



QUARTERLY MUSE

December 2008

Montana Society of Public Accountants

President's Message

Happy Holidays!

Hopefully everyone is about done with their CPE and are preparing for the next tax season with enthusiasm.

Please visit our website mspamt.org for information on your state society, by-laws, CPE class dates and other important news. If you have information or an article you would like to put into the website, please contact Chantel at Colleen Black's office in Billings, 245-4614.

This past year has been very busy. We had a fantastic meeting with the Department of Revenue and IRS in Helena during July. Usually, 5 or 6 department heads from the Department of Revenue attend the session and Dan Buck, the Director, comes for an hour. Look for an announcement next spring regarding dates we will hold this meeting.

Our annual meeting was held in Billings in conjunction with our Gear Up class. A list of officers and directors is available on the website.

Also the National Society of Accountants, NSA, has a lot of information you can use in your practice. Information on client letters, marketing, creating checklists, tax organizers and other usable practice information is available. For \$179.00 in dues, you will receive triple or more in savings and ideas from belonging to this organization.

I would like to charge our MSPA members to get involved in our society. Serve on committees, attend meetings, or contact your directors or officers with questions or ideas you would like the society to pursue. No idea is too small and we need your help.

Remember, we are a non-profit organization and our goal is to provide funds for scholarships to Montana accounting students. This year we awarded \$5,000 in scholarships to the following: U of M, David Pfile, Great Falls (3.75 GPA); MSU-B, Breanna Magness, a junior from Big Timber (3.55 GPA) and from MSU, David Petroni a junior from Ennis. We should all be proud of our ability to provide these funds.

We also have a limited reimbursement plan for someone in your office who is taking classes to improve themselves or to get some credentials. Contact me for more info.

There are a number of tax law changes for 2008 and 2009 and when Congress gets together next year (or maybe this year) there may be many changes. We will try to keep up with these on our website. For instance, the federal credit for energy saving home improvements returns in 2009. Tougher standards for tax return preparers are repealed. Now preparers need only substantial authority that a position is valid to avoid penalty. The stricter more than 50% test remains in effect for tax shelters.

Lastly, remember Montana's minimum wage will increase 35 cents January 1, 2009 from \$6.55 to \$6.90 an hour.

Michael J. Sullivan, President

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Our Mission:

- To establish a respected public image of accounting & tax professionals who are dedicated to public practice.
- To encourage a professional level of competence, character and integrity by providing continuing professional education to increase the knowledge and efficiency of its members.
- To promote the highest standard of ethical conduct among its members.
- To represent the accounting & tax professionals at the state and national levels and protect the right to practice.
- To seek the enactment of laws and the correction or modification of existing laws in the interests of the profession and the general public.
- To alert members to some of the significant developments in tax laws, regulations and court decisions, through NSA and MSPA newsletters, publications and bulletins.
- To publicize the achievements of individual members through appropriate national, state and local media.
- To serve as a clearing house for the dissemination of timely information on all matters of interest to accountants in public practice.
- To encourage the camaraderie among its members.

State Practice News

LEADERSHIP TRAINING: Last November, Renae Richards and Mary Lemons attended the Leadership Conference with NSA in Tampa, Florida. The sessions attended included training in how our Associated State Organization (ASO) could and should operate effectively. Items covered ranged from financial stability through membership growth and retention. They had an opportunity to listen to a vast number of other ASO's. Many of the issues we face in Montana were shared by them. Other sessions included exercises in expansion of our individual growth. Through small and large group exercises they were shown many tools that are useful in both business and home life. Both Renae and Mary came away from the convention with ideas, plans and a greater self respect. This convention is a must for any of our "team" that wishes to lend a hand in the smooth operations of the MSPA and take our organization into the future.

REMINDER TO MSPA MEMBERS: New regulations under Internal Revenue Code Section 7216, Disclosure or Use of Tax Information by Preparers of Returns, becomes effective January 1, 2009. The new regulations update regulations that have been substantially unchanged since the 1970s, and give taxpayers greater control over their personal tax return information.

