



# The Accountant

Official Publication

of the North Carolina Society of Accountants

Post Office Box 1126, Conover, NC 28613

828-695-2520 or 866-755-NCSA FAX: 828-695-2522

February 2006

## Inside this issue

Chapter News	2
Sunday Convention Schedule	2
Did You Know?	3
Did You Know? (continued)	4
Governor Announces Free Filing e-filing	4
NSA Income & Fees Survey Results	4
Highlights of 2005 Tax Law Changes	5
Highlights of 2005 Tax Law Changes (continued)	6
Spring PAS	6
IRS Contacts	7
New AMT Assistant Debuts on IRS.gov	7
Practitioner Contacts	8
NCSA Convention Registration	9

## A Message From The President

*Florence W. Black*



Florence W. Black

Happy New Year! I trust that your new year has gotten off to a good start and that you have been able to complete all your W2's.

As you are working your way through this new tax season, remember that Curt Lee, in addition to dealing with tax season, is working with our lobbyist to monitor the legislature's activities that may impact our right to practice accounting in North Carolina. In addition, please carefully consider the fundraising letter you should have received. NCSA needs your financial help to keep our lobbyist in a position to protect our professional future.

Now that the W2's are done, we can move on to preparing tax returns. As you work to complete difficult returns, remember that NCSA's web page, thanks to David Rollins, has links to useful websites and that its newsletters have information on changes in tax laws. Also, you can usually get answers to difficult questions by contacting fellow NCSA members. Should you encounter a unique situation or problem, be sure to write it down in your Tax Forum Notepad. Ron Powell will greatly appreciate your help in making this year's forum a success. You can email Ron at [powell.accounting@earthlink.net](mailto:powell.accounting@earthlink.net), or you can drop him a note at 350 South Cox Street, Suite A, Asheboro, NC 27203-5715.

Again, as far as upcoming events are concerned, mark your calendars for the Spring PAS in Durham on May 18-19. In addition to looking for that special outfit for the Retro70's and Disco themed party being planned for the 2006 NCSA Convention, remember that eight hours of CPE are being offered at the Convention. Paul Bumgarner will lead the morning session, and in the afternoon workshop, David Hooker will guide participants through the QAR process, using actual examples.

Thank all of you for your support.

## Personal Postings

*Pat Pittillo*

Congratulations to **James Upton III** of Seagrove for passing the Enrolled Agent Examination in December. Any other members who passed should let me know....Our sympathy goes to the families of **Charles Hart** of Charlotte who died November 13 and **Gary Truesdale** from Newton who passed away January 15. Our Society lost two long-time members....Can you believe **Frank Brown** claims to be retired? Doesn't he know old accountants never retire; they just lose their balance!... . Send your news items to [pataccnt@asheboro.com](mailto:pataccnt@asheboro.com) or fax to (336) 626-0072.



## Chapter News

### Charlotte

The January 23<sup>rd</sup> meeting was held at Captain's Galley Restaurant with 17 members and 4 guests in attendance. Avery Henline, a member of the Taxpayer Education Communication Division office in Charlotte, presented updates on Federal taxes.

The next meeting will be February 27, with Marv Adams of the NC Department of Revenue as speaker.

### Cape Fear

The meeting was held on January 16, 2006, 6:30 pm, at the Barn Restaurant in Fayetteville. Twelve members and 1 guest attended. Bill Fischer spoke on "Identity Theft—Protect your Clients and Yourself". Florence Black and Marsha Wheeler spoke of the Right to Practice fundraiser.

### Central

The November meeting took place on November 29, at the American Roadhouse in Asheboro. There were 9 members and 3 guests present. Stephen Metelits did an excellent presentation of the different Medicare Supplements that some of our clients will face under Medicare D.

The annual Christmas party was held on December 5, with 6 chapter members and 7 guests. Guests included some Burlington Chapter members and 2 past members, Julia Parrish and Barbara Kennedy. Special guest, Robbie Barrett, spoke on personal development and led the group in Christmas carols. There was an ornament exchange, and everyone brought a bag of canned goods to be given to an organization to help the needy.

The next meeting will be on January 23, 2006, with Paul Bumgarner speaking on "Eldercare".

### Raleigh

The meeting took place on December 5, 2005, with 12 chapter members and 5 guests in attendance. The featured speaker was Kevin Stewman of G. Kevin Stewman, PLLC, speaking on LLCs. He discussed the advantages of the LLC entity versus the Sub-Chapter S Corporation and Partnerships.

