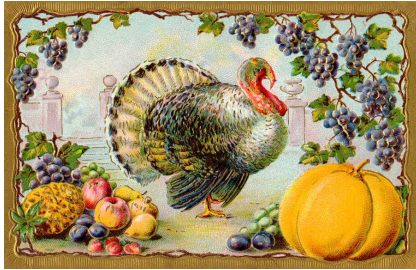




**California Society of Tax Consultants  
HIGH DESERT CHAPTER  
15 CHAPTERS STATEWIDE  
November 2011**



We look forward to seeing you at the November meeting.

**Speaker & Topic for November 09, 2011:  
#1000-CE-3443**

**Amy Smith–Sr. Stakeholder Liason for the Internal Revenue Service will be speaking on:  
Updates From The Return Preparers Office &  
The Collections Fresh Start Initiative**

**Credit: 2 Hrs Federal**

This presentation has been designed to meet the requirements going back to of the Director of Practice of the Internal Revenue Service, the California State Board of Accountancy, and the California Tax Education Council, Business & Professions Code #22250-222859, including Code 31 of Federal Regulations 10.6(g), continuing education rule 88(c) covering maintenance of attendance records, retention of program outlines, qualifications of instructions of instructors and length of class hours. This does not constitute an endorsement by these groups.

**REGISTRATION:**

**DINNER:**

5:00 PM Check-In

5:30 PM Dinner

**MEMBERS:**

**MEMBERS/GUESTS:**

\$ 25.00

\$ 35.00

1st time visitors – Free!

(If you join CSTC the same night)

**LOCATION:**

Lil' Bit of Country

14335 Hesperia Road

Victorville, CA

\*\*Thanks to Steven Pott's last month for an awesome teaching on "Ethics" we all really enjoyed it!

## Hi-Desert Chapter CSTC Officers

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What are the benefits of joining your local chapter of CSTC?

Keep abreast of tax laws with our professional education monthly meetings, seminars, workshops or a basic 60-hour tax course. We also offer tune-up workshops just prior to tax season. Education is discounted for members and is offered in locations throughout California. Members also receive a monthly newsletter from their chapter.

Receive assistance from other tax professionals with:  
researching tax laws, dealing with IRS, FTB, SBOE and EDD issues, practice management techniques to expand your business, professional assistance in selecting library, software & hardware products.

Get to know other professionals in your community.

CSTC SOCIETY [www.cstcsociety.org](http://www.cstcsociety.org)

The latest Reporter is available online now!

Don't forget to log into the society web page for the latest news, you can also view and print the reporter, and be sure to check out the members' only page and bulletin boards.

Past editions of the newsletter for our Chapter are on-line at [www.cstcsociety.org/HIGHDESERT](http://www.cstcsociety.org/HIGHDESERT) click on the Calendar/News link to view the education schedules and issues of the newsletter.

Anyone planning to attend a board meeting should contact any board members to confirm their attendance.

**\*\*The next board meeting will be held:  
Thursday, November 17th, 12:30pm  
at Lil' Bit O' Country.**

To assure timely delivery of your monthly newsletter please notify Lori Grubb of any change of address, phone number or email address.

We always look forward to seeing all our members. Take advantage of the opportunity to learn something new or just refresh your knowledge on some interesting topics.

REMINDER Wear your badge to be eligible for the drawing. If you do not have a badge, please tell T.C. Markowitz, so she can order one for you. If you have lost your badge, replacements are available at a cost of \$15.00, due at the time of ordering.

## **FYI**

### **Federal**

WASHINGTON — For tax year 2012, personal exemptions and standard deductions will rise and tax brackets will widen due to inflation, the Internal Revenue Service announced today.

By law, the dollar amounts for a variety of tax provisions, affecting virtually every taxpayer, must be revised each year to keep pace with inflation. New dollar amounts affecting 2012 returns, filed by most taxpayers in early 2013, include the following:

- The value of each personal and dependent exemption, available to most taxpayers, is \$3,800, up \$100 from 2011.
- The new standard deduction is \$11,900 for married couples filing a joint return, up \$300, \$5,950 for singles and married individuals filing separately, up \$150, and \$8,700 for heads of household, up \$200. 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.
- Tax-bracket thresholds increase for each filing status. For a married couple filing a joint return, for example, the taxable-income threshold separating the 15-percent bracket from the 25-percent bracket is \$70,700, up from \$69,000 in 2011.

#### **Credits, deductions, and related phase outs.**

- For tax year 2012, the maximum earned income tax credit (EITC) for low- and moderate- income workers and working families rises to \$5,891, up from \$5,751 in 2011. The maximum income limit for the EITC rises to \$50,270, up from \$49,078 in 2011. The credit varies by family size, filing status and other factors, with the maximum credit going to joint filers with three or more qualifying children.
- The foreign earned income deduction rises to \$95,100, an increase of \$2,200 from the maximum deduction for tax year 2011.
- The modified adjusted gross income threshold at which the lifetime learning credit begins to phase out is \$104,000 for joint filers, up from

\$102,000, and \$52,000 for singles and heads of household, up from \$51,000.

- For 2012, annual deductible amounts for Medical Savings Accounts (MSAs) increased from the tax year 2011 amounts; please see the IRS website for further information on this.

The \$2,500 maximum deduction for interest paid on student loans begins to phase out for a married taxpayers filing a joint returns at \$125,000 and phases out completely at \$155,000, an increase of \$5,000 from the phase out limits for tax year 2011. For single taxpayers, the phase out ranges remain at the 2011 levels.

**Estate and Gift Taxes:** For an estate of any decedent dying during calendar year 2012, the basic exclusion from estate tax amount is \$5,120,000, up from \$5,000,000 for calendar year 2011. Also, if the executor chooses to use the special use valuation method for qualified real property, the aggregate decrease in the value of the property resulting from the choice cannot exceed \$1,040,000, up from \$1,020,000 for 2011. The annual exclusion for gifts remains at \$13,000.

## **California**

### **From the FTB**

Each year FTB makes changes to the forms for the upcoming filing season. One of this year's changes involved adding additional lines and information to the Schedule CA to allow for enhanced real estate tax deduction reporting requirements. We received many comments and suggestions from stakeholders and practitioners as we moved forward with this change. As a result of your feedback, FTB has decided to delay implementation and will not be requesting information about the deductible portion of real property tax this year. Instead, we will move forward with education and outreach and include information about this issue in the 2011 tax return instructions and what to expect for 2012. We will also direct taxpayers to our website for more information about deductible and non-deductible real estate taxes and the importance of reviewing the real estate tax bill. We expect to implement the new reporting requirements for the 2012 tax year.