EDUCATION: MSPA is committed to providing quality educational choices for its members. The Board of Directors has chosen to offer a \$150 reimbursement of A & A classes for those members who have taken alternative CPE rather than sponsor a program during 2008. We also have a program where you can receive up to \$500 for reimbursements for your employees taking classes leading to some accounting designation; EA, CPA etc. If you are interested in the reimbursement program please submit a receipt of fees paid and a copy of your certificate of completion by December 31, 2008 to our of-

SCHOLARSHIPS: You can be proud to be a part of an organization who has budgeted to award \$5,000 in scholarships for 2008-2009. The MSPA provides scholarships to Montana Colleges with money going to U of M, MSU, MSUB and CGF. These are generously spread across the state and have benefited members directly.

Calendar of Events 2009

September

24th: Business Entities
 25th: Technology
 Speaker: Bob Jennings

November

IRS/State Liaison, Missoula
 1040 Individual Tax, Missoula
 Professional Ethics in EA, Missoula

October

19th-20th: 1040 Individual Tax, Billings, Holiday Inn
 19th: Professional Ethics for EA, Billings, Holiday Inn
 20th: IRS/State Liaison, Billings, Holiday Inn



NSA DIRECTOR



Tax season will soon be upon us!

In November Mike Sullivan, Gloria Albright and myself went to Phoenix to attend the leadership conference. We were inspired and informed.

It was rather interesting to note that SEVERAL of the members from other states are dealing with the property sale tax audits. One member said his client owed Montana over \$5000 and had not reported the sale on his 1040 either. I did ask at the State Liaison meeting how those audits were going and they are highly successful.

This coming year the NSA convention will be in San Diego on August 15th. The hotel is on hotel circle and is adjacent to a large shopping mall. Balboa Park and Old Town are close by. Access to Sea World and the airport is fairly easy from there with a car. On the night before the convention there will be an optional tour of Marimar including dinner at the officer's club on base. I understand this is where Top Gun was filmed.

In Billings we will have a breakfast coffee discussion every Friday morning at 6:30 at JB's on Grand during tax season (definitely not a legendary establishment.) All are invited for this informal tax jam session. Those of us who have been attending, talk about software, employee problems, and tax law interpretation.

I would like to get these networking groups started in the other cities where we have members. Helena and Great Falls seem to be the only two places besides Billings where there are a concentration of members who are not all in the same office. Please contact me if you are interested in this concept. Most of the other states nationwide have several chapters, many of them with a full schedule of CPE. This seems like a less structured approach.

I know personally when I was starting out I only had the frame of reference that I had been handed down from my former boss and what I heard in CPE seminars. What other offices are having happen is important and gives us a good opportunity to help one another and broaden our experience.

Becky Spencer,
State Director

**** IRS NEWS ****

Tax Talk Today on January 13: Getting Ready for Filing Season 2009 - Individual and Business 2:00p.m. – 3:40p.m. ET

Tune in to this 100 minute program to hear our expert panelists discuss updates to forms, the latest tax law changes and IRS processing issues that will assist you in preparing your clients 2008 individual and business returns. You'll also get tips on how to avoid common errors that can cost you and your client time and money.

Paid preparers are now required to sign payroll returns.

The Small Business and Work Opportunity Act of 2007 broadens the definition of a tax return preparer to include preparers of employment tax returns. The definition applies to anyone who is paid to prepare the form and is not an employee of the filing entity. Section 8246 of the act changes section 6695(b) to extend income tax return preparer penalties to preparers of all types of tax returns.

What this means to you:

For employment tax returns filed after December 31, 2008, paid preparers of Forms 941, 940, 944, etc. must sign those forms and provide the information requested in the Paid Preparer's Use Only section of the form. A \$50 penalty will be imposed for each failure to sign.

IRS Updates and News Releases:

The Internal Revenue Service issued the 2009 optional standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes.