The next meeting will be January 24, 2006. The speaker and topic will be announced at a later date.

### Burlington

The January meeting of the Burlington Chapter will be held on Thursday, January 26, 2006, at Kimber's Restaurant in Gibsonville at 6:30 pm. Pat Pittillo will speak on pitfalls to avoid when employing a child and "How I Increased Revenue 10% (and Only Worked 5% Harder)."

### Hickory

The December Christmas party was held at the Peddler Restaurant in Hickory. Eleven members and 11 guests enjoyed the festivities. The gift exchange was presided over by Santa Bill Gray, whose commentary made for a noisy good time. Special guests included Candace Cansler, NCSA's Executive Director, and her son, Jacob.

The January meeting will be on January 30, 2006, at Prime Sirloin.

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 [lfgacct@bellsouth.net](mailto:lfgacct@bellsouth.net) or fax to 828-438-8111.

## North Carolina Society of Accountants 59<sup>th</sup> Annual Convention, Sunday, June 25, 2006

**Registration from 1:00 p.m. to 6:00 p.m.**

**Executive Board Meeting at 2:30 p.m.**

**Board of Directors Meeting from 4:00 p.m. to 5:30 p.m.**

*Open to all NCSA Members*

*Dress: Business*

**Vespers at 6:00 p.m.**

*The Cape Fear Chapter welcomes everyone to join together in a time of worship and fellowship as the 59<sup>th</sup> Annual Convention gets underway.*

**President's Reception from 7:00 p.m. to 8:00 p.m.**

*RBC Centura Bank and the Cape Fear Chapter are hosting a*

*President's Reception for Florence W. Black.*

*Everyone is invited to celebrate with Florence and to congratulate her as she ends her year as NCSA President and passes the gavel to her successor.*

*Dress: Business*

**Nominating Committee Meeting from 8:00 p.m. to 10:00 p.m.**

**BUNKO from 8:00 p.m. to 10:00 p.m.**

*Bunko is fun for all ages. This dice game will keep you moving and laughing. You will change partners for every round, so you don't know who your final partner will be. Don't be afraid to play: this game is fun and easy. The cost is \$3.00 per player.*

*There will be cash prizes and door prizes for winners and losers.*

## Did You Know?

1. That Form 8879, *IRS e-file Signature Authorization*, and Form 8878, *IRS e-file Signature Authorization for Application for Extension of Time to File*, have been revised for Tax Year 2005 to include the Electronic Funds Withdraws consent language in Part II.
2. When a taxpayer completes a Form 8879 or 8878, which includes the Electronic Funds Withdrawal statement, there is no need to provide them with a separate copy of the Electronic Funds Withdrawal language as you may have done in the past. Many software products are designed to include Form 8879 and/or Form 8878. Note that the Electronic Funds Withdrawal statement in Part II of Form 8878 does not apply to Form 9465 filers.
3. That Forms 8879 and 8878 must be completed and signed by the taxpayer before a tax return or application is transmitted or released for transmission to IRS.
4. That Forms 8879 and 8878 can be retained either in hardcopy or electronically. Refer to Pub 1345, *Handbook for Authorized e-file Providers of Individual Income Tax Returns*, and Form 8879 and 8878 instructions for additional information.
5. That you should **not** submit Forms 8879 and 8878 to IRS unless requested to do so.
6. That Decedent returns can be electronically filed when the year of death (SEQ 0020 or 0040) of Forms 1040/A/EZ is the current tax year or the processing year.
7. That an electronically filed return will *reject* when the Routing Transit Number (RTN) (SEQ 1272) of Forms 1040/A/EZ for a Direct Deposit refund is incorrect.
8. That the Acknowledgement File needs to be checked for the EIC Indicator (SEQ 0010) when a return is e-filed with EIC claimed or they may not receive their EIC. Practitioner's who electronically file their client's returns need to be sure to check the EIC indicator field in the Acknowledgement File. If a "Y" is present in this field, it means your client has been selected for the EIC Residency Certification Test and that they are required to submit Form 8836 with related documents to IRS. This also means that the EIC portion of the refund will be delayed until the EIC matter has been resolved. See Pub 1346, *Electronic Return File Specifications and Record Layouts for Individual Income Tax Returns*, Section 3.
9. Beginning in Processing Year 2006, acceptable attachments to Tax Year 2005 Form 8453 and Form 8453OL also will include Form 1098C, *Contributions of Motor Vehicles, Boats, and Airplanes*; Form 4136, *Credit for Federal Tax Paid on Fuels*; and Form 8864, *Biodiesel and Renewable Diesel Fuels Credit*. These additional paper document indicators have been added to the latest revision of the Summary Record.
10. That paper Forms W-2, W-2G, W2-GU and 1099-R are **not** required to be attached to Forms 8453/8453-OL.
11. That EROs must retain and make available to the IRS upon request, until the end of the calendar year in which a return was filed:
  - a copy of signed Forms 8453, W-2, W-2G, W2-GU, 1099-R, supporting documentation;
  - a copy of signed IRS *e-file* consent to disclosure forms for taxpayers who signed using electronic signature;
  - a complete copy of the electronic portion of the return that can be readily and accurately converted into an electronic transmission that IRS can process;
  - and the Acknowledgment File for IRS accepted returns.
12. That EROs may electronically image and store all paper records they are required to retain for IRS *e-file*.
13. That transmitters of online returns must include the letter "O" in the Transmission Type ELF Code field (SEQ 0170) of the TRANA record. In addition, transmitters of online returns must ensure an online Electronic Filing Identification Number (SEQ 0110) is used.
14. That Pub 1346, *Electronic Return File Specifications and Record Layouts for Individual Income Tax Returns*, contains a revised Valid Two-Digit Electronic Filing Identification Number (EFIN) Prefix Codes chart for Processing Year 2005 (Attachment 8). Fresno Submission Processing Center has been added and realignment of some states has occurred. Please ensure correct batching guidelines are followed.
15. That returns with a foreign address must include an Address Indicator (SEQ 0097) of "3" in the field description of Form 1040, 1040A or 1040EZ. A U.S. Possession address is treated the same as a domestic address and the value "3" should **not** be indicated.
16. That Form 4868 has been revised to grant the taxpayers an automatic six-month extension of time to file instead of four months. As a result, Form 2688, *Application for Additional Extension of Time to File U.S. Income Tax Return*, is obsolete effective January 2006. A check box has been added to the Form 4868 for those taxpayers "out of the country" and a U. S. Citizen or resident.
17. That beginning in January 2006, Fresno will be a new e-file Submission Processing Campus.
18. That e-filing an Imperfect Returns does not apply to Fed/State returns. You must e-file the federal return alone to be accepted as an Imperfect Return and the state return as State Only.

