



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



We look forward to seeing you at the September meeting.

**Speaker & Topic for September 14, 2011:
#1000-CE-3400**
John Wadsworth –Associate Director of MFS Investment Management will be speaking on:
**The Top 12 IRA Planning Mistakes
& A Common Sense Approach to Retirement Planning**

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 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

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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

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 click on the Calendar/News link to view the education schedules and issues of the newsletter.

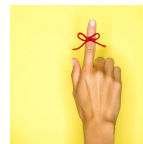
Anyone planning to attend a board meeting should contact any board members to confirm their attendance.

****The next board meeting will be held:
Tuesday, September 27th, 12:00pm
at Lil' Bit O' Country.**

To assure timely delivery of your monthly newsletter please notify Lori LaPlante 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.



As a reminder the orders for the 2011 Quickfinders will be coming up soon. Members who qualify to receive a free one will also need to fill out an order form. Details will be up-coming at this weeks meeting.

FYI Federal

As Tax Filing Extension Deadlines Near, IRS and HHS Announce New Round of Outreach to Small Businesses and Practitioners

About the Small Business Health Care Tax Credit

Video: Small Business Health Care Tax Credit-
Updated [English](#) | [Spanish](#) | [ASL](#)

IR-2011-90, Sept. 7, 2011

WASHINGTON — As the upcoming filing extension tax deadlines approach, the Internal Revenue Service, in partnership with the Department of Health and Human Services, is announcing a new round of outreach to small employers and the professional service providers they rely on to encourage them to review the new Small Business Health Care Tax Credit to see if they are eligible.

"As the filing deadlines approach, we want to make sure that small business owners don't leave any money on the table," said IRS Commissioner Doug Shulman. "Small businesses that offer health insurance should learn about this credit and claim it if they are eligible."

The small business health care tax credit was included in the Affordable Care Act enacted last year. Small employers that pay at least half of the premiums for employee health insurance coverage under a qualifying arrangement may be eligible for the small business health care tax credit. The credit is specifically targeted to help small businesses and tax-exempt organizations that primarily employ 25 or fewer workers with average income of \$50,000 or less.

Small employers face two important tax filing deadlines in coming weeks:

- September 15. Corporations that file on a calendar year basis and requested an extension to file to September 15 can calculate the small employer health care

credit on Form 8941 and claim it as part of the general business credit on Form 3800, which they would include with their corporate income tax return.

- October 17. Sole proprietors who file Form 1040 and partners and S-corporation shareholders who report their income on Form 1040 and request an extension have until October 17 to complete their returns. They would also use Form 8941 to calculate the small employer health care credit and claim it as a general business credit on Form 3800, reflected on line 53 of Form 1040.

In addition, tax-exempt organizations that file on a calendar year basis and requested an extension to file to November 15 can use [Form 8941](#) and then claim the credit on Form 990-T, Line 44f.

- Businesses who have already filed can still claim the credit: For small businesses that have already filed and later determine they are eligible for the credit, they can always file an amended 2010 tax return. Corporations use Form 1120X and individual sole proprietors use Form 1040X.
- Businesses without tax liability this year can still benefit: The Small Business Jobs Act of 2010 provided that for Tax Year 2010, eligible small businesses may carry back unused general business credits (including the small employer health care tax credit) five years. Previously these credits could only be carried back one year. Small businesses that did not have tax liability to offset in 2010 should still evaluate eligibility for the small business health care tax credit in light of this expanded carry back opportunity.
- Businesses that couldn't use the credit in 2010 can claim it in future years: Some businesses that already locked into health insurance plan structures and contributions for 2010 may not have had the opportunity to make any needed adjustments to qualify for the credit for 2010. So these businesses may be eligible to claim the credit on 2011 returns or in years beyond. Small employers can claim the credit for 2010 through 2013 and for two additional years beginning in 2014.

California

Amazon to Collect Sales Tax in California in 2012



by [Alexandra Biesada](#)

September 12, 2011, 2:04 PM

As California goes, so goes the nation.

If this saying holds true, Amazon.com and other out-of-state online retailers may soon have to start collecting state sales taxes. California lawmakers this weekend approved a compromise bill ([AB 155](#)) with Amazon under which the online retail giant dropped its bid to overturn a state law passed earlier this year that required it to begin collecting sales tax in July 2011. In return, Amazon was given a reprieve until September 2012. The delay gives Amazon and other e-tailers time to lobby Congress for national rules governing Internet sales tax collection.

California is one of several states, including Texas, Illinois and Connecticut, seeking to force Internet retailers to collect sales taxes on purchases made by residents of their states. Amazon has argued that if it does not have a “physical presence” in a state it should not have to collect sales tax there. Just what constitutes a physical presence is a point of contention. Amazon has claimed that neither its fulfillment center near Dallas ([see previous post](#)), nor its subsidiary in Silicon Valley or affiliates in California constitute a physical presence. To avoid collecting sales tax, Amazon cut its ties to its affiliates in the Golden State, and in some other states as well. Under the compromise reached this weekend, Amazon agreed to resume working with its California affiliates.

Readers of Bizmology know that Amazon’s sales-tax-exempt status has come under fire as states facing severe budget shortfalls search for new sources of revenue. Indeed, as cash-strapped states become increasingly desperate for revenue, they’ve turned up the heat on Amazon and its online retail kin. Also, bricks-and-mortar stores — including the world’s largest retailers Wal-Mart Stores — have been complaining about Amazon’s “unfair” tax advantage for years and have lobbied for laws to create a level

playing field between traditional retailers and out-of-state online sellers.

Amazon spun the compromise as a “win-win” for California and itself. In return for a 1-year reprieve and the elimination of an estimated \$200 million in sales tax owed under the law passed earlier this year, it promises to bring thousands of jobs and hundreds of millions of investment dollars to California.

The deal sets the stage for a reexamination of a 1992 U.S. Supreme Court decision that said retailers only have to collect state tax if they have a physical presence in a state. That ruling, which predated the founding of Amazon by two years, involved a mail-order company. Clearly, we’re living in a vastly different world. The 1992 ruling, which Amazon has used to justify not collecting sales tax, should be reexamined. With billions of dollars in uncollected tax at stake, the battle to level the playing field (or not) for traditional and online retailers should be an interesting one. Stay tuned.