

QUARTERLY MUSE

May 2009



Montana Society of Public Accountants

President's Message

Another tax season is finally over!?!; at least the first part, now we have to deal with the extensions and work that we set aside. Other than that I hope you all had a good tax season. Now it is time to review procedures with your staff and see if there are changes you need to make for next year.

I am sure you are all receiving calls regarding the Stimulus. Where is their money? Do they get one check? I do not know where some people get their information or where the rumors come from, but some need to be careful. For instance, retirees still on the job. They will get a \$250.00 stimulus payment soon. But they will have to pay it back when they file their 2009 tax return. There will be no double dipping!

The money is intended to give added income to those who are not working and can't benefit from reduced withholding being used to deliver this year's stimulus of \$400 for singles and \$800 for marrieds. To prevent double dipping, working beneficiaries who get the \$250 payment will have to reduce the payroll tax credit they claim on their tax returns next spring.

Retirees who elect to have federal taxes taken out of their pension payouts may be short in taxes withheld. If they do not have any earned income, they are ineligible for the payroll tax credit. Make sure that retirees withholding under the new tables is sufficient.

Legislative Update: House Bill 0080 has passed. This involves **MOBILITY**. Many states, now including Montana, have adopted mobility legislation; this is the practice privilege that generally permits a licensed CPA in good standing from a substantially equivalent state to practice outside his/her principal place of business without obtaining another license. Go to Montana Legislature 2009 and search: Bill Type **HB** and **NUMBER 80** for more details. Nothing happened regarding licensing requirements to prepare tax returns.

I hope you all have a great summer and be sure to attend our joint liaison meeting with the State and the IRS in July. If you have questions please contact me @ mjsullivan@bresnan.net or Gloria Albright @ albrightax@180com.net.

Mike Sullivan, President MSPA

Sullivan, Doty & Associates

Inside This Issue

MSPA News &
Calendar of Events

2

NSA Director
Report

3

IRS News

4

NSA Annual
Meeting

5

Spring Stress
Buster

6

MT Society of Public
Accountants

7

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.



Helena Liaison Meeting

- ◆ We are planning a joint Montana Dept. of Revenue and IRS meeting in Helena late in July, tentatively, Monday, July 27th. If you have any areas or opportunities for either the IRS or State please get your questions to Mike Sullivan and we will see that they get answered at this meeting. This meeting is very beneficial and we usually have many state department heads and IRS personnel.
~Mike Sullivan

Scholarship Update

- ◆ We have received thank you cards from students benefiting from Scholarships provided by the MSPA. If anyone can be present in Missoula on May 8, 2009, we need someone to present the MSPA scholarship at the Donor Scholarship Awards Banquet. If anyone is interested please contact Mike Sullivan @ 652-7999 or mjsullivan@bresnan.net. We received a very nice letter and picture from our scholarship recipient from MSUB. Amy Marcotte will be a junior next year, carries a 3.98 GPA (that is 3.0 more than I had) and is very active with school children and the elderly. This type of appreciation letter should make us all feel very proud of what our scholarships mean to students and that we are doing a great service to our future accountants. We also received nice thank you notes from Courtney Wendland from MSU Bozeman (Rudyard, MT) and Christine Simmons from Missoula @ U of M.
~ Mike Sullivan

Elder Abuse and Financial Exploitation

- ◆ Several active MSPA members are also ASWA members, who will be sponsoring the Annual Public Relations Seminar: Elder Abuse and Financial Exploitation event at MSU-Billings on May 20, 2009. The panel includes: Dennis Lusin, CWS of D.A. Davidson, Lynn Egan, MT Deputy Securities Commissioner, and Tracy Dangerfield, CPA. This seminar qualifies for 2 hours of CPE credit. If you have any question or plan to attend please contact Gloria Albright at albrightax@180com.net

Calendar of Events 2009

September

24th: Business Entities, Missoula, Hilton Garden Inn

25th: Technology

Speaker: Bob Jennings

*Hilton Garden Inn Ph: 406-532-5300
3720 N. Reserve St.
Missoula, MT 59808 \$119.00 per night

October

19th-20th: 1040 Individual Tax, Billings, Holiday Inn

19th: Professional Ethics for EA, Billings, Holiday Inn

21st: IRS/State Liaison, Billings, Holiday Inn

*Holiday Inn Ph: 406-248-7701
5500 Midland Rd
Billings, MT 59102 \$99.00 per night
www.msamt.org

