The Accountant

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A Message From The President

Jan Allison

Jan H. Allison

Thanks to Ron Powell, Wade Powell, and Paul Bumgarner, NCSA's tax forum was a big success. Many questions were asked and answers were given or are being researched. Thanks to each of you who attended and gave input for the forum.

With November right here at us, I sincerely hope you have registered for a PTI, which is sponsored by NCSA. We will have a board meeting on November 17 at the Hawthorne Inn in Winston Salem prior to PTI there.

Before we know it, June will be here and another convention will be held. Changes are being made, and Jense Haynes is working diligently to provide a very successful convention. Don't forget the theme night. It will be the Country Fair where there will be a family atmosphere. Bring your homemade goods to sell. Bring your appetite as well for Bar-be-que and the fixins'.

Remember to support your local chapters. If you are a new member and do not know what chapter would be close to you, look in your directory, find accountants close to you, and call them; they will be happy to head you in the right direction.

Thanks to each of you again for being very valuable members of the NCSA.

Handy Numbers and Web Sites

Have you looked in the newly released *Membership Directory* at the "Handy Numbers and Web Sites" listing on page 82? It is a great reference tool for our offices!

Even though it was just published, there are some changes:

- Entity (EIN) should be (800) 829-4933.
- The NC Department of Revenue has changed to a new phone system. All calls to them in Raleigh should be through (887) 252-3052.

Chapter News

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 next meeting will be on November 10, at 6:30 pm at The Brass Lantern in Dunn, NC. Charlene Dawkins of the Secretary of State Office will speak.

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 in January.

The November meeting will be held on November 24, at Prime Sirloin in Hickory. Speaking will be Michelle Jenkins of Edward D. Jones.

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.

Personal Postings

Pat Pittillo

Summer definitely is over for Jan Allison. She played second base all season for the church softball team and has the muscles to prove it! Naturally, her team placed first in the league….Those great grandchildren just keep coming for Jeanne Nicholson; they now number four! Jeanne has had multiple eye operations and now can give "The Look" to the little kiddies when they misbehave…Paula Brown now is a Certified Senior Advisor. Does that mean that when we ask her opinion on anything and we receive her advice, we now are seniors?…Wade Powell has finished his sixth chemo treatment, which he worked in around his multiple trips to the golf course. Wade tells everyone that he feels great, but he lets his golf cronies think he is too weak to get his ball out of the rough, so they obligingly fetch the errant ball and put it on the green next to the pin. The next time Wade tells you his golf score, question his accounting method! Send your news items to pataccnt@asheboro.com or fax to (336) 626-0072.

Checks Returned to IRS

The IRS is reminding North Carolina taxpayers they have until December 5 to claim 3,400 undelivered checks from this summer's advance child tax credit. After the December cut-off, taxpayers cannot claim the checks until they file their tax returns next year.

These undelivered checks are among nearly 24 million issued this summer and fall for the advance child tax credit. In all, more than $14 billion in child credit checks have been issued.

“Time is running out to get an advance child credit check,” said Valerie Thornton, IRS spokesperson for North Carolina. “We encourage taxpayers to visit IRS.gov to see if they have an undelivered check from the advance child tax credit mail-out.”

In all, the IRS has money for more than 5,600 North Carolina taxpayers whose income tax refund or advance child tax credit checks were undelivered and returned to the agency. Taxpayers need to update their addresses before the IRS can reissue the checks, which total more than $2.9 million.

In addition to the 3,400 child credit checks worth more than $1.45 million, there were another 2,200 “regular” tax refund checks, those issued to refund tax overpayments, returned to the IRS as undelivered. These “regular” refund checks total more than $1.5 million — an average of $647 per check.

"Our web site makes it easy for taxpayers to track undelivered checks," Thornton said. “Our goal is to get this money back in the hands of the people to which it belongs, and we want to get the checks out as soon as possible.”

IRS.gov, the IRS web site, lets taxpayers track both their refund and their advance child tax credit. "Where's My Refund?" provides information about refunds and “Where’s My Advance Child Tax Credit?” provides information about the tax credit. Both are available on the IRS home page.

