive a PTIN immediately over the Internet. There is no longer the need to complete and mail a paper Form W-7P. It reduces processing time and input errors associated with a paper application. Anyone paid to prepare a tax return must sign the return and provide either a PTIN or a Social Security Number. The ability to substitute a PTIN for a Social Security Number began in 1999 to address concerns that clients and others outside the IRS could use a preparer's Social Security Number inappropriately.

**Interactive Taxpayer Identification Number Matching** — Interactive Taxpayer Identification Number Matching, or TIN Matching, is a new, pre-filing service offered to banks or others that pay income subject to backup withholding. Authorized payers can match up to 25 taxpayer identification number and name combinations against IRS records before submitting an information return. Results of the match are returned within seconds. This pre-filing check prevents mismatches and possible penalties for the payer. In the past, only federal agencies could request TIN matching.

Future e-services include an online application for those who want to become authorized e-filers, an expansion of TIN Matching that allows bulk matching of thousands of Taxpayer Identification Numbers within 24 hours, and special incentive products for e-filers who file more than 100 electronic returns.

Tax professionals can register for e-services immediately through the Tax Professional's page on IRS.gov.

### Links on IRS.gov:

- E-services Registration — <https://la.www4.irs.gov/e-services/Registration/index.htm>
- What are the e-services products? — <http://www.irs.gov/taxpros/article/0..id=107478.00.html>

## IRS Fax Guidelines

In IR-2003-119, the IRS announced new facsimile guidelines that will make it easier for taxpayers and tax professionals to correspond with the agency. The new guidelines expand the list of documents and information the IRS accepts via fax.

The expanded guidelines stem from recommendations from tax professional organizations. These changes are aimed at reducing the burden on taxpayers and practitioners and shortening the time it takes to resolve tax inquiries and cases. The new guidelines became effective October 1.

The new fax guidelines apply only to taxpayers and their representatives who are engaged in an on-going contact with the IRS, such as an examination or resolving questions about tax returns that are being processed. The fax can take place only after a discussion with the IRS employee who is requesting the information.

## Pension Plan Contributions for 2004

The maximum contribution an employee can make to a 401(k) or 403(b) plan in 2004 is \$13,000. The maximum for a SIMPLE plan is \$9,000.

For individuals who reach age 50 or more by December 31, a "catch-up" contribution can be made to their retirement plan. This contribution is in addition to the amount allowed for all individuals.

Qualified individuals can add an additional \$2,000 in 2003 and \$3,000 in 2004 to their 401(k). For SIMPLE plans, the amounts are \$1,000 in 2003 and \$1,500 in 2004.

## Chapter's Cup to Cape Fear

The Chapter's Cup is an award given to the best local chapter in the North Carolina Society of Accountants. The grading for the cup is done during June of each year and awarded at our annual convention. Due to circumstances beyond our control, the award was postponed.

The award is based on a variety of areas; 24% for continuing professional education offered members, 26% for membership recruitment, and 50% for chapter management/participation. The recipient of the 2002-2003 Chapter's Cup won by .44 points, so every detail to running a chapter is very important.

Member participation is exactly what it takes to win this award and Cape Fear lead each area for this part of the cup. Cape Fear, congratulations once again for a job well done. President Bill Fischer should be proud of his accomplishments as a local Chapter Officer and of his members' help throughout the year.

## North Carolina Tax Changes

(continued from page 3)

