

# 40

## th ANNUAL CHESAPEAKE TAX CONFERENCE

SEPT. 16 - 17, 2009

MARTIN'S WEST



# Sept. 16 - Day One

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Welcome to the **40th Annual Chesapeake Tax Conference**. Now that you have completed registration, you should have the materials containing biographies of speakers, outlines of presentations, and an evaluation form for the day. If you are missing any of these items, please notify the conference registration desk.

Remember, in order for MACPA to document your attendance in accordance with the provisions of Maryland's mandatory CPE law, you must check in at the registration desk each morning and turn in your *signed* confirmation slip at the end of this event. This conference is recommended for **16** hours of CPE credit, *if you leave early on either day please be sure to adjust your hours appropriately.*

An MACPA representative will be on duty at the conference registration desk during the event. At the conclusion of the conference, we would appreciate your evaluation of the program. Your comments will help us improve future programs.

Sessions will start promptly as scheduled. We hope you find the conference to be an interesting and rewarding program.

Sincerely,

Nancy Beimel, CPA and Melanie Kletz, CPA  
Chesapeake Tax Conference Committee Co-Chairs



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# 40th ANNUAL CHESAPEAKE TAX CONFERENCE

**Wednesday, September 16, 2009 - Day One**

*7:30 – 8 a.m. - Registration and continental Breakfast*

8 – 10 a.m.

## **Federal Tax Update**

Speaker: David DeJong, Esq., LL.M, CPA, ABV, CVA, Stein, Sperling, Bennett, De Jong, Driscoll & Greenfeig P.C

*10 - 10:15 a.m. - Break*

10:15 a.m. - 12:15 p.m.

## **Electronic Office/Life of a Paper Return (E-filing Mandate)**

Speakers: Allan Cohen, CPA, Next Level Technology - *Electronic Office*

Michael Melen, Electronic Tax Processing - Office of the Comptroller - *Life of a Paper Return (E-filing Mandate)*

*12:15 - 1:15pm - Lunch*

1:15 - 2:30 p.m.

## **Economic Update**

Speaker: Anirban Basu, J.D., Sage Policy Group

*2:30 - 2:45 p.m. - Break*

2:45 - 3:45 p.m.

## **Reorganizations – Advantages, Pitfalls and Your Role (pt. 1 of 2)**

Speaker: Glenn Solomon, Esq., CPA, Offit Kurman

*3:45 - -3:55 p.m. - Break*

3:55 - 5 p.m.

## **Reorganizations – Advantages, Pitfalls and Your Role (pt. 2 of 2)**

Speaker: Glenn Solomon, Esq., CPA, Offit Kurman

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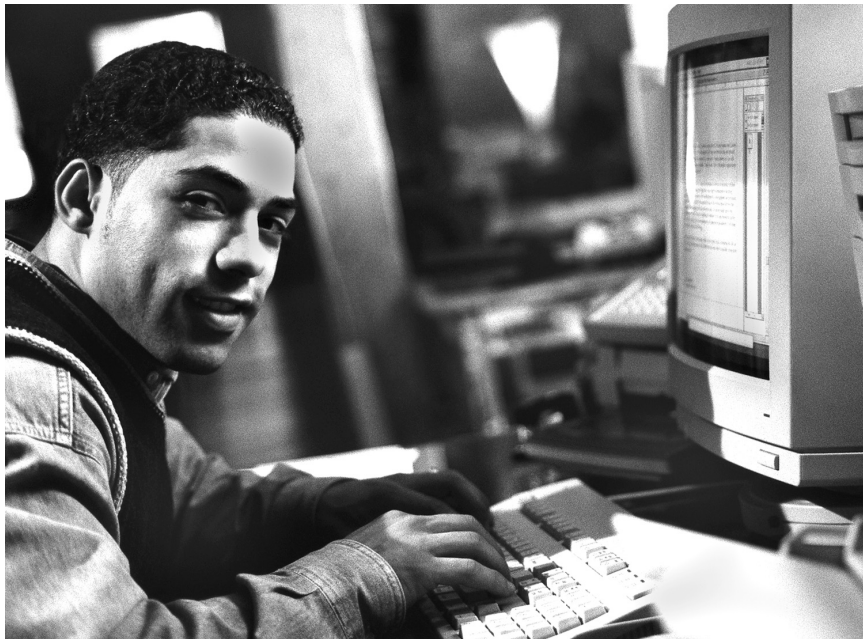
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## Federal Tax Update

8:00am-10:00am

Speaker: David DeJong, Esq., LL.M,  
CPA, ABV, CVA, Stein, Sperling,  
Bennett, De Jong, Driscoll & Greenfeig  
P.C

**Federal Tax Update**  
**September 2008 – August 2009**

**By David S. De Jong, Esquire, CPA**  
**Stein, Sperling, Bennett, De Jong,**  
**Driscoll & Greenfeig, PC**  
**25 West Middle Lane**  
**Rockville, Maryland 20850**  
**301-838-3204**  
**[ddejong@steinsperling.com](mailto:ddejong@steinsperling.com)**

I. Individuals

Public Law 110-343, the Emergency Economic Stabilization Act of 2008:

- Requires after 2008 that a qualifying child for purpose of the dependency exemption, the child tax credit, head-of-household status, the child care credit and the earned income credit be younger than the claimant and be unmarried and that, if a parent may claim a qualifying child, no other individual may claim the child unless no parent claims the child and the claimant has a higher adjusted gross income than either parent.
- Increased slightly the alternative minimum tax exemptions for 2008 to \$46,200 for single individuals and \$69,950 for married couples (one-half on a separate return) but left the phase-out thresholds unchanged, continuing to allow nonrefundable personal credits to offset AMT for 2008.
- Effective 2008, allows 50 percent of long-term unused minimum tax refundable credit to be claimed over a two-year period, eliminating the phaseout on the credit tied to the adjusted gross income phaseout on personal exemptions.
- Abated underpayments of tax, interest and penalty attributable to the Incentive Stock Option adjustment for pre-2008 years if outstanding on October 3, 2008 and treats 50 percent of interest and penalties paid in prior years as alternative minimum tax previously paid for credit purposes.

- Extended the exception to discharge from indebtedness income on most acquisition debt related to a principal residence through 2012.
- Extended through 2009 the optional sales tax deduction, the partial deduction of real property taxes by non-itemizers, the above-the-line deduction for higher education expenses, the above-the-line deduction for educators' out-of-pocket classroom-related expenses and the District of Columbia first-time homebuyer credit.
- Decreased for 2008 the threshold amount for calculating the refundable portion of the earned income credit from \$12,050 to \$8,500.
- Reinstated for 2009 with modifications the nonbusiness energy property credit which expired in 2007 [MODIFIED BY ARRA 2009].
- Extended through 2016 with modifications the residential energy property credit for qualified solar or fuel cell property, permitting the credit to be claimed against alternative minimum tax.
- Increased the floor for personal use property from \$100 to \$500 for 2008 casualties and thefts.
- For federally declared disasters in 2008 and 2009, removed the 10 percent floor on casualty losses, added the net disaster loss as a component part of the standard deduction (also permitting its use for alternative minimum tax purposes), permitted the disaster portion of a net operating loss to be carried back generally five years for regular and AMT purposes and allowed offset of 100 percent of alternative minimum taxable income by the AMT NOL.
- Requires information returns of brokers on dispositions of "covered securities" to show the customer's adjusted basis and holding periods of securities effective generally for post-2010 acquisitions where the security was purchased through that broker or a transferor broker; securities acquired by gift or inheritance are not covered securities.
- Requires information returns of brokers with basis information to be issued after 2010 in the case of a stock split or other organizational action affecting basis; a return is due by the earlier of 45 days from the action or the following January 15.
- Changed the date to February 15 by which brokers must provide information returns to customers effective with statements provided for 2008.

Public Law 111-5, the American Recovery and Reinvestment Act of 2009:

- Provides a one-time \$250 “economic recovery payment” to be distributed by June 17, 2009 to residents of the United States eligible for social security, SSI (unless in a Medicaid institution), railroad retirement or veterans benefits in at least one month of the period November 2008-February 2009; the payment will reduce the “making work pay credit” for 2009.
- Creates a refundable “making work pay credit” for 2009 and 2010 except for nonresident aliens and those who are dependants on another’s tax return equal to the lesser of 6.2 percent of earned income or \$400 (\$800 on a joint return) phased out between \$75,000 and \$95,000 of modified adjusted gross income (\$150,000 and \$190,000 on a joint return) and reduced by the payments of up to \$250 for recipients of social security, SSI, railroad retirement, veterans benefits and government pensions; withholding tables are to reflect the reduced tax liability.
- Creates a refundable credit for 2009 of \$250 (\$500 on a joint return) for federal, state and local government pensioners not covered by FICA who do not receive an “economic recovery payment”; the payment will reduce the “making work pay credit” for 2009.
- Increases tax liability in the case of individuals with modified adjusted income over a phase-out range of \$125,000-\$145,000 (\$250,000-\$290,000 on a joint return) and who accepted the 65 percent federal subsidy for the first nine months of COBRA payments available for involuntary terminations after August 31, 2008 and before 2010; a new penalty is created for failure to notify the employer after becoming ineligible for the COBRA subsidy.
- Increases the alternative minimum tax exemptions in 2009 for cost of living but leaves the phase-out levels intact and continues to allow nonrefundable credits to offset AMT.
- Removes tax-exempt interest on private activity bonds issued in 2009 and 2010 (except bonds to refund prior bonds originally issued before 2004) as a preference item for alternative minimum tax (and adjusted current earnings (ACE) purposes in the case of a C corporation).
- Reduces the safe harbor for estimated taxes payable in 2009 to 90 percent of prior year liability for individuals with prior year adjusted gross income of less than \$500,000 (\$250,000 on a married filing separate return) if over 50 percent of gross income is from a small business of less than 500 employees.

- Excludes \$2,400 of unemployment compensation from income in 2009.
- For March 2009 through December 2010, increases the monthly exclusion for employer-provided transit and vanpool benefits to the same level as employer-provided parking (\$230 in 2009).
- For 2009 and 2010, modifies the child credit of \$1,000 times each qualifying child under age 17 where the credit exceeds tax liability to permit a refund of up to 15 percent of earned income greater than \$3,000 (down from the inflation-adjusted \$12,550).
- For 2009 and 2010, for the earned income credit, increases the earned income percentage for families with three or more children from 40 to 45 percent of earnings up to \$12,570, effectively raising the maximum credit by \$628 for affected individuals and increases the phase-out levels for all married couples by \$1,880 (to create a \$5,000 difference from individual filers for 2009).
- Extends the first-time homebuyer credit through November 30, 2009 usable on 2008 or 2009 returns in the case of 2009 purchases and waiving recapture for 2009 purchases (irrespective of that election) retained as a principal residence for 36 months, increasing the maximum credit for 2009 to the lesser of 10 percent of the purchase price or \$8,000 (\$4,000 on a married filing separate return).
- Extends the portion of the nonbusiness energy tax credit scheduled to expire after 2009 for one year, raising the applicable percentage to 30 percent and creating a \$1500 combined cap for 2009 and 2010 while eliminating the dollar limitations on individual items.
- Beginning in 2010, creates a credit for plug-in electric vehicles of \$2,500 plus an add-on of \$417 for each hour of capacity in excess of four with the credit not to exceed \$7,500 to be phased out over four quarters beginning with the second quarter after 200,000 such vehicles have been sold; beginning February 18, 2009, creates a credit of \$2,500 for low-speed vehicles with less than four wheels; and, for 2010 and 2011, creates a credit of the lesser 10 percent of the cost or \$4,000 for converting any motor vehicles to a plug-in.