(continued on page 4)

## Did You Know? *(continued from page 3)*

- 19.** That after the electronic return data is acknowledged as accepted, EROs must mail within three business days the corresponding Form 8453, with other required forms to the IRS. If an electronic signature was used in signing the return and was accepted, a Form 8453 is not required and should not be submitted to IRS.
- 20.** That as of August 16, 2005, the TeleFile system has been shut down.
- 21.** That the number of occurrences of Form 2106, *Employee Business Expenses*, is two per taxpayer. This increase allows taxpayers that have 3 or 4 vehicles using actual expenses to e-file.
- 22.** When Form 1098C and only Section A of Form 8283 is required, the “paper” Form 8283 is not required to be submitted with the Form 8453 and Form 1098-C. The electronic version of Form 8283 can be transmitted.

## Governor Announces Free e-Filing

Governor Mike Easley announced that, for the first time, many NC taxpayers will be able to file their state tax returns electronically at no cost thanks to Free E-File, a partnership between the Department of Revenue and two on-line tax filing companies. Individuals previously had to purchase their own software and pay a related on-line filing fee.

Two private companies, TaxEngine.com and TaxSimple, will provide access to free internet tax preparation software and will file returns free for taxpayers who qualify. The service is available to taxpayers with an adjusted gross income of up to \$50,000. The companies provide free filing of federal income tax returns as well. Citizens who use other tax preparation software will be subject to customary costs and filing expenses.

When filing returns, taxpayers should link to a participating company directly from the Department of Revenue's web site at [www.dor.state.nc.us](http://www.dor.state.nc.us), otherwise they may not get the free service. The Department has participated in the Federal/State Electronic Filing Program for 12 years, but this marks the first time taxpayers have been able to file on-line without cost.

## NSA Income & Fees Survey Results

The National Society of Accountants (NSA) released its 12<sup>th</sup> Income and Fees Survey of Accountants in Public Practice. The Survey, conducted last fall, reflects responses from NSA members and provides a composite picture of the typical, independent practitioner as a 56-year-old male, in practice for 22 years, in a sole proprietorship with 3 full-time, 1-2 part-time, and 2-3 seasonal employees.