To use the resources on the web site, taxpayers enter information including their Social Security number and their filing status (such as single or married filing jointly). In addition, the refund amount shown on their 2002 tax return is required for refunds. To get information on the advance child tax credit, taxpayers must also enter the number of exemptions shown on their 2002 tax return.

When the information is submitted online, taxpayers see web pages that show the status of their refund or advance child tax credit check. In many cases, they also get instructions they need to resolve problems.

“All we need is a good address,” Thornton said. “As soon as we get the correct address we can start the check on its way. We urge taxpayers to act before December 5 for the advance payments so we can reissue the checks before the end of the year.”

Taxpayers without access to the Internet who think they may be missing a refund or advance child tax credit check should first check their records or contact their tax preparer before calling the IRS toll-free assistance line at (800) 829-1040 to update their address.

Taxpayers can avoid undelivered refund checks by having their refunds deposited directly into a personal checking or savings account. Direct deposit also guards against theft or lost refund checks. The option is available on both paper returns and electronically filed returns. More than 44 million taxpayers chose direct deposit this filing season, up 11.6 percent from last year. Direct deposit was not available for the advance child tax credit checks.

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. Below is a picture of NCSA Chapter Promotions Chairman David Rollins awarding the cup to Bill Fischer, President Cape Fear Chapter.

L to R: Marsha Wheeler, Cape Fear Secretary; David Rollins, NCSA Chapter Promotions Chairman; Bill Fischer, Cape Fear President 02-04

As Bill put it himself, "Thanks to all the members, for without you this award would not have been possible." The committee agrees in total. 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.

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.

Take Care When Seeking Help from Credit Counseling Organizations

In NC04-03, the IRS, the Federal Trade Commission, and state regulators issued a consumer alert for those seeking assistance from tax-exempt credit counseling organizations. Paying bills is never easy, but job loss, divorce, or unexpected medical bills can be devastating to a consumer. Many consumers seek help from non-profit credit counseling organizations in managing their debt or "repairing" damaged credit. The IRS, FTC, and state agencies urge consumers to be cautious when choosing a credit counseling organization.

Many credit counseling organizations provide valuable advice, education, and assistance to those seeking to better manage their debt. But an increasing number of complaints to federal and state agencies indicates that some organizations are engaging in questionable activities.

Federal and state regulators are concerned that some credit counseling organizations using questionable practices may seek tax-exempt status in order to circumvent state and federal consumer protection laws. State and federal statutes regulating credit counseling agencies often do not apply to Section 501(c)(3) tax-exempt organizations.

"Many of these groups provide a valuable service to consumers, but some use the tax code to skirt consumer-protection laws," said IRS Commissioner Mark Everson. "The IRS will work to protect the integrity of the tax law to ensure that tax-exempt organizations understand and comply with the rules. We will work with other federal agencies and state regulators to combat abuse in this area. It is not fair to taxpayers struggling with financial problems to be taken advantage of by credit counseling groups exploiting gaps in the law."

Consumers need to be wary of the "quick fixes" offered by some organizations.

"Consumers who are struggling financially need to be careful not to lose even more money to someone offering a quick and easy way to fix credit problems," said Timothy Muris, Chairman of the FTC. "We want all consumers seeking help to take some common sense precautions."

Consumers can help protect themselves from deceptive credit counseling practices by following these tips:

- Check that the organization will help you manage your finances better through counseling and education. Carefully read through any written agreement that a credit counseling organization offers. It should describe in detail the services to be performed; the payment terms for these services, including their total cost; how long it will take to achieve results; any guarantees offered; and the organization's business name and address.
- Beware of high fees or required "voluntary contributions" that, with high monthly service charges, may add to your debt and defeat your efforts to pay your bills. It is illegal to represent that negative information, such as bankruptcy, can be removed from your credit report. Promises to "help you get out of debt easily" are a red flag.
- Make sure that your creditors are willing to work with the agency you choose. If they are, follow up with those creditors regularly to make sure your debt is being paid off.
- Check with state agencies and your local Better Business Bureau to find out about a specific credit counseling organization's record. A list of helpful web sites appears at the bottom of this release.