- For amounts paid in 2009 and 2010, modifies the Hope Credit (renamed the American Opportunity Tax Credit) by:
  - covering 100 percent of the first \$2,000 of qualified tuition and related expenses (including course materials) and 25 percent on the next \$2,000 for each of the first four years of post-secondary education;
  - increasing the modified adjusted gross income phaseout to \$80,000-\$90,000 (\$160,000-\$180,000 for married taxpayers filing jointly);
  - making 40 percent of the credit refundable except for children who can be claimed as someone else's dependant;
  - allowing the credit to be claimed against alternative minimum tax.
- Expands Section 529 plans for 2009 and 2010 to cover the purchase of computer equipment, technology, internet access, educational software, including related services, if the costs are for the benefit of a qualifying student or family member (no software primarily for sports, games and entertainment).
- Creates an additional standard deduction or itemized deduction for regular tax and alternative minimum tax purposes (except for itemizers electing the sales tax deduction who already include this component) for state and local sales and excise taxes on cars, light trucks and motorcycles, in each case new and under 8,500 pounds, as well as new motor homes acquired after February 16, 2009 and before 2010; the deduction is limited to the portion of the cost under \$49,500 (one-half for married taxpayers filing separate) and is phased out for individuals with modified adjusted income between \$125,000 and \$135,000 (\$250,000 to \$260,000 on a joint return).

Public Law 111-32, the Supplemental Appropriations Act of 2009, giving vouchers of \$3,500 or \$4,500 as a cash incentive to trade in old fuel inefficient vehicles for new fuel efficient vehicles with a manufacturer's suggested retail price of \$45,000 or less during July through October of 2009 or until the subsidy reaches \$1 billion sets forth that the vouchers do not constitute income to the individual or business but are a reduction in the purchase price; Public Law 111-47, the CAR Save Program Supplemental Appropriations Act, provided an additional \$2 billion for the "cash for clunkers" program and extended the outside date until September 30, 2010 or until the added funding was exhausted (as it was in August 2009).

In University of Chicago Hospitals v. United States, 102 AFTR2d 2008-6275 (Seventh Circuit Court of Appeals affirming an Illinois Federal District Court), in United States v. Detroit Medical Center (Ninth Circuit reversing a Michigan Federal District Court), and in United States v. Memorial Sloan-Kettering Cancer Center, 103 AFTR2d 2009-541 (Second Circuit reversing two New York Federal District Courts), three appeals courts agreed with an earlier Eleventh Circuit Court of Appeals decision that medical residents may qualify for the student exception from social security tax; in Mayo Foundation for Medical Education and Research v. United States, 103 AFTR2d 2009-2649, the Eighth Circuit Court of Appeals reversed a pair of Minnesota Federal District Court decisions and upheld IRS regulations to the contrary.

In Magdalin v. Commissioner, TC Memo 2008-293, the Tax Court determined that, despite the general rule that in vitro fertilization costs are deductible, a divorced physician who paid surrogates to bear children with eggs fertilized by him could not deduct the cost as there was no medical defect.

In Jones v. Commissioner, 103 AFTR2d 2009-687, the Tenth Circuit Court of Appeals concurred with the Tax Court that Timothy McVeigh's attorney had no basis in discovery documents and accordingly his donation of these papers to a charity did not give rise to a deduction; the Court ignored a second reason cited by the Tax Court for denying the deduction – that Jones did not own the property.

In Kent v. Commissioner, TC Memo 2009-40, the Tax Court disallowed education deductions for a taxpayer with a bachelor's degree in health care management and a masters degree in counseling and psychology where her Ph.D. courses would have allowed her to become a consultant and/or a professor, holding that the courses qualified her for a new profession.

In Rice v. Commissioner, TC Memo 2009-142, the Tax Court determined, where a couple purchased a parcel of property containing a number of lots and they built on the most desirable lot and sold the others, that the sale of the excess lots gave rise to capital gain as they were held for investment purposes rather than for resale where the lot for the principal residence could not have been acquired separately.

In Revenue Ruling 2009-9 and in Revenue Procedure 2009-20, without mentioning the name "Madoff", IRS determined that victims of Ponzi schemes have investment theft losses rather than personal theft losses, that 2008 losses for taxpayers with average income of less than \$15 million per year can be carried back for up to five years and that individuals not amending prior year returns to correct reported "phantom income" can take a deduction in the year of discovery of the theft of 95 percent of the net investment including previously reported income (75 percent in the case of taxpayers who are suing third party advisors) with adjustments to be made in subsequent years reflecting actual recovery vis-à-vis this "safe harbor" loss; the guidance left open whether a victim could amend prior years not yet closed with IRS hinting that "constructive receipt" could be a bar due to the right of withdrawal.

In Revenue Rulings 2009-13 and 2009-14, IRS explained the tax treatment of surrenders and sales of life insurance contracts and the tax consequences to investors who purchase such contracts.

In Notice 2009-12, IRS indicated that the credit for new home buyers may be allocated among unmarried joint purchasers in any reasonable manner such as comparative contributions or legal ownership but not based on who can and cannot utilize the credit because of income levels.

In News Release 2009-67, IRS formally declared that multiple vehicles may qualify for the new temporary sales tax deduction.

In Chief Counsel Advice 200836024, IRS accepted the use of a single piece of relinquished property to be used in the same forward and reverse like-kind exchange.

In Internal Legal Memorandum 200911007, IRS indicated that the \$1 million limit on acquisition debt in the case of an individual property must be shared by co-owners.

In Letter Ruling 200912004, IRS determined that cars, light trucks, minivans, cargo vans, sport utility vehicles and similar vehicles are like-kind for tax free exchange purposes.

In Letter Ruling 200914018, IRS ruled that an employee is not in constructive receipt of income when the employee has the ability to waive retiree health benefits in favor of a higher rate of pay.

In Chief Counsel Advice 200923029, IRS determined that a fringe benefit of a discount for products made by the company's former parent (now a supplier) was not tax free to employees as it was unavailable to the public as a benefit on top of any discounts generally available.

In Chief Counsel Advice 200925041, IRS indicated that a divorce decree or separation agreement with a condition allowing a noncustodial parent to claim an exemption for a child does not pass the dependency allowance to the noncustodial parent where proof of the condition is provided; the release per IRS must be on Form 8332 or on a document conforming to the substance of that Form.

## II. Retirement Plans

Public Law 110-343, the Emergency Economic Stabilization Act of 2008, extended by two years through 2009 the tax-free treatment of up to \$100,000 annually in IRA distributions donated to a charity by individuals who have reached the required beginning date.

Public Law 110-458, the Worker, Retiree and Employer Recovery Act of 2008:

- Suspended the minimum distribution rule for distributions otherwise required in 2009.
- Requires qualified plans, 403(b) plans and 457 plans to honor requests by non-spousal beneficiaries to effectuate trustee-to-trustee rollovers effective 2009.

In Conopco v. United States, 104 AFTR2d 2009-5103, the Third Circuit Court of Appeals affirmed a New Jersey Federal District Court and in Ralston Purina Company v. Commissioner, 131 TC No. 4, the Tax Court also held that a corporation could not deduct payments to redeem stock held in its ESOP; the decision is consistent with subsequent IRS regulations taking the position that the reacquisition of stock is a redemption payment outside the rule permitting a deduction for the amount of certain dividends paid to an ESOP (the Eighth Circuit concurs and the Ninth Circuit disagrees).

In In Re: Willis, 104 AFTR2d 2009-5195, a Florida Bankruptcy Court found that an individual's IRAs were part of his bankruptcy estate because he had engaged personally in prohibited transactions with the IRA, causing it to lose its income tax exemption.

In Dollander v. Commissioner, TC Memo 2009-187, the Tax Court determined that an individual could not avoid the early distribution penalty when he alleged mental health difficulties including post-traumatic stress disorder and depression following the death of a patient in his care when he got a full time job with another employer upon leaving his prior position; the Court noted that a taxpayer is disabled only if is unable to engage in any substantial gainful activity.

In Benz v. Commissioner, 132 TC No. 15, the Tax Court determined that a distribution from an IRA for education was not a modification of a prior election to receive substantially equal periodic payments from the IRA commencing prior to age 59 ½.

In Kennedy v. Plan Administrator for Dupont Savings and Investment Plan, 497F.3d 426, the US Supreme Court unanimously ruled that a plan administrator properly distributed benefits under a qualified retirement plan to a decedent's former spouse as the designated beneficiary notwithstanding the waiver of interest in the divorce documents; the Court in affirming a decision by the Fifth Circuit Court of Appeals resolved a split among the Circuits by deciding that ERISA overrode anything to the contrary under state law.

In Notice 2009-3, IRS extended the required updating of all 403(b) plans until December 31, 2009 with operational compliance required during this period.

In Letter Ruling 200846028, IRS ruled that there was no “designated beneficiary” of an IRA where the completed form indicated that the beneficiary was “as stated in will.”

In Letter Ruling 200925044, IRS found a violation of the “substantially equal periodic payment” rule where an individual starting IRA withdrawals before age 59 ½ transferred funds into another IRA by trustee to trustee transfer; however, in Letter Ruling 200929021, IRS permitted an entire transfer between IRAs but not a partial transfer under such circumstances.

### III. Estates and Trusts

In Negron v. United States, 103 AFTR2d 2009-634, the Sixth Circuit Court of Appeals reversed an Ohio Federal District Court and agreed with the Fifth Circuit and two District Courts, disagreeing with the Second and Ninth Circuits, that IRS annuity tables must be utilized in valuing the future income stream from lottery payments for estate tax purposes; the taxpayer had sought an additional lack of marketability discount.

In Stone v. United States, 103 AFTR2d 2009-1379, the Ninth Circuit Court of Appeals agreed with a California Federal District Court that only a 5 percent fractional interest discount was appropriate in valuing a decedent’s 50 percent interest in an art collection where the other 50 percent was owned by a testamentary trust of the decedent’s spouse; the estate had sought a 51 percent discount.

In Estate of Hurford v. Commissioner, TC Memo 2008-278, the Tax Court ignored a purported family limited partnership where formalities were disregarded and funds were comingled, including the full value in a decedent’s estate, but did not sustain a proposed negligence penalty as a result of reasonable reliance on the advisors despite their poor guidance.

In Estate of Jorgensen v. Commissioner, TC Memo 2009-66, the Tax Court included in a decedent’s estate all amounts transferred into family limited partnerships where the decedent continued to write checks on the accounts and where there were no nontax reasons for the transfers; however, the estate taxes were reduced through “equitable recoupment” by the added income taxes paid in closed years as the result of using a carry over basis.

In Linton v. United States, 104 AFTR2d 2009-5176, a Washington Federal District Court disallowed discounting on gifts to a trust for children as they were pro rata shares of the underlying assets and not pro rata shares of LLC interests subject to a restrictive agreement at the time of the transfers.

In Pierre v. Commissioner, 133 TC No. 2, the Tax Court determined that the transfer of interests in a single owner LLC is the transfer of proportionate shares in the business and not in the underlying assets, effectively permitting discounting for lack of marketability and the lack of control.

In Barnett v. United States, 104 AFTR2d 2009-5047, a Pennsylvania Federal District Court increased a decedent's estate by \$187,000, rejecting the estate's position that \$11,000 was given under the annual exclusion to 17 family members prior to death; IRS successfully argued that the gifts were not authorized by the power of attorney used by the holder to make the gifts.

In Notice 2008-116, IRS indicated that it will not challenge "bundled" investment advisory costs with fiduciary fees for tax years beginning before January 1, 2009.

In Chief Counsel Advice 200836027, IRS determined that interest on estate tax accrued during the period of a hardship extension for paying tax is nondeductible personal interest.

#### IV. Business

Public Law 110-343, the Emergency Economic Stabilization Act of 2008:

- Prohibited deferral of most nonqualified deferred compensation for services performed after 2008 where there is no substantial risk of forfeiture and the payor's income is not substantially taxed in the United States or in a foreign country.
- Added "qualified bicycle commuting reimbursement" as a qualified transportation fringe benefit for post-2008 tax years by permitting reimbursement in a year of up to \$20 multiplied by the number of months in which an employee regularly uses a bicycle for commuting and receives no other qualified transportation fringes.
- Extended for two years through 2009 the 15-year cost recovery period for qualified leasehold and restaurant property, the research credit (as modified), the above-basis deduction for donations to schools of qualified computer equipment and books by C corporations and the limitation of a shareholder's basis reduction in an S corporation upon donation of property to the applicable share of basis in the property.
- Created a five-year cost recovery period for most 2009 acquisitions of new farm machinery and equipment normally written off over seven years.

- For federally declared disasters after 2007, permitted the expensing of demolition and certain other costs otherwise capitalized.
- Modified the energy credit portion of the general business credit and permitted it to offset alternative minimum tax for tax years beginning after October 3, 2008.
- Extended through 2008 the business credit for contractors building energy efficient homes.