The 2005-2006 Income & Fees Survey contains detailed information on fees charged for various services, broken down by state, geographic region, and practice size. The NSA survey also includes information on salaries and compensation for principals/partners, practitioners, and support staff, as well as fringe benefits. Demographic data on the respondents describes type of practice, community size, gender, credentials, years in practice, and education level. Operating expenses broken down by category are included in addition to information on succession plans and professional liability insurance coverage.

More than half of gross income of public accountants is earned, on average, from the preparation of tax returns. The typical firm charges an average of:

- \$110 for the preparation of a Form 1040, not itemized
- \$201 to prepare an itemized Form 1040
- \$477 for a Form 1065 (Partnership)
- \$640 for a Form 1120 (Corporation) and \$624 for a Form 1120S (S Corporation)
- \$386 for Form 1041 (Fiduciary)
- \$1,732 for Form 706 (Estates)
- \$449 for Form 990 (Tax Exempt)

The typical practice offers electronic filing to clients in that 70% of all returns that can be filed electronically are—up more than 20% over the last three years, and the average fee for this service is \$23.

Additional client services fees average \$96 an hour to present financial statements, \$123 an hour for estate and financial planning services, \$97 an hour for elder care services, \$106 an hour to represent clients before the Internal Revenue Service, and \$74 an hour for write-up services. Fees vary sharply by state and region.

“As the leading accounting organization for the small, independent practitioner, the National Society of Accountants is proud to have gone the extra step by compiling this information for our members and other accountants to use in analyzing practice information and comparing their practice to others around the country,” said Wanda Samek, EA, ABA, ATA, ATP, ECS, NSA President for 2005-2006 and principal in the Denton, TX, accounting firm of Custom Business Service, Inc. “This document, similar to all the latest information and services NSA provides, is critical in giving our members the competitive edge,” she adds.

## Highlights of 2005 Tax Law Changes

A new uniform definition of a qualifying child, special rules for car donations, higher standard mileage rates and expanded retirement savings incentives are among the changes individual taxpayers will find when they sit down to prepare their 2005 federal income tax return. All of this is outlined in FS-2006-1.

More information about the changes, summarized below, can be found on the IRS Web site (IRS.gov) and in various IRS documents, including the instructions for Form 1040 (<http://www.irs.gov/instructions/i1040gi/index.html>).

In addition, IRS fact sheet FS-2006-6 outlines the special tax relief available to taxpayers affected by last year's hurricanes.

Taxpayers who are unable to meet the regular tax-filing deadline can request an automatic six-month extension, without a reason or even a signature. In the past, automatic extensions for individual taxpayers were only available for four months. A tax-filing extension does not extend the tax-payment deadline.

**Beginning in 2005, the charitable contribution deduction for a vehicle donated to charity, is generally limited to the gross proceeds from its sale. This rule applies if the claimed value of the donated vehicle is more than \$500. Form 1098-C (or other form of written acknowledgment of the donation) from the organization must be attached to the taxpayer's return. Among other things, the acknowledgment generally must include the gross proceeds of the sale, the vehicle identification number, and a statement certifying the vehicle was sold in an arm's length transaction between unrelated parties. This acknowledgment must be provided within 30 days after the date of the sale of the vehicle. The taxpayer generally can deduct the vehicle's fair market value (FMV), if:**

- The organization makes significant intervening use of or materially improves the vehicle,
- The organization gave or sold the vehicle to a needy individual at a price significantly below FMV in direct furtherance of its charitable purpose of relieving the poor and distressed or underprivileged who are in need of a means of transportation, or
- The claimed deduction is \$500 or less.

**For donations made after June 3, 2005, the FMV cannot exceed the private party sales price listed in a used vehicle pricing guide. If the organization had a significant intervening use of or materially improved the vehicle, the acknowledgment must include a certification of the intended use of or material improvement to the vehicle and the intended duration of that use and a certification that the vehicle will not be transferred in exchange for money, other property, or services before completion of that use or improvement. The acknowledgment must be provided within 30 days after the date of the contribution. If the organization gave or sold the vehicle to a needy individual at a price significantly below FMV, the acknowledgment must include a certification that the donee organization will sell or transfer the qualified vehicle to a needy individual at a price significantly below fair market value and that the sale (or transfer) will be in direct furtherance of the donee organization's charitable purpose of relieving the poor and distressed or the underprivileged who are in need of a means of transportation. The acknowledgment must be provided within 30 days after the date of the contribution.**

Most cash contributions made to charity after Aug. 27, 2005, and before Jan. 1, 2006, are exempt from the income-based limits that normally apply. Thus, individual taxpayers who make large contributions during this period may be able to deduct them up to 100% of their adjusted gross income (AGI), instead of 50% of AGI—the limit that usually applies. Also, the phase-out of the charitable contribution deduction that affects higher-income taxpayers is suspended for cash donations made during this period.