Beginning on January 1, 2009, the standard mileage rates for the use of a car (also vans, pickups, or panel trucks) will be:

- 55 cents per mile for business miles driven
- 24 cents per mile driven for medical or moving purposes
- 14 cents per mile driven in service of charitable organizations

The new rates for business, medical and moving purposes are slightly lower than rates for the second half of 2008 that were raised by a special adjustment mid-year in response to a spike in gasoline prices. The rate for charitable purposes is set by law and is unchanged from 2008.

The business mileage rate was 50.5 cents in the first half of 2008 and 58.5 cents in the second half. The medical and moving rate was 19 cents in the first half and 27 cents in the second half.

TE/GE Advisory Committee Looking for Applicants

Find out how to apply for a vacancy on the Advisory Committee on Tax Exempt and Government Entities (ACT), which provides the IRS with public comments regarding critical tax administration matters. Applications will be accepted through Dec. 1, 2008. Details are in news release [IR-2008-126](#).

Fact Sheet Series on the Tax Gap

See the latest [fact sheet](#) in the tax gap series about avoiding incorrect self-employed retirement deductions. Get previous fact sheets and more on the IRS.gov [tax gap](#) page.

Telephone Survey of Tax Professionals

The annual survey begins in early November and runs through January 2009. If you are selected, we would appreciate hearing your opinion on your experiences filing federal tax returns and working with the IRS on behalf of your clients. Find out more about the [voluntary survey](#) at IRS.gov.

NSA GOVERNOR

Rex R. Cruse, EA, ABA, ATA

Governor's Message

Governor District IX

I will take just a few moments, to tell you a little about what happened at the Annual Meeting, in Kansas City. The newly elected officers installed were James H. Nolen, President; Robert L. Cross, First Vice President; Donny J. Woods, Second Vice President and Steven J. Hanson, Secretary-Treasurer. Governors for Districts II, IV, VI, VIII and X were elected for two-year terms ending in 2001. Elected to first terms were W. Raymond Bucks, District II; Perry W. Smith, District VI; and Linda J. Cuddie, District X. Re-elected to second terms were Martha A. Bell, District IV, and R. Deane Wymer, District VIII. State Directors stood for election in Districts I, III, V, VII, IX and XI. Elected to first terms, from District IX, were Paula Laurion (Alaska), Judy Shoemaker (Colorado), Susan Robertson (Oregon), and Kathy Hettick (Washington). Re-elected were Wilma Christensen (Idaho), Rebecca B. Spencer (Montana) and Julane M Wood (Wyoming). The Accountant of the year award was presented to Joan C. LeValley, for her accomplishments as a leader of the Illinois Society, NSA, her community and the accounting profession. The Affiliated State Organization (ASO) of the year was given to North Carolina Society of Accountants for work in education, member recruitment, public policy, public relations and its support for NSA. Leonard L. Larson was honored with the Norma Kraus Memorial Award as State Director of the Year. Leonard is the retiring State Director of Washington. The Distinguished Service Award was presented to Roger Berryman in recognition of his significant and exemplary contributions for the betterment of NSA and its membership as well as the accounting profession. The Keith Billings Memorial Award was presented to two outstanding ASO publications. For ASO's with more than 300 members, the award went to Debits and Credits, published by the Independent Accountants Association of Illinois. For ASO's with fewer than 300 members, the award went to The Pennsylvania Accountant, published by the Pennsylvania Society of Public Accountants. The National Editorial Award was presented to two winners. John E. Laconco for "Ethics and Ethical Behavior" which appeared in the Minnesota Association of Public Accountants Newsletter. Roger Berryman was honored for the best state president's article, appearing in the Oklahoma Accountant Register.

The Charles W. McAllister Award was presented to ASO's in three categories honoring them for the highest net increase in NSA membership during the past year. For states with membership of less than 100, the award went to the West Virginia Public Accountants Association. For states with 101 to 500 members, the award went to the South Carolina Society of Accountants. For states with 501 to 1,000 members, the award went to the New York Society of Independent Accountants. Bill Parrish earned the Speaker of the Year Award for his presentations at the nationwide IRS Tax Forums and the NSA ConnectED Webinar Series. Receiving blue blazers as new members to the "Ten Plus Club Member-Get-a-Member Program" were Steven R. Desdier, Joyce Funkhouser-Lingelbach and Leonard L. Larson.