Public Law 111-5, the American Recovery and Reinvestment Act of 2009:

- For 2008 permits all business entities with average gross receipts of the loss year and two preceding years (if in business) of less than \$15 million to elect by the extended due date of the return to carry back losses for any period up to five years.
- Retains through 2009 the \$250,000 the Section 179 expensing along with the \$800,000 phaseout level (with fiscal year taxpayers electing between years beginning or ending in those years).
- Extends through 2009 the additional 50 percent first year depreciation allowance for most types of nondepreciable personal property.
- Retains through 2009 the additional \$8,000 first year depreciation allowance for new vehicles.
- Shortens to seven years the S corporation period for avoiding built-in gains from C corporation years if the seventh year occurs in or is preceded by 2009 or 2010.
- Allows taxable relief from indebtedness income on reacquisition by a business of its debt instruments in 2009 and 2010 to be reported ratably over five years beginning in 2014 (the exclusion on insolvency, qualified real property and qualified farm indebtedness must be waived for all years); acceleration applies on death and (for business taxpayers) liquidation or redemption of an interest.
- Increases the exclusion for most dispositions of “small business stock” issued by a C corporation from 50 percent to 75 percent, creating a 7 percent tax (.25 x .28 applicable capital gains rate) for stock acquired after February 17, 2009 and before 2011.

- For 2009 and 2010 expands the targeted groups for the work opportunity tax credit to include unemployed veterans (discharged in prior five years) and “disconnected youth” (aged 16-24, not in school, lacking sufficient skills and not really employed in last six months).
- Makes numerous changes to business energy credits including elimination of the credit cap on qualified solar hot water, geothermal and small wind energy property after 2008.
- Delays implementation of the 3 percent withholding by federal, state and local governments one year until 2012.

Proposed Regulations Under Code Section 409A explain how to calculate amounts includable in income as well as penalties when a nonqualified deferred compensation plan fails to comply with the law.

Proposed Regulations under Code Section 706 would require an actual closing of the books on a calendar day or a semi-monthly basis upon a change in percentage interest of a partner irrespective of reason unless the entity chooses proration on a calendar day basis in which case extraordinary items would still be allocated to the partners in proportion to their interests on a particular day; service partnerships would have liberal rules permitting allocations related to the provision of services based on any reasonable method and all partnerships would continue to have until the due date of a partnership return including extensions to make changes in allocations among contemporaneous partners.

In Woody v. Commissioner, TC Memo 2009-93, IRS determined that more than \$20,000 paid for real estate training classes in “flipping” properties were costs incurred before the commencement of a business where the first investment property had not been acquired, causing disallowance of the training classes and related expenses for automobile, meals, etc.; however, the education expenses could not even be amortized as start-up expenses inasmuch as they were incurred to prepare for a new career.

In Agarwal v. Commissioner, TC Summary Opinion 2009-29, the Tax Court determined that a real estate agent is engaged in a real estate brokerage trade or business for purpose of the special rule for real estate professionals on material participation; IRS had argued that agents could not be considered as being in a real estate business.

In Muskat v. United States, 103 AFTR2d 2009-666, the First Circuit Court of Appeals agreed with a New Hampshire Federal District Court that a taxpayer seeking to set aside a written allocation to a covenant not to compete must demonstrate an actual meeting of the minds as to another allocation (in this case the desired allocation was personal goodwill).

In Wellpoint v. Commissioner, TC Memo 2008-236, the Tax Court determined that a company’s payments to defend title to assets including the legal fees incurred were nondeductible capital expenditures.

In Electronic Picture Solutions v. Commissioner, TC Memo 2008-212, the Tax Court determined that a corporation was not entitled to a theft loss deduction for an investment in stock in a public corporation that became worthless in that California law, which determined whether a theft occurred, required a perpetrator to have made a false representation with the intent to defraud; however, in the case of publicly traded stock there is no privity between the investor and the underlying company and no false representation could be shown against the broker.

In Senulis v. Commissioner, TC Summary Opinion 2009-97, the Tax Court disallowed a deduction for cell phone use by a software designer temporarily away from his tax home due to inadequate records needed to corroborate the taxpayer's testimony as phones are "listed property."

In De Cacing v. Commissioner, TC Summary Opinion 2009-127, the Tax Court determined that mileage between a first and second work location is deductible even where the first location is 60 miles from his home and the second location is a mile away.

In Santa Fe Pacific Gold Company and Subsidiaries v. Commissioner, 132 TC No. 12, the Tax Court determined that a termination fee on a merger to permit a better merger is currently deductible.

In Menard, Inc. v. Commissioner, 103 AFTR2d 2009-609, the Seventh Circuit Court of Appeals reversed the Tax Court and determined that a bonus of more than \$20 million based on a 5 percent of profits formula did not constitute a disguised dividend, noting that the bonus was high but not outlandish when compared with public competitors and that a percentage bonus does not "smell" like a dividend.

In Kerzner v. Commissioner, TC Memo 2009-76, the Tax Court refused to allow "circular loans" to constitute basis to S corporation shareholders when monies went from a partnership to its owners who were also shareholders in an S corporation who they transferred funds to that entity which paid rent to the partnership.

In Nathel v. Commissioner, 131 TC No. 17, the Tax Court determined that capital contributions by a shareholder to an S corporation do not restore lost basis in prior loans to the S corporation which were previously utilized to absorb losses.

In Minton v. Commissioner, 103 AFTR2d 2009-1311, the Fifth Circuit Court of Appeals agreed with the Tax Court that an S corporation shareholder was required to report her share of a corporation's profits in that the S election was not terminated by monthly distributions to certain shareholders in redemption of their stock in that this did not cause creation of an impermissible second class.

In Rowden v. Commissioner, TC Memo 2009-41, the Tax Court found that a taxpayer's aircraft maintenance activity was a hobby in the case of an environmental engineer employed by the Government who was a pilot in a family of pilots; the Court noted that the taxpayer did not conduct the activity in a business-like manner, that the taxpayer could not expect in good faith to recoup his investment, that he had no history of profit, that he made a comfortable living from his regular employment and that he derived pleasure from working on airplanes.

In McWhorter v. Commissioner, TC Memo 2008-263, the Tax Court determined that the self-employment tax could not be imposed on a non-filing worker who was improperly classified as an independent contractor and should have been treated as an employee.

In Rosemann v. Commissioner, TC Memo 2009-185, the Tax Court indicated that a worker, in this case an outside salesman, cannot be a "statutory employee" permitted to file a Schedule C but subject to social security withholding unless at a minimum he is not a common law employee, necessitating application of the traditional multi-prong test.

In Peno Trucking v. Commissioner, 102 AFTR2d 2008-5360, the Sixth Circuit Court of Appeals reversed the Tax Court and determined that a trucking company was entitled to Section 530 relief in that the Company could rely on decisions of the Ohio Industrial Commission and a lower Ohio court that it previously ruled that two of its drivers were independent contractors despite failure to satisfy the federal common law test.

In Smith v. United States, 103 AFTR2d 2009-880, the Tenth Circuit Court of Appeals found that a Utah Federal District Court jury had sufficient grounds for determining that a general manager without ownership interests who had authority to write checks and who interacted with the owner could be a "responsible person" who "willfully" failed to turn over payroll taxes despite the fact that the owner had more control over creditor payments in that only "significant" control is all that is required.

In Jefferson v. United States, 102 AFTR2d 2008-6572, the Seventh Circuit Court of Appeals agreed with an Illinois Federal District Court that a state legislator serving on the board of directors of a nonprofit daycare center was personally liable for unpaid payroll taxes where he had significant involvement in the financial affairs although not on a day-to-day basis and had previously directed the payment of taxes under facts which indicated he received reports showing a steadily increasing tax liability; the exception to lack of liability for volunteer board members was determined not to be applicable because of signatory authority on checks and other financial involvement.

In Kandi v. United States, 102 AFTR2d 2008-5342, the Ninth Circuit Court of Appeals agreed with a Washington Federal District Court that under pre-2009 IRS regulations, determined reasonable, a sole owner of a limited liability company is automatically liable for unpaid payroll taxes.

In Revenue Procedure 2009-26, IRS set forth the procedure for electing a carryback of three, four or five years from 2008 losses, allowing either a statement with the timely filed 2008 return or the filing of the carryback or amended return with no statement required no later than six months from the original due date of the return.

In Revenue Procedure 2009-39, IRS modified the existing guidance on both automatic and nonautomatic changes in accounting method including the handling of supplies and repairs and maintenance.

In Notice 2008-113, IRS revised the procedures for seeking relief from the full application of the income exclusion and the additional taxes under the deferred compensation rules of Section 409A, repealing guidance from 2007, and in Notice 2008-115, IRS gave guidance on how to compute amounts to be included in income under 409A and the withholding required thereon.

In Notice 2009-48, IRS issued comprehensive guidance in question and answer form on split dollar insurance.

In Announcement 2009-4, IRS withdrew proposed regulations regarding the treatment of transactions between a partnership and its partners as disguised sales of partnership interests and will view each case on an individual basis.

In Fact Sheet 2008-25, IRS warned S corporations not to attempt to avoid employment taxes on shareholders who provide more than minor services to their corporation and set forth the following factors that courts have considered in determining reasonable compensation: training and experience; duties and responsibilities; time and effort devoted to the business; dividend history; payments to non-shareholder employees; timing and manner of paying bonuses to keep people; amounts paid by comparable businesses; compensation agreements; and use of a formula to determine compensation.

In Field Advice 2008-4301, IRS determined that a manufacturer's payment to several states to settle an antitrust claim was a nondeductible fine or penalty notwithstanding that there was no admission of liability.

In Letter Ruling 200852013, IRS ruled that, upon the acquisition of a term interest in land and buildings, the land may be depreciated over the term but the buildings are depreciable over the standard MACRS lives.

In Chief Counsel Advice 200911006, IRS indicated that trademarks, trade names and similar intangibles that can be valued separate and apart from goodwill qualify as like kind property for purpose of tax free exchanges; this constitutes a reversal from two prior Letter Rulings where the IRS considered these items to be closely related to the goodwill.

In Letter Ruling 200927031, IRS ruled that net operating losses incurred in years of operation as a tax exempt entity with unrelated business income can be carried forward to years after a change to taxable status.

## V. Procedure

Public Law 110-252, the Supplemental Appropriations Act of 2008, requires IRS to offset overpayments of federal tax by any amount owed to a state unemployment agency.

Public Law 110-343, the Emergency Economic Stabilization Act of 2008, except for “tax shelters” and “reportable transactions” where the standard remains “more likely than not”, conformed the preparer penalty standard to the taxpayer standard of “substantial authority” retroactive for undisclosed positions on returns prepared after May 25, 2007; the standard for disclosed positions remains “reasonable basis.”

Public Law 110-428, the Inmate Tax Fraud Prevention Action of 2008, allows disclosure of taxpayer information to the Bureau of Prisons if IRS believes that any prisoner has filed or facilitated filing of a false return; the law expires after 2011 following a report to Congress of implementation due in 2010.

Public Law 110-458, the Worker, Retiree and Employer Recovery Act of 2008, increased the penalty for failure to file partnership and S corporation returns from \$85 to \$89 per partner/stockholder per month effective for returns required to be filed in 2009.

Proposed Regulations Under Code Section 7811 permit the issuance of Taxpayer Assistance Orders to any operating division or function of IRS except where a criminal investigation would be impeded; the taxpayer must be able to show significant hardship (met in the case of a delay of more than 30 days beyond the normal processing time) as well as facts coupled with the law to support relief.

In McHan v. Commissioner, 103 AFTR2d 2009-1076, the Fourth Circuit Court of Appeals agreed with the Tax Court that IRS was not barred in determining a taxpayer’s income from the sale of marijuana by the lesser amount of unreported income which was the subject of a prior criminal conviction.

In United States v. Textron, Inc., 104 AFTR2d 2009-5208, the First Circuit Court of Appeals in a divided en banc decision, overruled a Rhode Island Federal District Court and the First Circuit panel and determined that tax accrual work papers are not protected by the work product privilege as they are not work done for litigation but are utilized in supporting financial filings; the Fifth Circuit is in accord.