For 2005, the contribution limit for Roth and traditional IRAs rose to \$4,000 or \$4,500 for those age 50 or over. In 2004, the comparable limits were \$3,000 and \$3,500, respectively. The \$10,000 phase-out range for IRA deductions for those covered by a retirement plan begins at income of \$50,000 (\$70,000 if married filing jointly or a qualifying widow(er)). It still begins at \$0 for a married person filing a separate return. Use the worksheet in the tax package to figure the IRA deduction (<http://www.irs.gov/instructions/i1040gi/ar02.html#d0e6119>). The elective deferral (contribution) limit for employees who participate in 401(k), 403(b) and most 457 plans rose to \$14,000 (\$17,000 for 403(b) plan participants for whom the 15-year rule applies). For SIMPLE plans, the limit rose to \$10,000. The catch-up contribution limit for persons age 50 or older rose to \$4,000 for 401(k), 403(b) and 457 plans and to \$2,000 for SIMPLE plans.

In 2005, for the first time ever, the IRS adjusted the standard mileage rate during the year to reflect increases in the price of gasoline. From Jan. 1 to Aug. 31, the standard mileage rate for business use of a car, van, pick-up, or panel truck was 40.5 cents a mile, compared to 37.5 cents a mile in 2004. Effective Sept. 1, the rate increased to 48.5 cents a mile. From Jan. 1 to Aug. 31, the standard mileage rate for the cost of operating a vehicle for medical reasons or as part of a deductible move was 15 cents a mile, up from 14 cents in 2004. On Sept. 1, the rate rose to 22 cents. The rate for providing services to charitable organizations is set by law and remains at 14 cents a mile.

A new deduction of up to 3 percent of qualified production activities income derived from domestic production can be claimed on Line 35, Form 1040. Use Form 8903 to figure the deduction.

**Beginning in 2005, a new definition of a qualifying child ordinarily applies for the dependency exemption, head of household filing status, earned income tax credit (EITC), child tax credit, and credit for child and dependent care expenses. Relationship, residency, age, and support tests are used to determine if someone is a qualifying child.**

*(continued on page 6)*

## Highlights of 2005 Tax Law Changes *(continued from page 5)*

In general all four tests must be met. However, the support test does not apply to the EITC. Under the relationship test, a child must be the taxpayer's child (including an adopted child, stepchild or foster child), brother, sister, stepbrother, stepsister, or a descendent of one of these relatives. An adopted child includes one lawfully placed with the taxpayer for legal adoption, even if the adoption is not final. A foster child is one placed with the taxpayer by an authorized placement agency or by court order. Under the residency test, a child must live with the taxpayer for more than half of the year. Temporary absences for special circumstances (such as for school, vacation, medical care, military service, or detention in a juvenile facility) count as time lived at home. Under the age test, a child must be under a certain age, which varies with the tax benefit. For the dependency exemption, head of household, and EITC, the child must be under 19, under 24 if a student (enrolled full time during any part of five calendar months), or any age if permanently and totally disabled. For the child tax credit, a child must be under 17. For the credit for child and dependent care expenses, a child must be under 13 or any age if permanently and totally disabled. Under the support test, a child cannot have provided over half of his or her own support. A child who meets the tests to be a qualifying child of more than one person can be claimed by only one person (unless the exception for divorced or separated parents applies). If more than one person claims the same qualifying child, the IRS will use the tie-breaker rule to determine who gets the tax benefit. If only one of the persons is a child's parent, the parent gets the benefit. If both are parents, it goes to the parent with whom a child lived longer. If a child lived with each parent for the same amount of time, the parent with the higher AGI gets the benefit. If no parents are involved, the person with the highest AGI gets the tax benefit.