- The Sales Tax Holiday section was rewritten to delete printers, printer supplies, and educational software from the list of items that qualify for the exemption. Computers with a sales price of \$3,500 or less per item will continue to be exempt during the holiday. Sales involving layaway contracts and similar deferred payment and delivery transactions no longer will be excluded from the exemption.
- The due date for monthly returns of sales and use tax was changed to the 20th of the month following the calendar month covered by the return.
- North Carolina has conformed to all of the provisions of the federal *Jobs and Growth Tax Relief Reconciliation Act of 2003*. This included increased expensing for small businesses under Code section 179 and changes to bonus depreciation that increase the rate. However, the State does not immediately conform with the increased bonus depreciation allowance.
- The inclusion of the Use Tax line on individual tax returns was extended through the 2004 tax year.
- The definition of Real Property was amended to include a manufactured home on land in which the owner of the manufactured home has a leasehold interest pursuant to a lease with a primary term of at least 20 years for the real property on which the manufactured home is affixed and where the lease expressly provides for disposition of the manufactured home upon termination of the lease. The home must meet all other parts of the definition which are: it is a residential structure; has the moving hitch, wheels, and axles removed; is placed upon a permanent foundation either on land owned by the owner of the manufactured home or on leased land as defined above.

## Employment Tax e-file System

According to an IRS QuickAlert, current participants in the Employment Tax e-file System must take additional action in order to participate in the program in 2004.

If you are an Electronic Return Originator with a valid Electronic Filer Identification Number (a current participant in the IRS e-file program), whether or not you previously have filed Forms 940 and 941, you must revise your application to include the business returns that you intend to file. This means refiling a Form 8633.

Unfortunately, the IRS is transitioning to a web-based application process for Form 8633, *Application to Participate in the IRS e-file Program*, and is experiencing some delays. Previously, the application process could take up to 45 days. Now you are advised to allow 10-12 weeks from the date the application is submitted before contacting the IRS. The IRS is working hard to reduce the backlog of Forms 8633, and ask that you not submit a duplicate application at this time.

You can get the form and additional information from the IRS web site at [irs.gov](http://irs.gov) by entering the search string "Employment Tax e-file" for all you need to know.

## Social Security for 2004

The Social Security Administration announced that monthly Social Security and Supplemental Security Income benefits increase 2.1% in 2004. The 2.1% COLA begins with benefits that 47 million Social Security recipients get in January 2004. Increased payments to 7 million Supplemental Security Income beneficiaries begin on December 31, 2003.

The maximum amount of earnings subject to the Social Security tax increases to \$87,900 in 2004.

For individuals under the full retirement age can earn up to \$11,640 during 2004 before losing benefits. One dollar is lost for every two in earnings above this limit.

## What You Might Miss

The November issue of The Accountant which went by e-mail was 11 pages long, far too long to include in the December print issue. And we added even more articles to this issue.

For those getting this over the Internet, what appeared in the November issue and is repeated here is in violet. For those getting the print edition, everything is in black and white. Also the pictures are eliminated except for the President's. All this is to save space.

If you are getting the print issue and want to know what you missed that still is timely, here is a numbered list. You can get a copy of any article from our Executive Director by sending her a self-addressed, stamped envelope with your request number.

1. Some corrections to the new Membership Directory.
2. Take care when using credit counselors.
3. The standard mileage rates for 2004 are announced.
4. Another car is eligible for the clean-burning fuel adjustment.
5. NSA announces two awards to the NCSA.
6. In response to a question at the Tax Forum, read an article on systemic advocacy.

## **NCSA Schedule of Events**

### **2004**

May 23–**Board of Directors meeting**–Radisson Highpoint  
June 20–**Board of Directors meeting**–Hilton Towers, Charlotte  
June 21-23–**Annual Convention**–Hilton Towers, Charlotte  
July 24–**Leadership Conference**–Radisson High Point  
August 21-23–**NSA Convention**–San Antonio, TX  
August 24-25–**IRS Forum**–San Antonio, TX  
September 19–**Board of Directors meeting**–Coast  
September 20-21–**Fall PAS**–Coast  
October–**Tax Forum meeting with IRS**–Greensboro  
November–**Board of Directors meeting**–Greensboro  
November–**PTI**–Greensboro

### **2005**

May 22–**Board of Directors meeting**–Greensboro  
May 24-25–**Spring PAS**–Greensboro  
June 19-22–**Annual Convention**–Myrtle Beach, SC

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