In University of Chicago v. United States, 102 AFTR2d 2008-6835, the Seventh Circuit Court of Appeals agreed with an Illinois Federal District Court that there was not reasonable cause for abatement of penalties where the University failed to pay social security and medicare taxes on elective deferrals made by employees into retirement plans.

In Bakersfield Energy Partners v. Commissioner, 103 AFTR2d 2009-2712, the Ninth Circuit Court of Appeals agreed with the Tax Court that an overstatement of basis is not an omission of income for purpose of extending the normal three-year statute of limitations to six years; in Salman Ranch, Ltd. v. United States, 104 AFTR2d 2009-5190, the Federal Circuit reversed the Court of Federal Claims to reach a similar result.

In Estate of Brandon v. Commissioner, 133 TC No. 4, IRS determined that a notice of a tax lien filed after a taxpayer's death is valid; the estate argued that it could not be filed post-death as a deceased taxpayer could not receive the lien notice.

In Mission Primary Care Clinic, PLLC v. Internal Revenue Service, 103 AFTR2d 2009-594, a Mississippi Federal District Court determined that a levy on distributions by a limited liability company to a doctor-member is continuing in nature as would be the case of a levy on salary or wages.

In Medical Practice Solutions, LLC v. Commissioner, the Tax Court, agreeing with the Second and Sixth Circuit Courts of Appeal, allowed the IRS to come against individual assets of a single owner limited liability company owner following collection due process procedures based on Proposed Regulations in effect before 2009 (for payroll periods after 2008 a single owner LLC is a separate entity for payroll tax purposes).

In Frank Sawyer Trust of May 1992 v. Commissioner, 133 TC No. 3, the Tax Court determined that IRS could seek to collect from a trust which was the sole owner of several liquidated corporations for assessed income tax liability against the corporations as the result of an examination after distribution of assets to the sole stockholder.

In Hoyle v. Commissioner, 113 TC No. 13, the Tax Court modified a prior position which appeared to limit its review in CDP matters to topics raised at the appeals conference by holding that it could consider whether a notice of deficiency was properly mailed even where the issue had not been previously raised; the Court indicated that Appeals should have considered compliance with applicable law regardless of whether it was raised by the taxpayer at the CDP hearing.

In Commissioner v. Neal, 103 AFTR2d 2009-801, the Eleventh Circuit Court of Appeals agreed with the Tax Court that it had the right to go outside the administrative record when it conducted a trial on a taxpayer's claim for innocent spouse relief; IRS unsuccessfully contended that the Administrative Procedure Act confines appeals to the administrative record but the Tax Court had determined that its procedures preceded and were not modified by APA.

In Porter v. Commissioner, 132 TC No. 11, a divided Tax Court determined that the standard for review of the denial of equitable relief under Code Section 6015(f) is "de novo" as it is for other innocent spouse relief rather than on the record established with IRS Appeals.

In Sunleaf v. Commissioner, TC Memo 2009-52, the Tax Court gave equitable innocent spouse relief to a widow whose attorney husband died owing more to IRS than the gross value of his estate where the widow testified that she was unaware of the liability inasmuch as she was handed each return for signature a few minutes before the post office closed on the due date of the return and did not review the documents.

In Denton v. Commissioner, TC Summary Opinion 2009-87, the Tax Court gave equitable relief allowing innocent spouse status to a divorced spouse who knowingly signed an incorrect return but expected that her former husband would prepare and file an amended return reporting the omitted income.

In Stolkin v. Commissioner, TC Memo 2008-211, the Tax Court denied equitable innocent spouse relief to a woman aware of her husband's financial irresponsibility at the time of signing the tax returns who owed \$55,000 and had \$80,000 of equity in a townhouse and was making \$600 per month lease payments on a BMW while receiving income of \$66,000 per year (mostly in alimony).

In Lantz v. Commissioner, 132 TC No. 8, a divided Tax Court determined that the law requiring innocent spouse status to be requested within two years from the first targeted collection activity is invalid as outside the statute to the extent applied to equitable relief under Code Section 6015(f); the Court interpreted the two-year rule as applying only to the other two types of innocent spouse relief under Section 6015; in Chief Counsel Notice 2009-12, IRS expressed its disagreement.

In Bennett v. Commissioner, TC Memo 2008-251, the Tax Court held that IRS did not abuse its discretion when it refused to accept an Offer in Compromise in the minimum processable amount, indicating that IRS has the discretion of considering such factors as potential increases in income and past noncompliance.

In In Re: Guillet, 102 AFTR2d 2008-6972, a Texas Bankruptcy Court rejected an IRS argument that a bankruptcy should be denied in the case of a physician involved in a fraudulent transaction who put up more than \$1.3 million to provide advance funding for a bogus Nigerian business which turned out to be an "advance fee fraud" under which the taxpayer's share (never received) was supposed to be \$31 million; the Court determined that the doctor was a victim rather than a perpetrator in the fraud.

In Ciccotelli v. United States, 10 AFTR2d 2009-1647, a Pennsylvania Federal District Court agreed that a payment to the Internal Revenue Service was a deposit and not an estimated tax payment and, accordingly, was not subject to the statute of limitations period on refunds of payments where the amount of the check had no correlation to the estimated tax liability, was much larger than estimated payments and was not accompanied by a payment voucher.

In Estate of Wilshire v. United States, 102 AFTR2d 2008-6946, an Ohio Federal District Court determined that oral and written communications between a Personal Representative and IRS regarding calculation of the estate tax constituted a claim for refund within the statute of limitations notwithstanding the informality prior to the deadline which was followed by a Form 843 subsequent to the deadline.

In Notice 989, IRS indicated that an individual who received a 1099 rather than a W-2 must show the applicable income as wages and pay the employee portion of social security with an original or amended return following a determination by IRS that the worker is an employee.

In Announcement 2008-111, IRS announced a two-year test period for both mediation and arbitration in Offer in Compromise and Trust Fund Recovery Penalty cases, starting with Appeals in Atlanta, Chicago, Cincinnati, Houston, Indianapolis, Louisville, Phoenix and San Francisco.

In News Release 2009-2, in light of economic conditions, IRS announced that its employees will have greater authority to suspend collection action and to be more flexible with taxpayers who have missed an installment payment or who cannot come up with a periodic payment due under an Offer in Compromise.

In News Release 2009-19, IRS indicated that it would not renew the contracts of the two private collection agencies.

In News Release 2009-37, IRS determined that credit or debit card “convenience fees” charged by the issuer for paying income taxes are deductible as miscellaneous itemized deductions.

In News Release 2009-75, IRS announced that it had negotiated an agreement with Switzerland under which the Swiss Bank UBS will provide IRS with the names of 4,450 account holders.

In Action on Decision 2009-1, IRS announced its nonacquiescence with a 2008 decision of the Tenth Circuit Court of Appeals in Cox v. Commissioner which reversed the Tax Court in 2008 and held that an IRS appeals officer was disqualified to serve in a collection due process hearing because he previously handled a CDP hearing involving the same individual.

In EMISC 20090326, IRS indicated a six month “amnesty” commencing March 23, 2009 in which a tax payer with unreported offshore income can file back tax returns for six years and pay principal, interest and certain civil penalties in order to avoid criminal prosecution.

In Chief Council Notice 2009-21, IRS indicated its disagreement with the 2008 case of Porter v. Commissioner in which the Tax Court determined that it will make its own determination as to the applicability of equitable innocent spouse relief without being limited to evidence in the administrative record; IRS indicated it will continue to argue that a decision must be based upon whether or not there was an “abuse of discretion” as set forth in the administrative record.

In Chief Counsel Advice 200835030 and Chief Counsel Advice 200836002, IRS indicated that a single owner limited liability company must honor a continuous levy on consideration payable to its owner.

In Chief Counsel Advice 200847001, IRS indicated that, where a corporation following an IRS levy discontinues operations and transfers its contracts to a newly created corporation formed by the spouse with the same employees, fixed assets and customers, the new entity is a successor in interest rather than an “alter ego” and, as such, there is no need to make an additional assessment against the new entity nor does it have any right to collection due process.

In Legal Memorandum 20092102F, IRS determined that a transferable personal seat license (PSL) allowing annual renewals of season tickets to a sporting team may be levied upon by IRS; however, a nontransferable right of renewal may not be the subject of levy.

In Chief Counsel Advice 200926001, IRS concluded that it could levy on both nonqualified and incentive stock options which are nontransferable in most cases under the law.

In Chief Council Advice 200927019, IRS determined that a health savings account is subject to a federal tax levy, causing generally a ten percent excise tax on the distribution if the taxpayer has not reached normal retirement age or has become disabled.

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## ***Baltimore Estate Planning Council***



The Council is seeking new, qualified members. If your practice includes **Estate Planning** you will benefit from our networking and educational programs. Members include **CPAs, trust officers, attorneys, non-profit professionals**, and an expanded section of **Qualified Financial Advisors** including CFPs, CLUs, ChFCs and others. Definitions of QFAs are listed the BEPC website ([www.BaltimoreEPC.org](http://www.BaltimoreEPC.org)).

The upcoming 2009-2010 BEPC year includes the following programs:

<i>Date</i>	<i>Speaker</i>	<i>Presentation</i>	<i>Location</i>
Tuesday September 22, 2009	Susan Porter	Exercising Discretion and Managing Intergenerational Conflicts	Crowne Plaza Timonium
Tuesday October 27, 2009	Robert Keebler	Planning Opportunities in the Retirement Marketplace	Hilton Pikesville
Tuesday December 3, 2009	Lawrence Brody	Top 10 Insurance Mistakes	Hilton Pikesville
Thursday January 7, 2010	Jeffrey Pennell	Annual Estate Planning Update	Crowne Plaza Timonium
Thursday February 25, 2010	Anirban Basu	Annual Economic Update	Crowne Plaza Timonium
Tuesday May 6, 2010	Larry Katzenstein	Annual Charitable Update	Crowne Plaza Timonium

Programs generally are accredited for continuing education for CPA's, CFP's, CLUs and ChFCs. Details on these programs as well as on-line registration is posted on the BEPC website. Another membership benefit includes access to the premier estate planning website—the Leimberg Information Services (LISI).

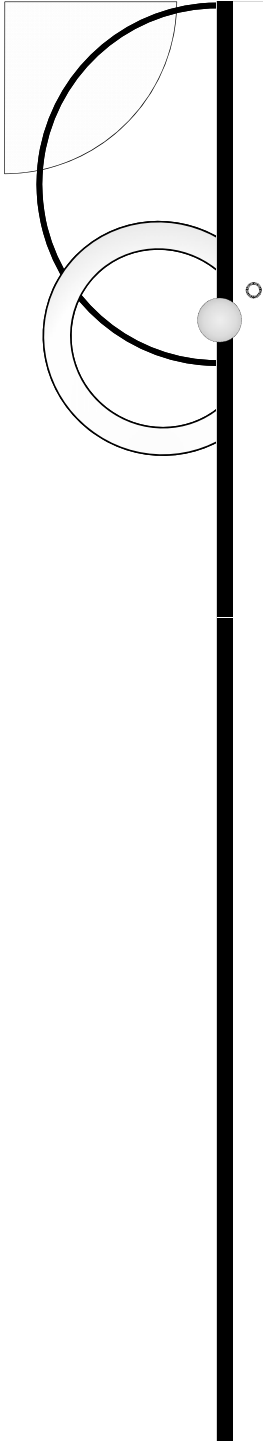
For details on membership review the information at our website: [www.BaltimoreEPC.org](http://www.BaltimoreEPC.org) or contact BEPC Headquarters at 410-465-7011 or by e-mail at [becp@rxassociationmgt.com](mailto:becp@rxassociationmgt.com).



## Electronic Office


10:15am-11:15pm

Speaker: Allan Cohen, CPA, Next Level  
Technology



# THE ELECTRONIC OFFICE

Allan Cohen, CPA, CITP



## THE ELECTRONIC OFFICE

Allan Cohen, CPA, CITP

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### Definition

- From Wikipedia, the free encyclopedia
- The **electronic office**, or **e-office**, was a term coined to cover the increasing use of computer-based information technology for office work, especially in the 1980s. It was a marketing buzzword at the time, but now is not so widely used since all modern offices are electronic offices.
- The term appeared much earlier in the name of the LEO computer (Lyons Electronic Office), that first ran a business application in 1951 in England.
- The ongoing process that led to e-office adoption was elimination of paper and making most of the office communications electronic.