The District IX, X & XI State Directors & ASO Presidents Meeting will be held October 30th at the Crowne Plaza Hotel Phoenix Airport, Phoenix, Arizona. This meeting is being scheduled the day before the NSA Legislative/Leadership Conference, at the same hotel, hoping we can save money for NSA, and the ASO's who send the presidents or other state officers to the District IX, X and IX Meeting and/or the Legislative/Leadership Conference. If you need additional information or have any questions regarding the above meetings contact me or go to NSA's website at <http://www.nsaacct.org>.



THIS THE SEASON

THE HOLIDAYS DON'T HAVE TO BE A STRESSFUL TIME

As you enter the holiday season don't let yourself get run down and stressed out -this is the time to enjoy your family and friends. Follow these simple guidelines to keep yourself happy and healthy.

Celebrate Your Talents - Now is the perfect time to indulge in your talents for cooking, crafts, helping others and organizing. Not only will you calm yourself but you can get ready for the holidays and make gifts.

Learn to Rely on Supportive Relationships - Draw strength from your family and friends and allow them to help you make decisions. Call them, talk to them, tell them how you feel.

Find Peace - Take time to fill your spiritual reservoir each day. Different things work for different people-some use meditation, thought or pondering inspirational writings.

Enjoy A Diversion - The holidays are a great time to take a bit of "me time". Go see a movie, read a good book, go out with friends, take up a hobby and do it often, volunteer.

Help a Worthy Cause - Sometimes we worry so much about our own problems that we can't see anything else. Invest yourself meaningfully in a church or community group-helping others can bring us peace and satisfaction.

Enjoy Natural Beauties - Watch a sunrise or sunset, take a walk in the snow, sit outside at night and enjoy the sounds of nature.

Use Time Efficiently - Name your time wasters and get rid of them. Then, do your essential tasks at the time of day when you are most alert and creative. Keep a log for a week detailing how you use your time and use it to improve the next week.

**Montana Society of
Public Accountants**

**807 Grand Avenue
Billings, MT 59102**

**Phone (406) 248-1040
Fax (406) 259-7428**

**Email:
info@mspamt.org**

**Website:
www.mspamt.org**

PRESIDENT

Michael Sullivan
645 Grand Avenue
Billings, MT 59101
(406) 652-7999
Fax (406) 652-7999
mjsullivan@bresnan.net

STATE DIR. NSA

Rebecca Spencer
121 Grand Avenue
Billings, MT 59101
(406) 248-3859
becky@laser1040.com

DIRECTOR

James Simons
2115 Durson Rd #12
Bozeman, MT 59718
(406) 586-4449
jimsimonscpa@aol.com

VICE PRESIDENT

Mary Lemons
5431 HWY 93 S
Conner, MT 59827
(406) 821-3362
lemons@montana.com

DIRECTOR

Colleen Black
801 Grand Avenue Ste 2
Billings, MT 59102
(406) 245-4614
colleen@cblacktax.com

DIRECTOR

Raedawn Pasco
520 Wicks Lane St 7A
Billings, MT 59105
(406) 373-0012
wasinc23@yahoo.com

TREASURER

Jeanne Stecher
807 Grand Avenue
Billings, MT 59102
(406) 248-1040
Fax (406) 259-7428
jstecher@stechertax.com

DIRECTOR

Duane McCullough
3570 East Shore
Helena, Mt 59602
(406) 475-3052
duane_mcc@mcn.com

DIRECTOR

Renee Richards
2708 1st Avenue N Suite 200
Billings, MT 59101
(406) 254-9400
Fax (866) 480-2450
reneecpa@q.com

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**807 Grand Avenue
Billings, MT 59102**