- Personal exemptions and standard deductions rose, tax brackets were widened, and more than three dozen individual and business tax provisions were adjusted to keep pace with inflation. A complete rundown of these changes can be found under "Inflation-Adjusted Tax Items for Tax Year 2005," on the IRS Web site at <http://www.irs.gov/newsroom/article/0,,id=118033,00.html>. Popular items adjusted include the following:
- The value of each personal and dependency exemption is \$3,200, up \$100 from 2004. Most taxpayers can take personal exemptions for themselves and an additional exemption for each eligible dependent. An individual who qualifies as someone else's dependent cannot claim a personal exemption, and personal and dependency exemptions are phased out for higher-income taxpayers.
- The standard deduction is \$10,000 for married couples filing a joint return and qualifying widow(er)s (a \$300 increase over 2004), \$5,000 for singles and married individuals filing separate returns (up \$150), and \$7,300 for heads of household (up \$150). Higher amounts apply to blind people and senior citizens. The standard deduction is often reduced for a taxpayer who qualifies as someone else's dependent. Nearly two out of three taxpayers take the standard deduction, rather than itemizing deductions, such as mortgage interest, charitable contributions, and state and local taxes.
- The maximum earned income tax credit is \$4,400 for taxpayers with two or more qualifying children, \$2,662 for those with one child and \$399 for people with no children. Available to low and moderate income workers and working families, the EITC helps taxpayers whose incomes are below certain income thresholds, which in 2005, rose to \$37,263 for those with two or more children, \$33,030 for people with one child, and \$13,750 for those with no children. One in six taxpayers claim the EITC, which unlike most tax breaks, is refundable, meaning that people can get it, even if they owe no tax and even if no tax is taken out of their paychecks.

## Spring PAS

The Spring PAS will be at the Durham Hilton near Duke University, 3800 Hillsborough Road, Durham. A block of rooms is being held until **April 17** (coincidence?). The room rate is **\$95 per** night, double or single. Reserve early because the number of rooms is limited. To get the group rate, you must mention the North Carolina Society of Accountants. **You can call the hotel at (919) 382-9423.**

The classes will be held **May 18-19**. We'll let you know the exact schedule soon. A number of interesting speakers on a wide range of topics will make presentations. Cost information also will be coming soon.

## IRS Contacts

The IRS knows you are busy all year round but especially so during filing season. The last thing you need is wasted time looking for the right IRS contact. IRS Stakeholder Liaison may be able to help. We have provided a list of frequently used IRS phone numbers below. Most of your questions can be answered by utilizing these contacts. If you still need assistance, we will do our best to refer you to the right place. While our role is not to answer technical tax law questions, your local Stakeholder Liaison staff can point you in the right direction for more help.

If you need assistance in North Carolina contact one of the Stakeholder Liaison employees below.

<b>Eugenia Tabon</b>	<b>Avery Henline</b>	<b>Evelyn Williamson</b>	<b>Evette Davis</b>
<b>Primary Contact</b> Stakeholder Liaison	Senior Stakeholder Liaison	Stakeholder Liaison	Stakeholder Liaison
Ph: 336-378-2434	Ph: 704-566-5090	Ph: 336-378-2274	Ph: 704-566-5014
Fax: 336-378-2048	Fax: 704-566-5395	Fax: 336-378-2048	Fax: 704-566-5395
Email: <a href="mailto:Eugenia.Tabon@irs.gov">Eugenia.Tabon@irs.gov</a>	Email: <a href="mailto:Avery.Henline@irs.gov">Avery.Henline@irs.gov</a>	Email: <a href="mailto:Evelyn.Williamson@irs.gov">Evelyn.Williamson@irs.gov</a>	Email: <a href="mailto:Evette.Davis@irs.gov">Evette.Davis@irs.gov</a>

You may also contact the South Atlantic Area Manager for Stakeholder Liaison, David Yeskoo at 804-916-3851 or [David.R.Yeskoo@irs.gov](mailto:David.R.Yeskoo@irs.gov).

We value your opinions and ideas on how to improve the service we provide to you and your clients. Tax practitioners are uniquely aware of what is not working and what can be improved. We are actively seeking feedback from tax practitioners to make the tax system better. Stakeholder Liaison has established a formal process called the Issue Management Resolution System (IMRS) to accomplish this. We already have resolved a number of system-wide problems through this process. An example of this is the standardized fax sheet now used throughout the IRS. This change was a result of feedback from practitioners.

We think the IMRS will serve as an early warning system for you and your clients as well as provide you concrete evidence that the Service is working with you to improve the administration of the tax system. You are encouraged to use this channel of communication.

The IRS offers a wide range of electronic services to assist you in your tax practice. In addition to [e-file for Tax Professionals](#), we also offer [e-Services](#), a web-based system that allows you to interact with the IRS electronically. Through e-Services you are able submit powers-of-attorney online, resolve client issues electronically, and instantly receive client transcripts and wage and information returns on your computer. You will save time and money using e-Services. There are also many [Electronic Payment Options](#) available to you and your client. The [Electronic IRS](#) is a gateway to the many IRS electronic options available to taxpayers and tax professionals.