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### Definition

- The definition of electronic office is not precise, and it might be either:
- the introduction of individual computers running office software applications, such as word processors.
- or to the interconnection of office computers using a local area network (LAN),
- or to the centralization of office functions via web applications.
- The introduction of e-office improved accuracy and efficiency of organizations and thereby improved their level of service, while theoretically lowering costs and drastically reducing the consumption of paper. Many documents are still being printed out and circulated on paper, however, especially the ones that require signature.

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### History

- Mini Computers such as the IBM System 34 back in the late 70's early 80's.
- Centralized Computer Rooms
- Write-up
- Time and Billing
- Tax
- PC as we know came out in 1981
- Word Processing, Spreadsheets
- Not connected to other PCs.
- Novell networks in the mid 80s.
- The promise of the "Electronic Office" for the CPA

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### The Promise

- Integrated suite of applications for a CPA firm with one data base of all clients.
- Reality – loosely integrated suite of applications with many discrete databases.
- Why? Most code was written years ago or applications were acquired by purchasing smaller companies.

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### Reality-Where we are today

- Still a bunch of separate databases.
- Most firms still revolve around their tax software.
- Document Management becoming mainstream.
- Combination of client server and web apps.
- Storage is cheap backup not so much.
- Remote computing a reality.
- Voice mail ubiquitous
- Smartphones, PDAs
- Fax machines still around but losing steam
- Unified messaging

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**Obstacles**

- Firm culture
- Willingness to change
- Comfort level
- Age of partners, staff
- If it ain't broke don't fix it
- Internet access & speed
- IT support
- Workflow
- Training
- ROI

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**Document Management**

- Must haves
- At least dual monitors ideally 3
- Scanners
- Multi-function digital copiers.
- Workgroup scanners
- Personal scanners
- Maybe all 3
- Either web based ASP model or in-house SQL.
- If in-house-bullet proof back up and disaster recovery plans

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**Document Management Must Haves**



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### Scanning – Front End

- Scan documents as they are received from clients
- Create the tax return from the on-screen copy of the support documents

**Advantages**

- Scanned files are verified with use
- Less bottleneck for scan dept
- Documents can be organized using Adobe or a scanning workflow product
- Client originals are delivered with Tax Return

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### Scanning – Front End

- Disadvantages
  - May end up scanning unnecessary documents.
  - Tax preparers must have the proper tools to that will enable manipulation and annotation of PDF documents
  - Tax preparers must be trained and proficient in Adobe and any third party software to mark up documents
  - Really hard to break old habits of using paper

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### Phone Systems

- VOIP the current buzz
- Great for multiple offices
- Great for work at home employees
- Can be a problem if combining bandwidth with data systems
- Hybrid systems have both key system for local office and ability to VOIP for remote offices or workers
- Unified messaging – vmail, fax all run through email system
- Follow me features
- Hosted phone systems

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### Portable Devices, Smartphones

- Blackberry using BB Enterprise Server.
- iPhones using MS ActiveSync
- Anything using MS Active Sync, even an iPod touch and WiFi
- Netbooks
- Broadband cards
- Myfi cards – instant hotspots
- RDP for remote access or Citrix
- Various remote access programs- GoToMypC, LogMeIn

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### Cloud Computing

- Infrastructure as a service
- Platform as a service
- SaaS – Software as a service
- All 3 take the service off the desktop and out of the local office.
- Service is accessed over the Internet or another network.
- Sounds like what we did in 1985 to input tax returns using Computax tax software. They called it remote job entry (RJE) using a 2400 baud modem that CCH supplied.
- Back then it was called Client/Mainframe computing

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### Cloud Computing – The downside

- Restricted infrastructure, operating systems and applications – one vendor philosophy
- Data stored outside of your office and could be outside of your control
- Depending on wording of contracts you may not own your own data
- Data may be stored outside the U.S. and not subject to U.S. privacy laws
- The leaders of the accounting software industry are very large and very secure, however the term “too big to fail” doesn’t mean much in today’s economy

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### Cloud Computing

- Remember the ASP models of the late 90's
- Many failed due to technology limitations as well as financial failure
- If your Internet connection fails, you're not working
- Internet connection has to be fast and solid. Consider multiple connections and ISP's
- Clients may have security concerns
- Accountants like to be in control

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### Cloud Computing – The upside

- Requires less application support from internal IT dept. IT staff role changes.
- Updates are done at the hosting site
- Stops “server sprawl”
  - Virtualization
  - Decreased need for space, cooling, power
- Simplified back ups
- Can work anywhere anytime. Work becomes what you do not where you work
- Allows for work at home employees – reduced need to office space

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### New Tax Tech – Scan and Populate

- Scanning products put source documents in order and bookmark pages
- Scanning products extract data from source documents and populating fields in tax prep software
- CCH Prosystem fx Scan (formerly BOCDIP)
- Thomson Reuters has 1040 workpaper-sorting available for Ultrtax CS and GoSystem Tax RS. Also built into GoFileRoom and File Cabinet CS using ScanFlow
- Intuit has Document eSort that recognizes scanned tax documents and organizes them into a tax return ready electronic file for use with Lacerte or ProSeries tax prep software.

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### New Tax Tech – Scan and Populate

- Third Party Software
  - Copanion – Gruntworx – web based system that will integrate with GoSystem RS and additional tax programs in the future
  - SurePrep – 1040 Scan – the first scan & populate software. Also has OCR functions

Goal of all of these products is to reduce data entry time as well as standardize workpapers so lower level staff can prep much of the return. One of the fastest growing software segments for CPA firms.

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### Client Portals & Secure File Transfer

- Definition - gateway to a collection of electronic information and files that is accessible over the Internet via web browser (CPA Tech Advisor)
- Provides clients with secure, online, self-service access to their information
- Most firms use portals to post PDF copies of tax returns and financial statements
- Most higher end Document Management Systems have a publishing portal that can publish information such as tax return & Fs to the client portal for viewing & downloading by the client

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### Client Portals & Secure File Transfer

- Most portals are two way. Clients can upload files such as Quickbook backups to the accountant via their portal
- Vendor managed portals such as Leapfile can be easier to deploy and use
- Some states have passed laws prohibiting use of email to transmit confidential information such as medical records & SS #'s
  - Third party programs such as Leapfile integrate with MS Outlook to send secure email & file transfer

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# Resources

<b>Comprehensive End-to-End Workflow</b>	<b>Product</b>	<b>Website</b>	<b>Phone Number</b>
Autonomy Inc.	iManage Workflow Manager	accounting.interwoven.com	866-341-3786
Office Tools Pro	Office Tools Pro 2009	officetoolspro.com	888-667-8440
Thomson Reuters	FirmFlow	cs.thomsonreuters.com	800-968-8900
XCM Solutions	XCM	xcmsolutions.com	781-356-5152
<b>Other Workflow Tools</b>	<b>Product</b>	<b>Website</b>	<b>Phone Number</b>
AccountantsWorld	CyberCabinet	accountantsworld.com	888-999-1366
Acct1st Technology Group	EDRMS	acct1st.com	888-790-7045 Ext. 705
Bill.com	Bill.com	bill.com	877-345-BILL
Cabinet NG, Inc.	CNG-Safe/CNG-Books	cabinetng.com	800-621-6501
CapSys	CapSys Capture	capsystech.com	877-322-7797
CCH Small Firm Services	ATX Scan&Fill	atxinc.com	800-681-1752
CCH Small Firm Services	TaxWise Scan&Fill	taxwise.com	800-681-1750
CCH, a Wolters Kluwer business	ProSystem fx Document	tax.cchgroup.com	800-PFX-9998
CCH, a Wolters Kluwer business	ProSystem fx Scan	tax.cchgroup.com	800-PFX-9998
Computhink, Inc.	ViewWise	computhink.com	800-98-THINK
Conarc, Inc.	iChannel	conarc.com	770-849-0508
Coppanion	GruntWorx	coppanion.com	800-291-2136
Doc.It Corp.	Doc.It	doc-it.net	888-MY-DOC.IT Ext.1
Drake Software	Drake Document Manager	drakesoftware.com	866-670-8471
eFileCabinet, Inc.	eFileCabinet	efilecabinet.com	877-574-5505
FileVision USA	FileVision	filevision.com	770-551-1400
Intuit	Intuit Document eSort	accountant.intuit.com/ documentesort	800-765-7777
Intuit	Lacerte DMS	lacerte.intuit.com	800-765-7777
Intuit	ProSeries DMS	proseries.intuit.com	800-934-1040
Personable Inc.	Workflow DMS & SourceLink	personable.com	800-688-4281
RedGear Technologies	ArkWorks	ark-works.com	800-706-8261
ShareFile	ShareFile for Accountants	sharefilecpa.com	888-242-6220
SmartVault Corporation	SmartVault	smartvault.com	866-674-6785
SpeedyScan Company	Speedy Organizer	speedyscan.biz	800-655-2870
SurePrep, LLC	1040SCAN	1040SCAN.com	800-805-8582
Thomson Reuters	GoFileRoom	CS.ThomsonReuters.com	800-968-8900
Thomson Reuters	FileCabinet CS	CS.ThomsonReuters.com	800-968-8900
Treeno Software	Treeno Document Management	treenosoftware.com	800-528-5005



## Electronic Tax Processing (E-filing)

11:15am-12:15pm

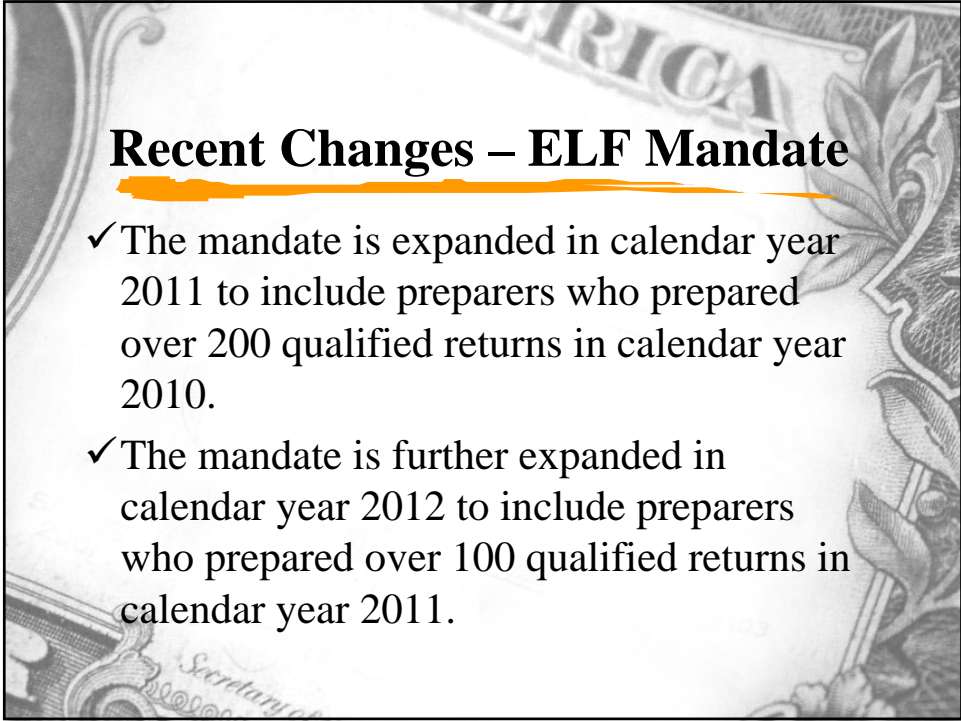
Speaker: Michael Melen, Comptroller of  
Maryland – Revenue Administration  
Division

# Electronic Tax Processing

*Michael Melen  
Electronic Tax Processing  
Revenue Administration Division  
Comptroller of Maryland*

