



COUNT ON US.

Accountants Society of Virginia

DECEMBER 2010/JANUARY 2011

www.Virginia-Accountants.org

107 S. West Street, #825
Alexandria, VA 22314

office (800) 927-2731
fax (703) 530-9653

[Home](#)

[About ASV](#)

[ASV Forms](#)

[Become a Member](#)

[Join or Renew Online](#)

[Members-Only](#)

[The Annual Conference](#)

[ASV Board of Directors](#)

[ASV Seminars](#)

[Pay Online](#)

[Jennings Seminars](#)

[Spring Knowledge Seminars](#)

[ASV Calendar](#)

[Industry Links](#)

[PTIN](#)

[Picture Gallery](#)

[ASV Code of Ethics](#)

[ASV Rules of Professional
Conduct](#)

[Contact ASV](#)

IN THIS ISSUE:

- **ONE MORE SEMINAR LEFT BEFORE TAX SEASON STARTS**
- **WELCOME NEW MEMBERS**
- **CHECK OUT THE MEMBER-ONLY SECTION**
- **IRS RELEASES PROPOSED REGULATIONS THAT WOULD REDUCE ENROLLED AGENT FEES**
- **IRS ANNOUNCES 2011 STANDARD MILEAGE RATES**
- **IRS REMINDS TAX PREPARERS TO SIGN UP FOR PTINS**
- **IRS HELPS SMALL EMPLOYERS CLAIM NEW HEALTH CARE TAX CREDIT: FORMS AND ADDITIONAL GUIDANCE NOW AVAILABLE ON SMALL BUSINESS HEALTH CARE TAX CREDIT**
- **STARTING IN 2011, MANY PAID PREPARERS MUST E-FILE FEDERAL INCOME TAX RETURNS FOR INDIVIDUALS, ESTATES AND TRUSTS**
- **DOES YOUR WEBSITE NEED A REFRESH? – 6 TIPS FOR KEEPING YOUR SITE RELEVANT AND ENGAGING**

ONE MORE SEMINAR LEFT BEFORE TAX SEASON STARTS

The last chance to get the latest tax info for preparing 1040s will be held on January 6-7, 2011. This Jennings Tax In Depth seminar takes place at the Quality Suites, 6280 Northampton Boulevard, Norfolk, VA, 23502, 757-222-6642.

Rates go up after December 22, 2010. Those who require a hotel reservation may get a rate of \$89 at the Quality Suites or \$69 at the adjacent Sleep Inn. Just as for the "Accountants Society of Virginia" rate when indicating which rate you want.

Visit www.virginia-accountants.org to obtain the registration form and to pay online.

WELCOME NEW MEMBERS

- Heather C. Miller, Center Cross, VA
- Karen Elizabeth Abell, CPA, Chesterfield, VA
- Eileen J. Taylor, Centreville, VA
- Richard P. Arsenaault, CPA, CFF, Woodbridge, VA
- Christine Eckloff-Vassos, CPA, Gaithersburg, MD
- Christine C. Goodrum, CPA, Leesburg, VA
- Richard Janowitz, EA, Falls Church, VA
- Omar Khan, EA, Herndon, VA
- Okeoma Okeoma, Falls Church, VA
- Alvin D. Oliver, Richmond, VA
- Jerrold R. Perkins, CPA, Falls Church, VA
- Gary M. DiVito, CPA, Reston, VA
- Mary J. Leighty, CPA, Falls Church, VA
- Vivian E. Smith, EA, Yorktown, VA
- Patricia N. Rudolph, CPB, Henrico, VA
- Belkis V. Rondon-Behnam, Norfolk, VA
- Sheri Wilson, CPA, Falls Church, VA
- Maryann W. Fay, Alexandria, VA
- Elizabeth G. Radke, Newport News, VA
- Joyce M. Thorn, Charlottesville, VA
- Elizabeth A. Korbich, Falls Church, VA
- J. Keith King, EA, Centreville, VA
- Jeffrey L. Landis, Harrisonburg, VA
- Dean Shawn Daisy, CPA, LLM, Reston, VA
- Gordon L. Williams, Hayes, VA
- Felicia D. Morris, Louisa, VA
- Candace Lynn Dally, Winston-Salem, NC

CHECK OUT THE MEMBER-ONLY SECTION

There are new offerings for members of the Accountants Society of Virginia.