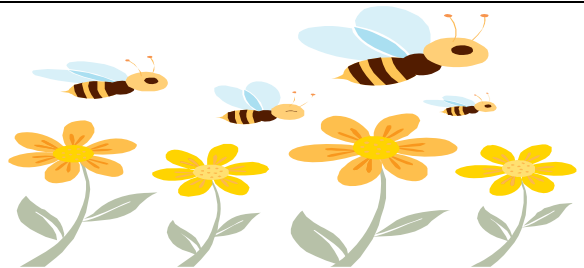
November

2nd-3rd: 1040 Individual Tax, Missoula

2nd: Professional Ethics in EA, Missoula

4th: IRS/State Liaison, Missoula

*Hilton Garden Inn Ph: 406-532-5300
3720 N. Reserve St.
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NSA DIRECTOR

Winter has been rather uneventful for the organization as we have all been busy with the accountant's version of calving season. I trust yours went well.

One of our members Raedawn got her picture on the front page of the Billings Gazette. Congratulations, Raedawn,---great publicity!!

One of the things that perhaps you noted if you were listening to the radio (I do not know about television) is that our state tax dollars are being spent on advertisement urging taxpayers to save money---by going on line to do their Montana Tax Return free. I have heard at least one other member express displeasure about this situation and hopefully when we meet with the Director we can at least voice our opposition.

A couple of years ago a law was passed prohibiting the state from getting into the tax return preparation business. "But these are just short forms" has been an excuse; however, I have an opinion about that....Where do you draw the line between just an easy nothing to deduct return and a complex one???? In MANY cases any W-2 return would be prepared correctly in the eyes of the government! (Unless, of course, the error is in favor of the taxpayer which is not likely.)

The entire situation could be a ticket to put us out of business. I know that many of you do not share my viewpoint that VITA and AARP preparation should be scrapped because returns are prepared incorrectly over half of the time. Over the years I have seen Elderly Homeowner's \$1000 taxed on federal when they did not itemize, IRA account interest added to taxable interest, no depletion taken on oil wells, 1099NEC income reported as wages....the list goes on and on!!! This is a terrible disservice to our elderly and poor.

If we as accountants did the children's returns FREE perhaps they would not be tempted to go down this path of self destruction. The problem is that once they start that direction they are unable to discern just WHEN it is that professional help would save them financially. The seduction lies in the professional look of the finished product off the laser printer.

Personally, I do charge for the kids returns, \$25. Whatever you do, or wherever you stand on this issue I would challenge you to consider every little short form to be an investment in your financial future, advertising money if you will. Many little short forms are later S Corps and complex tax returns.

What was your tax return like when you were 18?

Becky Spencer, EA



* * IRS NEWS * *

Tax Breaks Available for Taxpayers Who Purchase Qualified Plug-In Electric Vehicles

WASHINGTON — Plug-in electric vehicles using certain types of batteries may qualify for a new tax credit if purchased this year, the Internal Revenue Service said today.

The Emergency Economic Stabilization Act of 2008 (EESA) and the American Recovery and Reinvestment Act of 2009 (ARRA) created two new tax credits for various types of electric vehicles, which may include what are commonly referred to as neighborhood electric vehicles.

ARRA creates a tax credit for low-speed or two- or three-wheel electric vehicles, such as motor scooters, purchased after Feb. 17, 2009, and before Jan. 1, 2012. The amount of the credit is 10 percent of the cost of the vehicle, up to a maximum credit of \$2,500. To qualify, a vehicle must be either a low-speed vehicle that is propelled to a significant extent by a rechargeable battery with a capacity of at least 4 kilowatt hours or be a two- or three-wheeled vehicle that is propelled to a significant extent by a rechargeable battery with a capacity of at least 2.5 kilowatt hours.

EESA created a tax credit for vehicles that have at least four wheels and draw propulsion using a rechargeable traction battery with at least four kilowatt hours of capacity. For 2009, the minimum credit is \$2,500 and the credit tops out at \$7,500 to \$15,000, depending on the weight of the vehicle and the capacity of the battery.

During 2009, low-speed, four-wheeled vehicles manufactured primarily for use on public streets, roads and highways (neighborhood electric vehicles) may qualify both for the EESA credit and, if purchased after February 17, 2009, for the ARRA credit for low-speed electric vehicles. A taxpayer may not claim both credits for the same vehicle. Vehicles manufactured primarily for off-road use, such as for use on a golf course, do not qualify for either credit.

The Internal Revenue Service is working on guidance regarding certification procedures for both of these credits.