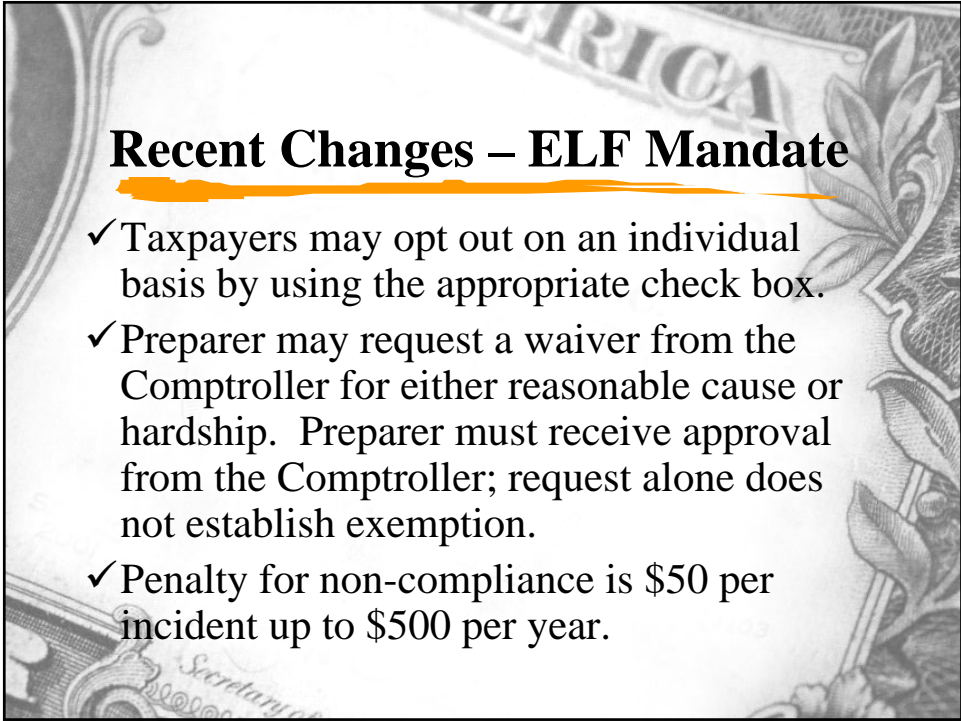
## Recent Changes – ELF Mandate

- ✓ As of May 7, 2009, Income Tax Preparers who, for compensation, prepared more than 300 qualified individual income tax returns in calendar year 2009 are mandated to file all calendar year 2010 individual income tax returns electronically.
- ✓ A 'qualified return' is any original return of individual income tax regardless of whether tax is due or a refund claimed.



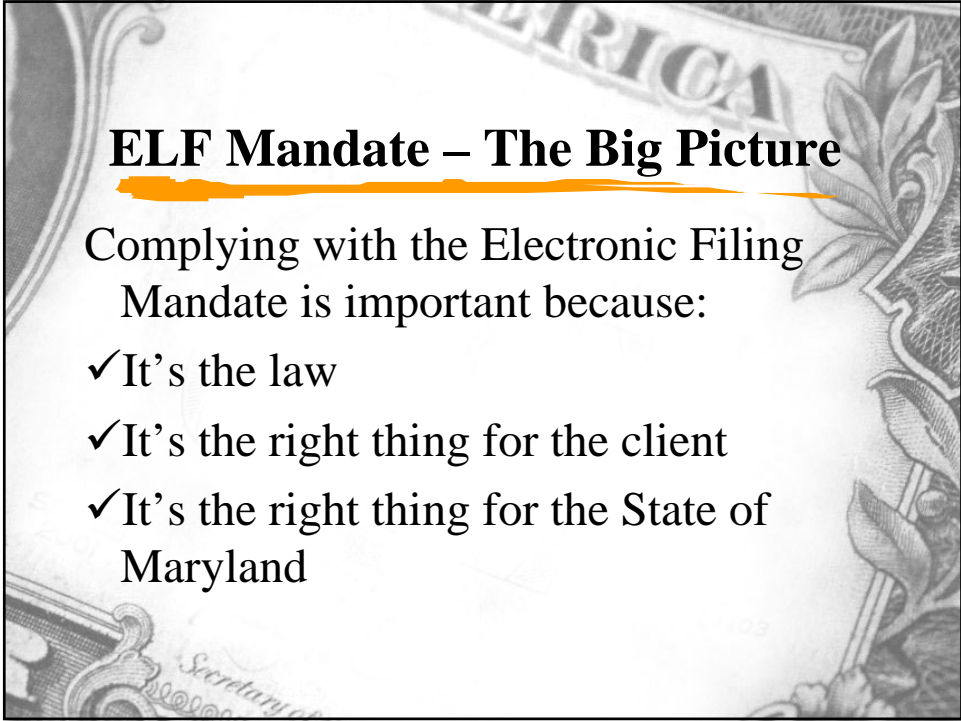
## **Recent Changes – ELF Mandate**

- ✓ The mandate is expanded in calendar year 2011 to include preparers who prepared over 200 qualified returns in calendar year 2010.
- ✓ The mandate is further expanded in calendar year 2012 to include preparers who prepared over 100 qualified returns in calendar year 2011.



## **Recent Changes – ELF Mandate**

- ✓ Taxpayers may opt out on an individual basis by using the appropriate check box.
- ✓ Preparer may request a waiver from the Comptroller for either reasonable cause or hardship. Preparer must receive approval from the Comptroller; request alone does not establish exemption.
- ✓ Penalty for non-compliance is \$50 per incident up to \$500 per year.



## **ELF Mandate – The Big Picture**

Complying with the Electronic Filing Mandate is important because:

- ✓ It's the law
- ✓ It's the right thing for the client
- ✓ It's the right thing for the State of Maryland



## **The Right Thing For Maryland**

- ✓ Over 2.7 million returns were filed for Tax Year 2008.
- ✓ Electronically filed returns have grown to over 1.6 million returns, up 8.35% from last year.
- ✓ 1.1 million tax returns were converted to an image format by the Comptroller's Office, a labor-intensive (costly) job.
- ✓ Processing a paper return costs \$1.95. Processing an electronic return costs \$0.38. If every paper return were processed electronically, MD would save \$1.73 million.



## **The Right Thing For Your Client**

Among the things your clients want and expect from you are:

- ✓ Accuracy
- ✓ Advice
- ✓ Timeliness of tax preparation



## **The Right Thing For Your Client**

You have a choice when you prepare a tax return for your clients... to send it electronically or by paper.

*Let's explore your choices!*

# The Life of A Paper Tax Return

*Michael Melen  
Electronic Tax Processing  
Revenue Administration Division  
Comptroller of Maryland*

## The Life of a Paper Return

1. The US Postal Service delivers paper income tax returns in large trays. They are brought into the Mail Room of the Revenue Administration Division of the Comptroller's Office.





## **The Life of a Paper Return**

2. The envelopes are manually sorted into seven categories: payment enclosed (brown), business payment, white #10 envelope, unmarked brown envelope, thick bulk envelope, large flat clasp envelope, and brown refund envelope.



## **The Life of a Paper Return**

3. The paper return envelopes are fed through a slitting machine, which opens the top of the envelope. Thicker envelopes will be opened manually.

## **The Life of a Paper Return**

4. The contents are extracted and sorted by form type (Form 502, Form 503, etc.), tax year, and if a payment is enclosed.



## **The Life of a Paper Return**

5. Each type of return is batched into packs of 100 for individual returns or 50 business returns, with an identifying cover sheet.



## **The Life of a Paper Return**

6. The returns are viewed one by one to ensure the information in required fields is present, such as names and SSN's, address, and wages and withholding matching the W-2's.



## **The Life of a Paper Return**

7. All staples are removed and the returns are prepared to be optically scanned. Each return is put into a specific order (base form, schedules, W-2's). W-2's are flattened out and bent corners fixed. Separator sheets are inserted to identify when the next return starts and to give a Document Locator Number (DLN).

## **The Life of a Paper Return**

8. Returns are fed into a high-speed scanner. If the return doesn't scan properly (e.g. if any page has a rip, or if two pages stick together), the return must be re-scanned manually with a slow-speed scanner. This creates an image of the return and captures its data.

## **The Life of a Paper Return**

9. Returns are optically stored and indexed, and each return is examined using OCR/ICR (Optical or Intelligent character recognition).





## **The Life of a Paper Return**

10. If a return can not be identified using OCR/ICR, the data is manually keyed in from its image (OE). Otherwise, returns go to DV (Data Verification) where data not accurately read must be keyed in from the image.



## **The Life of a Paper Return**

11. Once all returns in a batch have completed these processes, they are uploaded nightly to the Comptroller's Office processing system, where mathematical calculations are verified. Returns with math errors are reviewed and corrected from imaged data.




## **The Life of a Paper Return**

12. New taxpayer Social Security Numbers are verified against the IRS's database electronically.
13. Each return is checked against the IRS database for outstanding Federal debts.



## **The Life of a Paper Return**

14. Refunds (paper and direct deposit) are authorized and balance due notices are generated.
  15. Direct debits to pay for balances due are not presently allowed with paper returns.
- 



## **The Life of a Paper Return**

Most of the processing of paper returns depends on manual labor. With around 1,100,000 paper returns sent each year, with MD State budget cuts, and with a recession, timeliness is a challenge. We are dedicated, but the process takes time.



## **The Life of an Electronic Return**

1. Twice a day on weekdays, and once on Sundays, we receive electronically filed returns from the IRS.
2. All day long we receive returns filed electronically on MD's free iFile program.
3. We electronically acknowledge receipt of the returns to ERO's twice a day.



## **The Life of an Electronic Return**

4. That same day, the returns are uploaded to the Comptroller's mainframe.
5. That evening the returns are automatically run through our processing system.

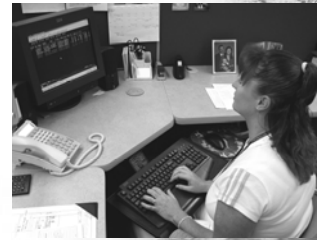


## **The Life of an Electronic Return**

6. The next day, new taxpayer Social Security Numbers are verified against the IRS's database electronically.
7. The following day, errors are reviewed, refunds (paper and direct deposit) are authorized and balance due notices are generated.
8. Direct debits are processed. Currently the payment deadline for direct debits is April 30.

## **The Life of an Electronic Return**

- ✓ The manual part of processing an electronic return is verifying that all of the data was received, acknowledged, reviewed for errors, and uploaded.



## **The Life of an Electronic Return**

- ✓ Refunds are normally processed within 2-3 business days for electronic returns.
- ✓ Paper returns can take up to 8 weeks, although the average is 4-5 weeks, when we hire temporary labor to help process them.

## Becoming an Approved E-File Provider

- ✓ EROs & transmitters must be accepted by the IRS in order to file a valid MD tax return electronically. MD does not require a separate formal application.
- ✓ Once you have applied to the IRS and received a valid EFIN number, and if you use software which is approved for MD's electronic filing program, you will be eligible to file individual income tax returns electronically in MD.

## Becoming an Approved E-File Provider

- ✓ Please access and refer to the MD e-File Handbook for guidance in transmitting returns electronically to MD. It can be found at [www.marylandtaxes.com](http://www.marylandtaxes.com). Click on Maryland Taxes, then click on Tax Professionals. On the left-hand side of the webpage, you'll find the Handbook and many other helpful tools and guides.