ASV has brokered discounts on various products from:

- ⇒ Jennings Seminars;
- ⇒ Quickfinder
- ⇒ The Taxbook
- ⇒ and PPC/RIA - Thompsons Reuters!!

Our Membership is now *online and searchable!!!*

To find out more, visit www.virginia-accountants.org and sign in.

However, you must be a current ASV member to sign in.

IRS RELEASES PROPOSED REGULATIONS THAT WOULD REDUCE ENROLLED AGENT FEES

The Internal Revenue Service released proposed regulations that would reduce fees related to application and renewal for enrolled agents and enrolled retirement plan agents. The reduction is related to the preparer tax identification number requirements implemented last month which establish a new registration process and fee for all return preparers.

The proposed regulations (REG-124018-10) would reduce the fee for application and renewal for enrolled agents and enrolled retirement plan agents from \$125 to \$30. The reduction reflects the fact that the processes used to review enrollment and renewal of enrollment applications are partially duplicative of the new process for reviewing a PTIN application, which costs \$64.25.

Individuals granted status as an enrolled agent or enrolled retirement plan agent must renew enrollment every three years. The renewal schedule is based on the last digit of the individual's social security number or tax identification number.

Tax professionals and other interested parties have until Jan. 10 to submit comments regarding the proposed regulations.

Delay of Renewal Period for Certain Enrolled Agents

In anticipation of these proposed regulations, the IRS recently announced in Announcement 2010-81 a delay of the renewal period for enrolled agents whose tax identification numbers end in 4, 5, or 6. The IRS is not accepting or processing applications for renewal of enrollment until further guidance is issued.

Individuals who have successfully completed the special enrollment examination may submit an application for enrollment, but the current user fee of \$125 must be paid with the application until final regulations reducing the user fee are published in the Federal Register. These individuals also may choose to delay filing an application for enrollment until the user fee is reduced. Individuals who delay filing an application for enrollment may not practice before the IRS until the application is submitted and the Office of Professional Responsibility has granted enrollment.

Reminder of New Registration Requirement for All Return Preparers

The IRS recently launched a new online application system to obtain a PTIN. All paid tax return preparers who prepare all or substantially all of a tax return are required to use the new registration system to obtain a PTIN. Individuals who obtained a PTIN prior to Sept. 28, 2010, need to reapply under the new system but generally will be reassigned the same number.

Applicants must pay \$64.25 to obtain or renew a PTIN. Access to the online system is available through the Tax Professionals page on this website. Receipt of a PTIN will be immediate after successful online registration. Or a paper application may be submitted on Form W-12, IRS Paid Preparer Tax Identification Number Application, with a response time of four to six weeks.

IRS ANNOUNCES 2011 STANDARD MILEAGE RATES

The Internal Revenue Service has issued the 2011 optional standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes.

Beginning on Jan. 1, 2011, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

- ⇒ 51 cents per mile for business miles driven
- ⇒ 19 cents per mile driven for medical or moving purposes
- ⇒ 14 cents per mile driven in service of charitable organizations

(The standard mileage rate for business is based on an annual study of the fixed and variable costs of operating an automobile. The rate for medical and moving purposes is based on the variable costs as determined by the same study. Independent contractor Runzheimer International conducted the study.)

A taxpayer may not use the business standard mileage rate for a vehicle after using any depreciation method under the Modified Accelerated Cost Recovery System (MACRS) or after claiming a Section 179 deduction for that vehicle. In addition, the business standard mileage rate cannot be used for any vehicle used for hire or for more than four vehicles used simultaneously.

Taxpayers always have the option of calculating the actual costs of using their vehicle rather than using the standard mileage rates.

IRS REMINDS TAX PREPARERS TO SIGN UP FOR PTINS

The Internal Revenue Service has started sending out more than 10,000 letters to tax return preparers nationwide to remind them of their obligation to prepare accurate tax returns on behalf of their clients.

Also, during the 2011 filing season, IRS representatives will visit approximately 2,500 tax return preparers who received these letters to further discuss their responsibilities as a return preparer and to verify their compliance with existing requirements.