We are also your first point of contact for information on IRS sponsored seminars, phone forums, symposiums, and other practitioner events in your area. Go to [Tax Pro Events](#) on our website to find a listing of events in your area. Signing up for [e-News for Tax Professionals](#) is the best way to get the latest news from IRS. Each edition will have a link to practitioner related events in your state.

***SEE PRACTITIONER CONTACTS ON PAGE 8***

## New AMT Assistant Debuts on IRS.gov

The IRS is providing a new online tool to help individual taxpayers determine whether they potentially are subject to the alternative minimum tax (AMT). The AMT Assistant, announced in IR-2006-3, helps taxpayers determine whether or not they may be subject to the AMT by automating the AMT Worksheet of the 1040 Instructions, called the "Worksheet to See if You Should Fill in Form 6251 – Line 45." IRS estimates most taxpayers can make entries and get an answer in five to 10 minutes using the new application.

"The alternative minimum tax causes a lot of hair pulling for millions of taxpayers each year. This new tool will help people understand if they have to pay or not," said Mark Everson, IRS Commissioner. "This is part of the IRS effort to improve customer service and reduce return preparation time for taxpayers."

The information provided is anonymous and will be used only for purposes of determining AMT liability. It will not be shared, stored, or used in any other way, nor can it be used to identify the individual who enters it.

During the 2006 filing season, this new tool will be available on [IRS.gov](http://IRS.gov). To locate it, enter "AMT Assistant" in the Search box on the Web site. Taxpayers must complete a draft 1040 through line 44 and have that form available to use the AMT Assistant. There is also an "Additional Resources" section, with helpful information and links.

## Practitioner Contacts

Title	Telephone Number	Hours of Operation
Practitioner Priority Service	866-860-4259	EFFECTIVE 1/9/2006, M-F, 8:00 a.m. - 8:00 p.m., local time.
IRS Tax Help Line for Individuals	800-829-1040	EFFECTIVE 1/9/2006, M-F, 8:00 a.m. - 8:00 p.m., Local Time.
Business and Specialty Tax Line	800-829-4933	EFFECTIVE 1/9/2006, M-F, 8:00 a.m. - 8:00 p.m., local time.
e-Help (Practitioners Only)	866-255-0654	7:30 - 6:00 p.m. ET & 7:30 - 5:00 p.m. MT
Refund Hotline	800-829-1954	EFFECTIVE 1/9/2006, M-F, 8:00 a.m. - 8:00 p.m., local time. Automated Service available after business hours.
Forms and Publications	800-829-3676	EFFECTIVE 1/9/2006, M-F, 8:00 a.m. - 8:00 p.m., local time.
National Taxpayer Advocate's Help Line	877-777-4778	EFFECTIVE 1/9/2006, M-F, 8:00 a.m. - 8:00 p.m., local time.
Centralized Lien Payoff	800-913-6050	M-F, 8:00am – 11:00pm ET
Centralized Bankruptcy	800-913-9358	M-F 7am – 10pm ET
Telephone Device for the Deaf (TDD)	800-829-4059	EFFECTIVE 1/9/2006, M-F, 8:00 a.m. - 8:00 p.m., local time.
Electronic Federal Tax Payment System	800-555-4477	24 hour operation; POC is available M-F 8:00am - 4:30pm
Government Entities (TEGE) Help Line	877-829-5500	M-F 8:30 a.m. - 4:30 p.m. ET
Extension to File	800-829-4477	N/A
Form 706 and 709 Help Line	866-699-4083	M-F, 7:00 a.m. - 7:00 p.m. local time
Automated Collection System (Business)	800-829-3903	M-F, 8:00 a.m. - 8:00 p.m. local time.
Automated Collection System (Individual)	800-829-7650	M-F, 8:00 a.m. - 8:00 p.m. local time.
Criminal Investigation Informant Hotline	800-829-0433	EFFECTIVE 1/9/2006, M-F, 8:00 a.m. - 8:00 p.m., local time.
Employer Identification Number (EIN)	800-829-4933	EFFECTIVE 1/9/2006, M-F, 8:00 a.m. - 8:00 p.m., local time.
Excise Tax and Form 2290 Help Line	866-699-4096	Mon - Fri 8:00 am - 6:00 pm EST
Information Return Reporting	866-455-7438	M-F, 8:30am - 4:30pm (EST)
Terrorist Act or Combat Zone Special Hotline	866-562-5227	EFFECTIVE 1/9/2006, M-F, 8:00 a.m. - 8:00 p.m., local time.