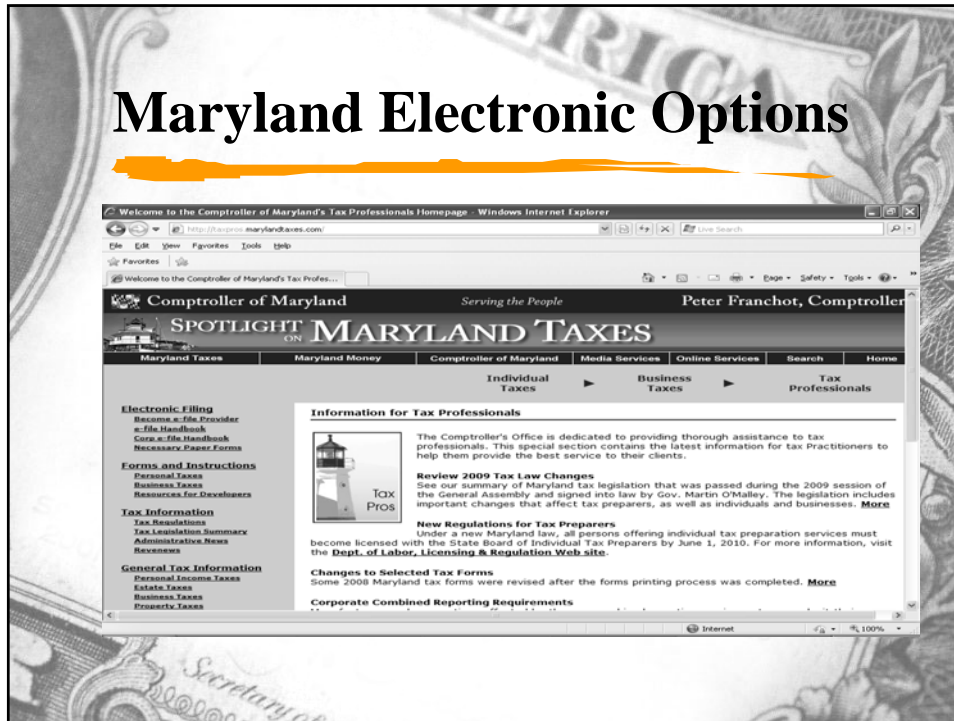
# Maryland Electronic Options



# Maryland Electronic Options



# Maryland Electronic Options



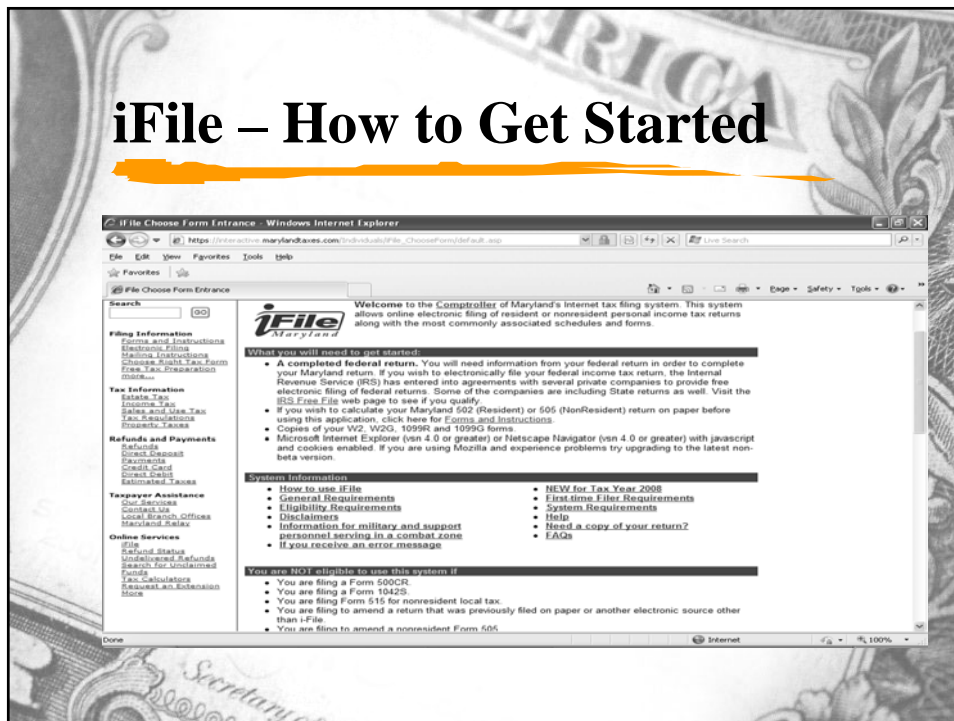
# Three Free Web Applications

1. iFile – file and pay your personal estimated payments, extension payments, resident and non-resident tax return
  2. bFile – file and pay your withholding and sales tax returns, and file your withholding reconciliation
  3. Bill Pay – pay current tax liabilities online
- ✓ Access all three from [www.marylandtaxes.com](http://www.marylandtaxes.com)

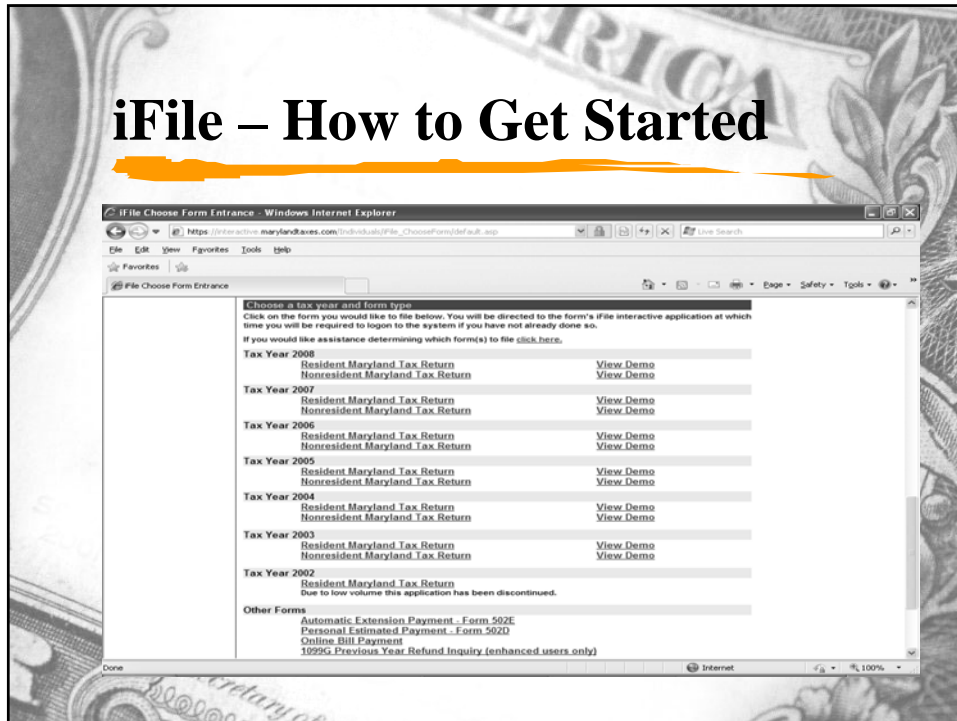
# iFile – How to Get Started

- ✓ [www.marylandtaxes.com](http://www.marylandtaxes.com), click on the Individual Taxpayers Bar, then the iFile logo.
- ✓ Click on the help topics in the center of the page, or choose the demo for the year you interested in.
- ✓ When you are ready to prepare your MD return, scroll down and click on the correct year and residency status.
- ✓ The personal information you enter will carry forward next year also.

# iFile – How to Get Started



# iFile – How to Get Started



# iFile – Entering Info

- ✓ Be sure to go step-by-step and thoroughly type in your data.
- ✓ Use the 'help' buttons as needed. They are specific and understandable.
- ✓ Be sure to click on the Additions, Subtractions and Deductions sections.

# iFile – Entering Info

**Qualifying widow(er) with dependent child** (choose FC if outside United States)

**Dependent Taxpayer**

**Your Information**

\*First Name: John MI: A \*Last Name: Smith  
SSN: 900050012

**Spouse Information**

\*\*First Name: Karen MI: M \*\*Last Name: Smith  
\*\*SSN: 900050013

Check here if you are filing your return using an address outside of the United States.

\*Address: 1000 Main Street Address 2:  
\*City or Town: Annapolis \*State: MD \*Zip Code: 21401  
Select the county (or Baltimore city) and subdivision in which you were a resident on the last day of the taxable period (Use "All other areas" with your county if your subdivision is not listed).  
ANNE ARUNDEL ALL OTHER AREAS help

Daytime Phone: 410 - 222 - 2222 Home Phone:  
Email address: Smith101@verizon.net

\* Required field  
\*\* Required if filing jointly

<<< BACK NEXT >>> OUT Tax Summary User Profile

# iFile – Entering Info

**COMPTROLLER of MARYLAND** **iFile 2008**

**Income**

Personal Exemptions Income Credits Summary Payments Final

**Federal Information:**  
Please enter the Adjusted Gross Income from your federal return. Use figures rounded to the nearest whole dollar. Do not use commas or decimals.  
Enter your net profit from self-employment. \$ 55000.00 help  
(Do not include a farm or business loss.) \$ 0.00 help

If your Federal Adjusted Gross Income as entered above is below the minimum filing requirement of **\$17,900** for your filing status, your income may still be taxable. For more information please click the **Help** button located to the right. Yes:  No:  help

Was at least 2/3 of this income made by farming or fishing? Yes:  No:  help

Was at least 90% of your income taxed by another state? Yes:  No:  help

**W2 and 1099 Information:**  
No other W-2 or 1099 forms are required when using iFile other than those listed below. Be sure to enter all wage income as reported on your Federal return.

If you have received a 1099INT you are not required to report this information as it is already a part of your Federal Adjusted Income.

Use the **Add** buttons to enter each type of income:

	Number Completed	Totals
W-2 (Limit 50) Enter wages and tax withheld here.	1	\$ 45000.00 help
W-2G (Limit 30) Enter lottery and other gambling winnings here.	0	\$ 0.00 help

## iFile – Entering Info

- ✓ Enter your bank info to have your refund direct deposited to you, or your payment debited from your account. Be sure your bank info is correct.
- ✓ Review your return for completeness.

## iFile – Entering Info

The screenshot shows a web browser window displaying the Maryland iFile interface. The 'Payments' tab is active, showing the following information:

- Personal** | Exemptions | Income | Credits | Summary | **Payments** | Final
- Thomas and Tina Taxpayer  
110 Payment Place  
Anytown, MD 20000 1234
- Pay to the order of: \_\_\_\_\_ \$ \_\_\_\_\_
- UNITED MATRIX BANK of Maryland
- 9 9 9 9 9 9 9 9 9 9 9 8 8 8 8 8 8 8 8 8
- Bank Routing Number      Your Account Number
- The State of Maryland is not responsible for lost or misdirected refunds if you enter the wrong account information. Please verify your entries.
- Account type:  Checking    Savings    Mail my refund to me   [help](#)
- Routing number\* 011000015 (exactly 9 digits)
- Account number \_\_\_\_\_ (Up to 17 characters)
- Re-Enter Account Number \_\_\_\_\_ (Up to 17 characters)
- \*Routing number MUST be for a US bank or Financial Institution (credit union, mutual fund, brokerage firm etc).

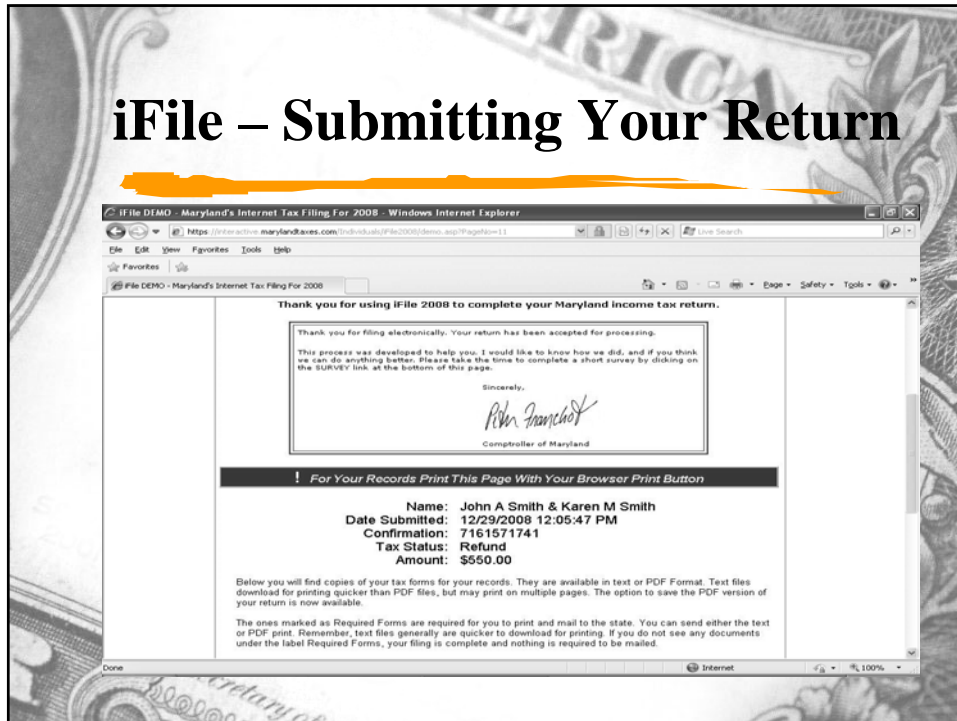
## iFile – Submitting Your Return

- ✓ When you get to the end of your return click “Submit”. This completes the submission of your return to the State of Maryland.
- ✓ A confirmation page will display giving you important information about your return. Print the screen.
- ✓ An optional survey is available.