"State charity officials are working with other state and federal agencies to remedy abuses in this area and to assure that nonprofit credit counseling organizations operate in accordance with the charitable trust or non-profit corporation laws under which they are formed," said Mark Pacella, President of the National Association of State Charity Officials (NASCO).

To address some of the concerns, the IRS has stepped up its enforcement efforts to ensure that existing Section 501(c)(3) organizations are complying with the applicable rules and regulations. Further information and background can be found in Fact Sheet 2003-17.

IRS, FTC and NASCO regulators recommend that consumers considering using the services of credit counseling organizations, check the following Web sites for useful information:

- *www.ftc.gov* – Become familiar with the latest scam alerts.
- *www.nasconet.org* – Obtain a list of state charity official offices.

Consumers who believe that they have been victims of credit improvement fraud, they should immediately file a complaint with the FTC by calling (877) FTC-HELP.

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.

Tax Relief for Hurricane Isabel Victims

In NC03-78a, the IRS announced the addition of ten counties to those already eligible for special tax relief for areas that struck by Hurricane Isabel. This brings the total to 36 North Carolina counties in which individuals are eligible for FEMA assistance.

The relief gives affected individual and business taxpayers additional time to file and pay certain taxes, and it provides affected employers extra time to make federal tax deposits.

The counties covered are: Beaufort, Bertie, Brunswick, Camden, Carteret, Chowan, Craven, Currituck, Dare, Edgecombe, Franklin, Gates, Granville, Greene, Halifax, Hertford, Hyde, Jones, Lenoir, Martin, Nash, New Hanover, Northampton, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Person, Pitt, Tyrell, Vance, Warren, Washington, Wayne, and Wilson.

The extension date for federal tax deposits was September 29. The extension to file or pay taxes is November 18. All relief-related forms should be marked "Hurricane Isabel."

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.

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.

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). 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.

Clean-Burning Fuel Adjustment

Taxpayers are allowed an above-the-line adjustment for the cost of qualifying clean-fuel vehicle. Qualified clean-fuel vehicles can be either a motor vehicle produced by an original equipment manufacturer and designed to operate on a clean-burning fuel or any property installed on a motor vehicle to enable it to operate on a clean-burning fuel. Clean-burning fuel includes natural gas, liquefied natural gas, liquefied petroleum gas, hydrogen, electricity, or any other fuel that is at least 85% alcohol or ether.

To qualify, the taxpayer must acquire the vehicle for personal use (not for resale) and it must be new.

The adjustment is allowed in the year the vehicle is placed in service and cannot exceed the portion of the vehicle's cost attributable to the engine using the clean-burning fuel and the parts related to the storage, delivery, or exhaust of the fuel. The maximum for 2003 cannot exceed:

- $50,000 for a truck or van with a gross vehicle weight rating over 26,000 pounds or for a bus with a seating capacity of 20 adults (excluding the driver).
- $5,000 for a truck or van with a gross vehicle weight rating over 10,000 but not more than 26,000 pounds.
- $2,000 for any other clean-fuel vehicle.

In News Release 2003-114, the IRS added the 2004 Toyota Prius to the list of those vehicles eligible for the deduction. Already certified are the 2001-2003 Prius, the 2000-2002 Honda Insight, the 2003 Honda Civic Hybrid.

Individuals claiming the adjustment for a personal-use vehicle do so on Line 33 of Form 1040 with the words "Clean fuel." For a business-use vehicle, an expense deduction is claimed on Schedule C or F.

The clean-burning fuel adjustment will be reduced each year until it expires at the beginning of 2007. Purchasers of IRS-certified cars will be able to claim an adjustment of up to $2,000 if the vehicle is placed in service on or before December 31, 2003. The adjustment goes to $1,500 for vehicles placed in service in 2004, to $1,000 for vehicles placed in service in 2005, and to $500 for vehicles placed in service in 2006.