The tax agency is sending the letters to paid preparers who completed tax returns in which the IRS has identified common errors. The letter includes an enclosure that reminds tax return preparers of their responsibilities and consequences of filing incorrect returns.

While most return preparers are professionals who provide honest and excellent service to their clients, some make basic errors or engage in fraud and other illegal activities. The IRS will continue to work closely with the Department of Justice to pursue civil or criminal action as appropriate.

The IRS urges taxpayers to be careful when choosing a preparer. Reputable return preparers will ask to see receipts and will ask multiple questions to determine whether expenses may be claimed as deductions or otherwise qualify for favorable tax treatment. By doing so, they are trying to help their clients avoid penalties, interest or additional taxes that could result from an IRS examination.

These letters and planned visits are another step in increased IRS efforts to heighten awareness of preparer responsibilities and to ensure paid tax return preparers are assisting taxpayers appropriately. The IRS is continuing its efforts to implement the recommendations IRS Commissioner Doug Shulman announced in January following a comprehensive six-month study of the tax return preparer industry.

The IRS recently launched a new online application system to obtain a Preparer Tax Identification Number (PTIN). All paid tax return preparers who prepare all or substantially all of a tax return are required to use the new registration system to obtain a PTIN. Individuals who obtained a PTIN prior to Sept. 28, 2010, need to reapply under the new system but generally will be reassigned the same number.

Applicants must pay \$64.25 to obtain or renew a PTIN. Access to the online system is available through the Tax Professionals page on this website. Receipt of a PTIN will be immediate after successful online registration. Alternatively, a paper application may be submitted on Form W-12, IRS Paid Preparer Tax Identification Number Application. Preparers choosing this alternative can expect a response time of four to six weeks.

IRS HELPS SMALL EMPLOYERS CLAIM NEW HEALTH CARE TAX CREDIT; FORMS AND ADDITIONAL GUIDANCE NOW AVAILABLE ON SMALL BUSINESS HEALTH CARE TAX CREDIT

The Internal Revenue Service released final guidance for small employers eligible to claim the new small business health care tax credit for the 2010 tax year. Today's release includes a one-page form and instructions small employers will use to claim the credit for the 2010 tax year.

New Form 8941, Credit for Small Employer Health Insurance Premiums, and newly revised Form 990-T are now available on IRS.gov. The IRS also posted on its website the instructions to Form 8941 and Notice 2010-82 , both of which are designed to help small employers correctly figure and claim the credit.

Included in the Affordable Care Act enacted in March, the small business health care tax credit is designed to encourage both small businesses and small tax-exempt organizations to offer health insurance coverage to their employees for the first time or maintain coverage they already have.

The new guidance addresses small business questions about which firms qualify for the credit by clarifying that a broad range of employers meet the eligibility requirements, including religious institutions that provide coverage through denominational organizations, small employers that cover their workers through insured multiemployer health and welfare plans, and employers that subsidize their employees' health care costs through a broad range of contribution arrangements.

In general, the credit is available to small employers that pay at least half of the premiums for single health insurance coverage for their employees. It is specifically targeted to help small businesses and tax-exempt organizations that primarily employ moderate- and lower-income workers.

Small businesses can claim the credit for 2010 through 2013 and for any two years after that. For tax years 2010 to 2013, the maximum credit is 35 percent of premiums paid by eligible small businesses and 25 percent of premiums paid by eligible tax-exempt organizations. Beginning in 2014, the maximum tax credit will increase to 50 percent of premiums paid by eligible small business employers and 35 percent of premiums paid by eligible tax-exempt organizations.

The maximum credit goes to smaller employers — those with 10 or fewer full-time equivalent (FTE) employees — paying annual average wages of \$25,000 or less. The credit is completely phased out for employers that have 25 or more FTEs or that pay average wages of \$50,000 or more per year. Because the eligibility rules are based in part on the number of FTEs, not the number of employees, employers that use part-time workers may qualify even if they employ more than 25 individuals.

Eligible small businesses will first use Form 8941 to figure the credit and then include the amount of the credit as part of the general business credit on its income tax return.

Tax-exempt organizations will first use Form 8941 to figure their refundable credit, and then claim the credit on Line 44f of Form 990-T. Though primarily filed by those organizations liable for the tax on unrelated business income, Form 990-T will also be used by any eligible tax-exempt organization to claim the credit, regardless of whether they are subject to this tax.