## **NCSA 2006 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** \_\_\_\_\_

# Hilton Riverside Wilmington

**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.*

NCSA Group code for reservations is **SAC**.  
Each room is \$99 per night.  
Guaranteed riverfront room  
subject to \$10 additional charge per room.

\$5 per day parking fee will apply to all overnight guests and daily attendees

The above rates will only be available until **May 24, 2006. 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-EMBASSY (362-2779) and mention you are with the NCSA group.

### TOTAL FEES BEING SUBMITTED WITH THIS FORM

**Amount** \$ \_\_\_\_\_ **Method of Payment:**

Check # \_\_\_\_\_ Visa \_\_\_\_\_ MC \_\_\_\_\_ AE \_\_\_\_\_

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

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

Credit Card # \_\_\_\_\_ Exp. Date \_\_\_\_\_

\_\_\_\_\_  
**Signature**

### **Registration Fees\*** \*Registration Fees Include all Convention Events EXCEPT Golf and CPE (make your hotel reservation separately)

	# Attending	Registration (Prior to June 1st)	Registration (After June 1st)	Total
Members	_____	\$160.00	\$185.00	_____
Spouse/Guest/Children (16 & older)	_____	\$120.00	\$140.00	_____
Children Age 6 to 15	_____	\$100.00	\$115.00	_____
Children under 6 are free	_____	\$ 0.00	\$ 0.00	_____
Golf	_____	\$ 60.00	\$ 60.00	_____
CPE: 8 hours (includes continental breakfast)	_____	\$ 30.00	\$ 30.00	_____
<b>Separately Paid Items</b>				
Business Session	_____	\$ 30.00	\$ 35.00	_____
Luncheon Honoring Past-Presidents	_____	\$ 30.00	\$ 35.00	_____
Theme Dinner—Adult	_____	\$ 50.00	\$ 55.00	_____
Theme Dinner—Child (6 to 15)	_____	\$ 35.00	\$ 40.00	_____
Installation Banquet—Adult	_____	\$ 60.00	\$ 65.00	_____
Installation Banquet —Child	_____	\$ 35.00	\$ 40.00	_____
<b>Total Amount being submitted</b>				\$ _____

## **NCSA Schedule of Events**

### **2006**

May 18— **NCSA Board of Directors Meeting**—  
Durham Hilton near Duke University-5:30 pm

May 18-19—**Spring PAS**—  
Durham Hilton near Duke University-8 am

June 2—**ACAT Examinations**

June 25—**NCSA Board of Directors Meeting**—  
Wilmington Hilton Riverside—Wilmington—4 pm

June 25-27—**Annual Convention**—  
Wilmington Hilton Riverside—Wilmington

July 22—**Board of Directors Meeting**—  
Clarion—Greensboro—9am

July 22—**Leadership Conference & Committee Day**—  
Clarion—Greensboro—10:30 am

August 17-19—**NSA Convention**—Providence, RI

### **2007**

June 22-24—**Annual Convention**—Winston-Salem

August 16-18—**NSA Convention**—Portland, OR

## **2005-2006 OFFICERS**

**PRESIDENT – FLORENCE W. BLACK**  
P.O. Box 53488  
Fayetteville, NC 28305-3488  
910-484-3800

**PRESIDENT-ELECT – WAYNE O. PARKER**  
3617 Old Lexington Road  
Winston Salem, NC 27107  
336-784-4160

**VICE-PRESIDENT – STEPHEN METELITS**  
77 Fearington Post  
Pittsboro, NC 27312  
919-933-0724

**SECRETARY – RONALD D. POWELL**  
350 South Cox Street, Suite A  
Asheboro, NC 27203-5715  
336-625-1427

**TREASURER – DENISE J. HAMMOND**  
P.O. Box 938  
Morganton, NC 28680-0938  
828-437-7058

**IMMEDIATE PAST PRESIDENT –  
RHONDA H. MARSH**  
1807 Morgan Hill Road  
Monroe, NC 28110  
704-289-5155

**ASSOCIATION OFFICE**  
Candace Cansler, Executive Director  
866-755-NCSA(6272) toll-free  
828-695-2520 (v) 828-695-2522 (f)

**THE ACCOUNTANT EDITOR – STEPHEN METELITS**  
metelits@usa.net

North Carolina Society of Accountants  
Post Office Box 1126  
Conover, NC 28613  
[www.ncsainc.org](http://www.ncsainc.org) *Address Service Requested*