NSA Annual Meeting

NSA 64th Annual Meeting in San Diego, August 12-15, 2009

Earn up to 12 hours CPE at 18 different courses

Information about this year's Annual Meeting is now online including a schedule-at-a-glance, CPE session information, hotel rates, registration packages, pre-conference EA and ABA courses, and social and special events including an optional tour and dinner at World-famous Marine Corps Air Station (MCAS) Miramar on Wednesday, August 12. Click here: [NSA Annual Meeting](#). The early bird \$100 registration discount ends July 1st.

NEW! 2009 Keynote Addresses

This year we brought together a line up of three fabulous and entertaining speakers who will address the entire NSA Annual Meeting audience.

Adding Passion to Your Bottom Line: Does your attitude need an audit? Motivational speaker JoAnn Contorno will add balance in your life and put you on a more positive path. Through humor, practical examples and a style you won't soon forget, you will have a new appreciation and outlook for your future and that of NSA.

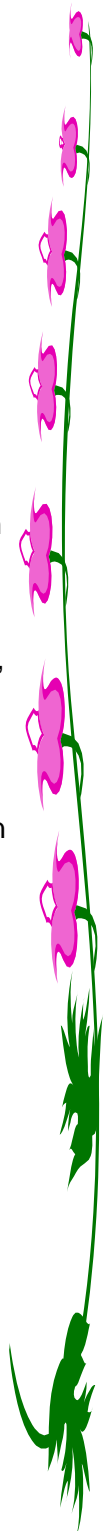
Leadership and the Evolution of Change: What makes for a great organization? Is it the mission statement? The values? The people? Do great leaders create great organizations? And, what makes for great leadership? *Presented by Marc A. Silverman, PhD.*

The Business of Ethics: Why Smart People Can Do Such Dumb Things: Patrick Kuhse became an ethics expert the hard way—by taking part in his own criminal acts and suffering the consequences. As a self-admitted greedy stock broker, he rationalized withholding information from clients by believing that he knew more than they did and that they would never know about his indiscretions. He'll share techniques on dealing with moral and ethical dilemmas as well as recognizing key warning signs that lead to unethical behavior and criminal activity.

Continuing Professional Education Sessions

The Right Way and the Wrong Way to Leave Money to Your Children (and Others); Getting the Most Out of Your Retirement Plan; IRS Practice & Procedures (A Psychological Warfare Approach to Dealing with the IRS); The Business of Ethics: Why Smart People Can Do Such Dumb Things; Fraud Prevention in the Small Business; Detecting and Addressing Fraud in Bankruptcy and Divorce; Negotiating Eldercare Decisions; Today's Tax Professional's Guide to Ethics and Circular 230 Compliance; Client Reviews: The Single Most Important Activity a Professional Service Firm Can Perform; Communicating Effectively with Difficult and Challenging Personalities; Cash Flow Management; Succession Planning for Your Accounting Firm; How to Value an Accounting Firm; Case and Rulings; More Than You Ever Wanted to Know About S Corporations!; Bankruptcy and Foreclosure; Common QuickBooks Mistakes Clients Make and How to Fix Them; QuickBooks Ask the Expert Panel

For more information, click here: [NSA Annual Meeting](#). The early bird \$100 registration discount ends July 1st.



SPRING STRESS BUSTER

SONG FOR SPRING

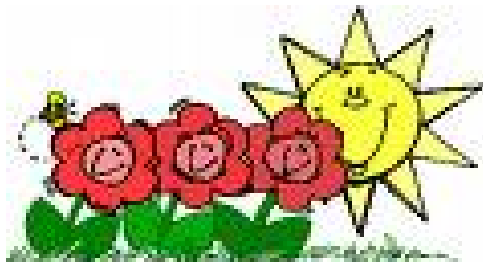
It's almost here - It's safe to say
I saw a Crocus yesterday
Its' colors bright - A lovely thing
My heart Rejoiced! 'Twil soon be Spring!
The winter blues will soon be gone
And birds will soon burst forth in song
The coral bells will gently ring
The Daphne yells "It's almost Spring!"
It's neary here! It's coming fast!
The Robins will appear at last
Oh Wonderous Joy! I too shall sing!
And join in Nature's "Song for Spring"
M.Garren

Don't knock the weather: nine-tenths of the people couldn't start a conversation if it didn't change once in a while. ~ *Kin Hubbard*

Sweet April showers
Do spring May flowers.
~ *Thomas Tusser*

April hath put a spirit of youth in everything. ~ *William Shakespeare*

The first day of spring is one thing, and the first spring day is another. The difference between them is sometimes as great as a month. ~ *Henry Van Dyke*



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