STARTING IN 2011, MANY PAID PREPARERS MUST E-FILE FEDERAL INCOME TAX RETURNS FOR INDIVIDUALS, ESTATES AND TRUSTS

The Internal Revenue Service has detailed how, starting Jan. 1, 2011, paid tax return preparers can comply with a new law that requires paid tax return preparers who meet the definition of "specified tax return preparer" under the new law to electronically file (e-file) federal income tax returns that they prepare and file for individuals, trusts and estates.

The e-file requirement will be phased in over two years.

Starting Jan. 1, 2011, paid preparers who prepare income tax returns for individuals, trusts and estates, such as Forms 1040, 1040A, 1040EZ, and Forms 1041, and who reasonably expect to file 100 or more of these income tax returns in 2011 are specified tax return preparers required to file these returns electronically.

Tax return preparers who are members of a firm are specified tax return preparers and must electronically file the income tax returns they prepare and file if the firm's preparers, in the aggregate, expect to file 100 or more

[Home](#) | [About ASV](#) | [ASV Forms](#) | [Membership](#) | [Members Only](#) | [Annual Conference](#) | [Directors](#)

[ASV Seminars](#) | [Calendar](#) | [Industry Links](#) | [Gallery](#) | [Contact](#)

Copyright © 2010 Accountants Society of Virginia. All Rights Reserved.

of these income tax returns in 2011.

Starting Jan. 1, 2012, the 100-return threshold will be reduced to 11 or more income tax returns that the preparer, or the preparer's firm in the aggregate, expect to file in 2012 for individuals, trusts and estates.

"Electronic filing is the safest, fastest and easiest way for taxpayers to file their tax returns. E-filing is good for the tax system, good for taxpayers and good for the tax preparation industry," said IRS Commissioner Doug Shulman. "This requirement reflects the realities of the modern world where technology has evolved to the point that everyone should be filing their tax returns electronically."

To comply with the new law, a tax return preparer who is subject to the electronic filing requirement and does not already provide e-file for clients must become an authorized IRS e-file provider, which means he, she, or the firm, if the preparer is a member of a firm, must obtain an electronic filing identification number (EFIN). It takes up to 45 days to obtain an EFIN so return preparers who have not started the process should start immediately.

Proposed regulations issued today detail the two-year phase-in plan and provide exclusions from the e-file requirement for undue hardship waivers approved by the IRS and for certain administrative exemptions. In addition, under the proposed regulations, the e-file requirement does not apply to an individual income tax return when a tax return preparer's taxpayer-client chooses to have the return completed in paper format and the taxpayer-client, and not the preparer, will file the paper return with the IRS. A notice issued with the proposed regulations contains a proposed revenue procedure on undue hardship waivers and taxpayer choice statements to file in paper format.

Tax professionals and other interested parties have until Jan. 3, 2011 to submit comments regarding the proposed regulations and the notice of proposed revenue procedure. Final regulations will be published in early 2011, but will be retroactively effective as of Jan. 1, 2011, as described in the proposed regulations.

The e-file requirement for paid tax return preparers was approved by Congress in 2009, based on recommendations from the IRS, the Treasury Inspector General for Tax Administration and the Electronic Tax Administration Advisory Council. Numerous states already have a similar electronic filing requirement.

In 1998, Congress set a goal of having 80 percent of tax returns electronically filed. Last year, two of every three individual tax returns were transmitted through IRS e-file.

IRS e-file benefits taxpayers and tax return preparers. For the tax return preparer, it can mean a more efficient, productive business and fewer errors on the tax return. It is safe and secure. For taxpayers, it can mean faster refunds, the ability to file now and pay later and peace of mind that comes with a receipt acknowledgement.

This year marks the 20th anniversary of IRS e-file as a national program. And in those 20 years, IRS e-file has transmitted more than 800 million tax returns safely and securely.

DOES YOUR WEBSITE NEED A REFRESH?

– 6 TIPS FOR KEEPING YOUR SITE RELEVANT AND ENGAGING

by Caron Beesley, Business.gov

To the outside world your website is the equivalent of your storefront, and your customers expect it to be eye-catching, well-maintained, and always offering something new. However, when you're on the inside and are caught up in the day-to-day operations of your business, finding the time to focus on your website is easier said than done. And, like a neglected storefront, it can quickly become out-of-date, unappealing and, at worst, ignored.