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 ongoing 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.

e-services

For many months, the IRS has been promising a slew of "extra" services for tax professionals, especially those who have more than 100 individual tax returns filed electronically accepted since January 1, 2003, who are eligible for the incentive products. Well, at last, the services are beginning to appear.

The first set of services consists of Registration, PTIN Applications on-line, and interactive TIN matching. Later, those who are eligible for the incentive products will be able to complete Forms 2848 and 8821 on-line, do account resolution by e-mail with the IRS, and use the Transcript Delivery System for requesting returns transcripts of individual and business taxpayers.

The first thing you need to do is register. The IRS has hidden this pretty well. Go to the IRS web site at www.irs.gov. From there, select "Tax Professionals," then "e-file Providers," then "e-services," and finally "Registration Services." Follow the instructions, and you can register on-line.

Systemic Advocacy Group

Jackie Bracey, IRS

Our mission in the Taxpayer Advocate Service reaches beyond individual cases and extends to the realm of system advocacy. This means that we help not only individual and business taxpayers settle disputes with the IRS, but we also try to repair larger, systemic flaws that cause trouble for taxpayers, practitioners, and IRS employees.

What are systemic advocacy issues?

- The always affect multiple taxpayers.
- They are not individual taxpayer cases.
- They affect segments of the taxpayer population locally, regionally, or nationally.
- They relate to IRS systems, policies, and procedures.
- They require study, analysis, administrative changes, or legislative procedures.
- They involve protecting taxpayer rights, reducing or preventing taxpayer burden, ensuring equitable treatment of taxpayers, or providing essential services to taxpayers.

The Systemic Advocacy Management System is a tracking system we use to control issues and track their status.

You can help identify problems or advocacy issues and submit them to us by e-mail at Advocacy@irs.gov, by fax at (202) 622-3125, or on the Internet at www.irs.gov/advocate.

Mileage Rates for 2004

The IRS released the optional standard mileage rates to use for 2004 in computing the deductible costs of operating an automobile for business, charitable, medical, or moving expense purposes. To reduce a recordkeeping burden, the IRS also announced that taxpayers who use no more than four vehicles at the same time for business purposes may use the standard mileage rate, starting in 2004. Currently, those using more than one vehicle at a time cannot use the standard rate at all, leaving them to track the actual expenses for each vehicle.

Although many taxpayers may still claim actual vehicle expenses for various reasons, the IRS estimates that small businesses will save 8-10 million hours a year in record keeping with this expansion of the standard rate option. A taxpayer may not use the standard mileage rate for a vehicle after using any depreciation method under the Modified Accelerated Cost Recovery System (MACRS), after claiming a Section 179 deduction for that vehicle, or for any vehicle used for hire.

Beginning January 1, 2004, the standard mileage rates for the use of a car (including vans, pickups, or panel trucks) will be:

- 37..5 cents a mile for all business miles driven, up from 36 cents a mile in 2003;
- 14 cents a mile when computing deductible medical or moving expenses, up from 12 cents a mile in 2003; and
- 14 cents a mile when giving services to a charitable organization.

Revenue Procedure 2003-76 contains additional information on these standard mileage rates.

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.

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North Carolina Tax Changes

(continued from page 9)

- An exemption was added to cover computer software delivered electronically and by load and leave.
- 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 contain 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.
- 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.

From the NCSA Office

Candace Cansler

All NCSA members should have received the 2003-2004 membership directory. Keep this important tool handy for quick and accurate reference. To keep your information current, be sure to contact the NCSA office with address, phone, or email changes.

Emails are sent regularly with committee announcements, meeting notices, and important dated information. Stay informed, keep your email address updated.

There are three PTI conferences this month. Host cities include Winston Salem, Charlotte, and Myrtle Beach. Contact the NCSA office if you need registration information.

NCSA Schedule of Events

November

November 17–**Board of Directors meeting**–
Hawthorne Inn, Winston-Salem, 3 p.m.
November 18-19–**PTI–**Hawthorne Inn, Winston-Salem
November 19-20–**PTI–Charlotte**–Four Points Sheraton
November 20-21–**PTI–Myrtle Beach**–Ocean Reef Resort

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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