HERE ARE SOME TIPS TO HELP YOU KEEP YOUR WEBSITE UP-TO-DATE, RELEVANT AND ATTRACTING CUSTOMERS.

1. Does your Site Meet Your Business Objectives?

It's likely that you know your website intimately. You helped get it started, had a say in the design, content and so on. You might even live and breathe your website. But it's a good idea every now and again to step back a bit and assess your website in light of where your business is and where you want it to be. Does your site reflect your brand and corporate culture? If not, it should.

[Home](#) | [About ASV](#) | [ASV Forms](#) | [Membership](#) | [Members Only](#) | [Annual Conference](#) | [Directors](#)

[ASV Seminars](#) | [Calendar](#) | [Industry Links](#) | [Gallery](#) | [Contact](#)

Copyright © 2010 Accountants Society of Virginia. All Rights Reserved.

For example, when you started your business you may not have had a huge budget to invest online and built a skeleton site that had basic information about your business and its products and services. But does that start-up site still meet your needs?

Do you have things to say about your business that you aren't doing through your website right now? For example, if you hold special events, offer regular specials or discounts, are you using your website to promote these?

How do you keep your customers "in the know" using your website? Have you considered a blog, or using social media to help engage with and even educate your customers in a "social" way?

Take a look at what your competitors are doing. Do some sites seem to work while others don't? Where's does yours fit in the line-up and what do you think you could do differently?

2. What do Your Customers Think?

Don't forget to ask your customers what they think of your site? Do they visit it? Does it appeal to them? What don't they like? How can it be made more useful to them?

3. Add some Bells and Whistles

If you determine that your website meets your needs, but just needs a mini shake-up to help you meet your objectives, consider introducing these elements:

Add Lead Capture Devices – Use your website to get more information about your customers, and offer them something in return – whether it's a newsletter subscription, a white paper, or just another download. Use the data to establish regular communications and outreach to your customers. But be sure to adhere to SPAM laws and customer privacy laws.

Start a Blog –A blog isn't right for every business, but it is a great way of keeping your site fresh and engaging. And because search engines love new content, a well maintained blog can help boost your rankings. Well written and thoughtful blogs can be a great way to introduce the human element of your business as well as position you as a trusted expert in your field. So whether you offer tips, how-tos, or share success stories of how you've helped your customers – just about every business owner has expertise and insights to share. To get you started read: "Thinking of Starting a Blog? Tips to Help You Start, Maintain & Grow a Small Business Blog"

Embrace Social Media – Another great way to generate traffic back to your website and get the word out about your business (what you offer, what's new, what's going on) is to get out there on social networking sites. To help you determine, which social media channel is a good for your business, read " Twitter, Facebook or LinkedIn? Finding the Right Fit for Your Small Business" and get started with this "Ultimate Small Business Guide to Social Media Marketing". Of course, don't forget to add links and icons to your website that let people know that you are active on social media.

4. Rearrange Your Site Architecture / Design

Whether you need to improve your site navigation to help people find the information they need, or you have new content (such as a blog) that you want to showcase, make sure your site architecture easily supports this. Many content management systems make it easy for site managers to do this without the help of a web developer. But be sure you have that capability before you start out.

5. Get Outside Help

If you don't have experts on staff, consider hiring a consultant to do the job. This one-time investment doesn't have to break the bank and might be worth it. Remember, to make it easier for you to manage and make changes to your site down the line, make sure your designer builds a site that has a robust and easy-to-use content management system (CMS) on the backend. This article provides some basic "need-to- knows" about CMS options: "How to Find the Right Content Management System and get More Out of Your Web Site".

6. Measure Your Improvements

As you roll any changes out, use free website analytic tools to measure and monitor site traffic and assess ROI. How are people finding your site? What pages are attracting most interest or otherwise? Why? Read more about web analytics from small business professional, Anita Campbell, in her article: "3 Tools that can Help your Small Business Sell More and do so Profitably."

If you wish to be unsubscribed to this E-Newsletter, please [CLICK HERE](#)