## iFile – Submitting Your Return



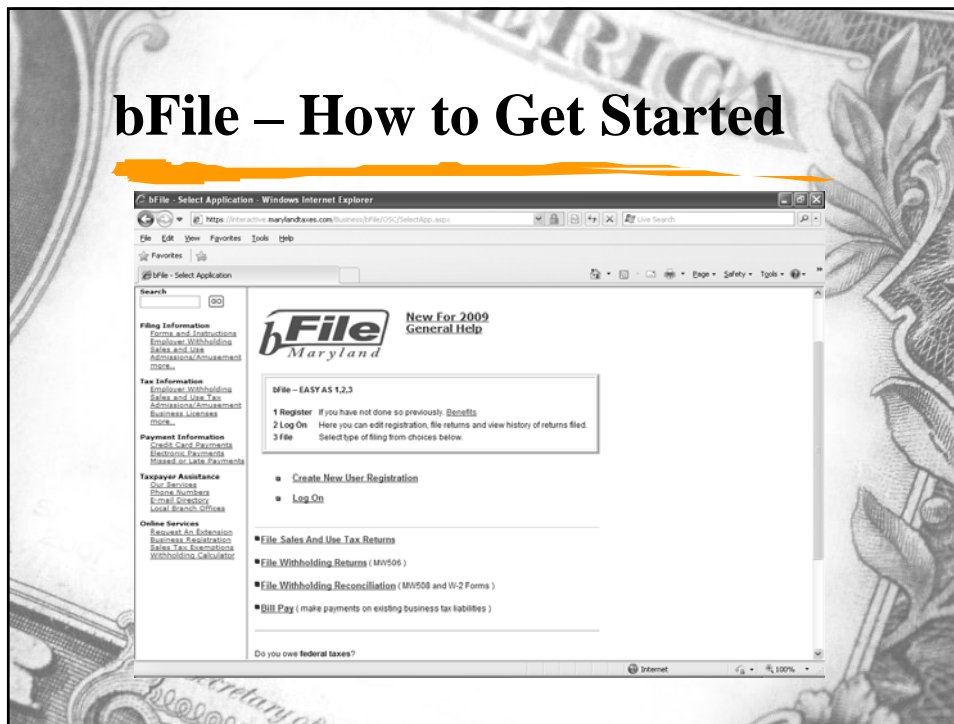
# iFile – Submitting Your Return



# bFile – How to Get Started

- ✓ [www.marylandtaxes.com](http://www.marylandtaxes.com), and click on the bFile logo.
- ✓ Create your new user registration (or log in if you are already registered).
- ✓ Select the function desired: Sales & Use tax, Withholding, or Withholding Reconciliation.

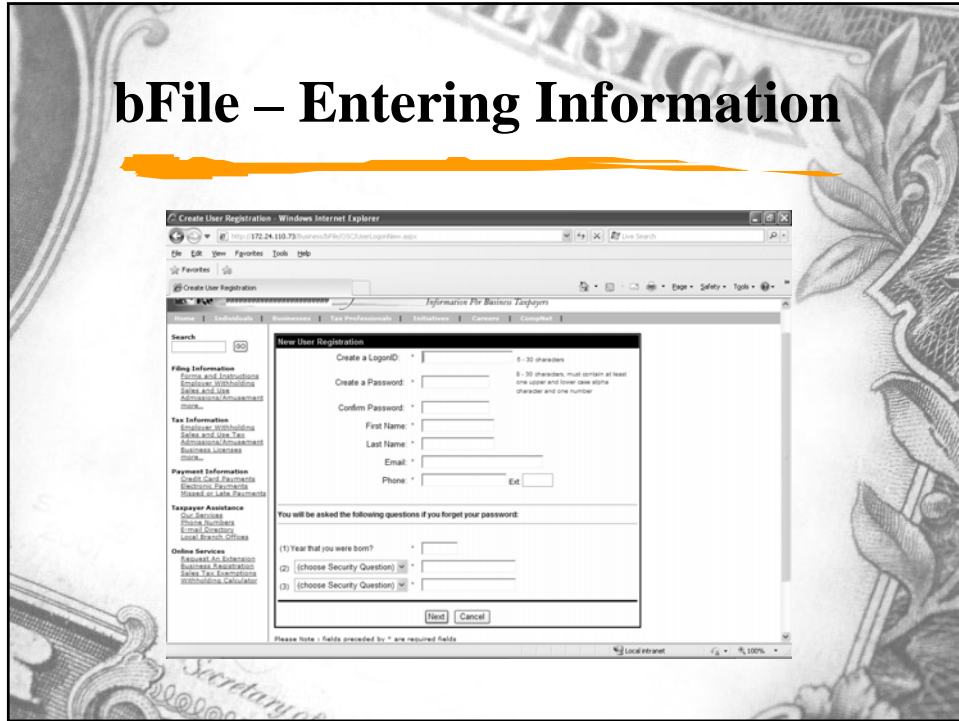
## bFile – How to Get Started



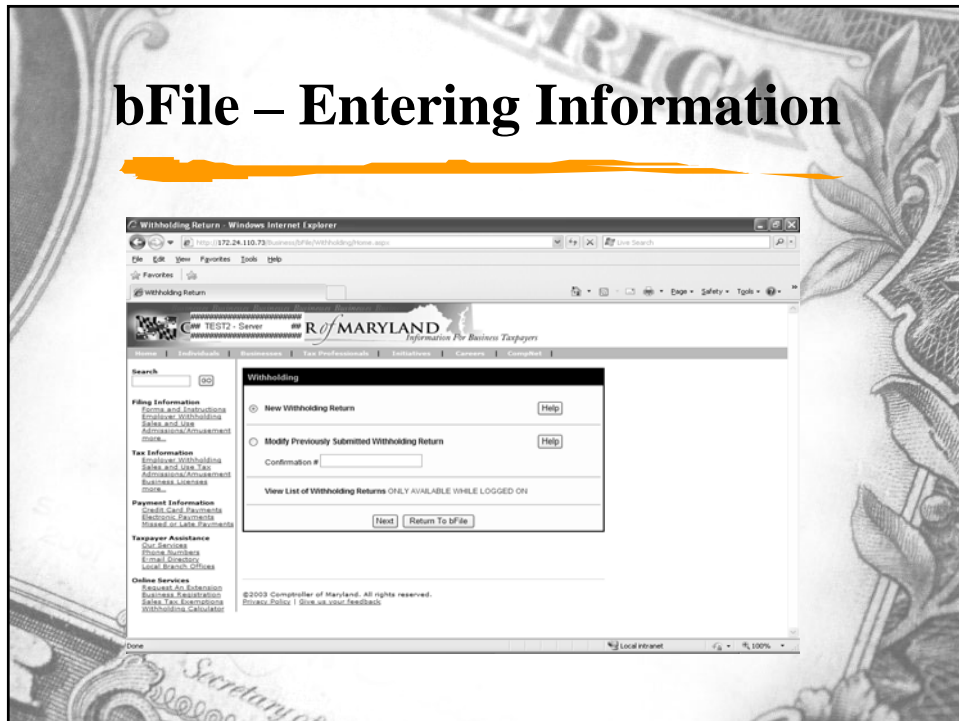
## bFile – Entering Information

- ✓ Your company and bank information are stored and can automatically fill each time you access bFile. This prevents keying errors and saves you time!
- ✓ You can register to file for multiple businesses.

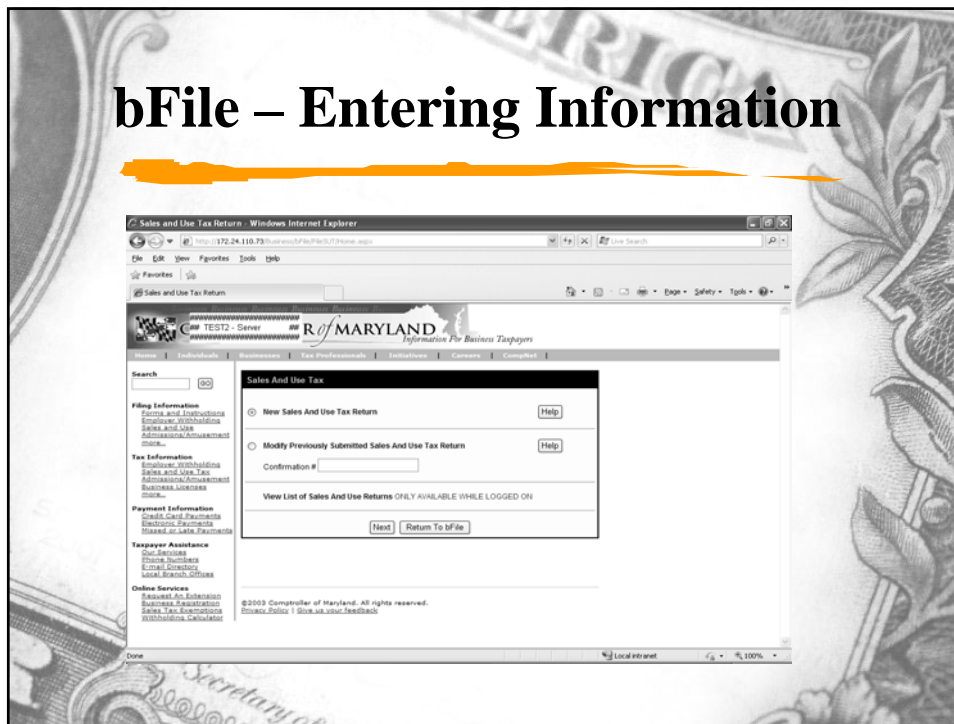
# bFile – Entering Information



# bFile – Entering Information



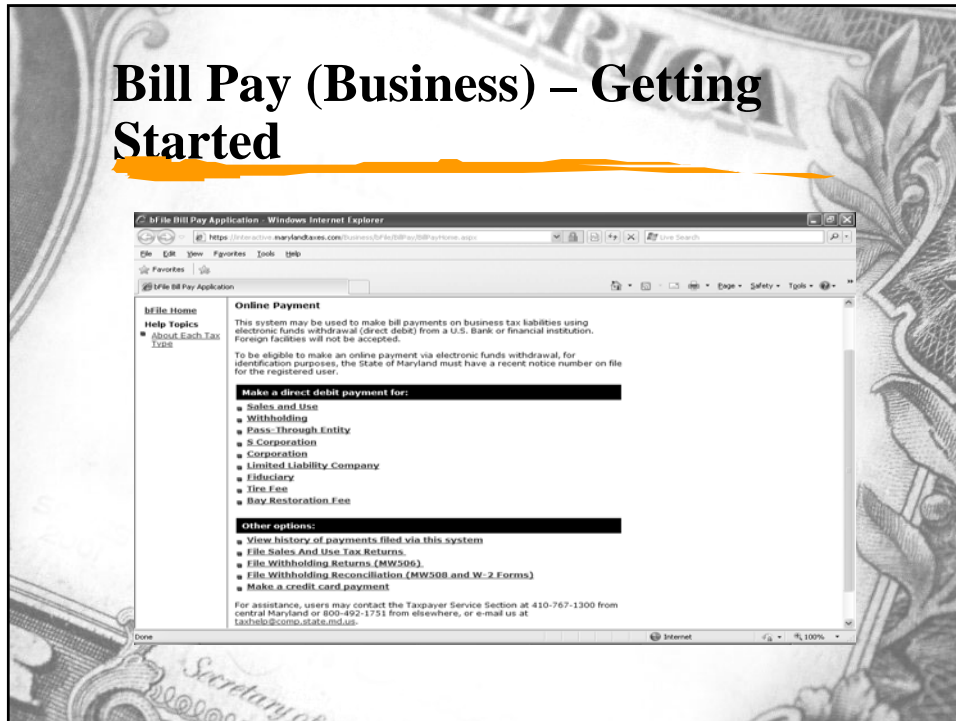
## bFile – Entering Information



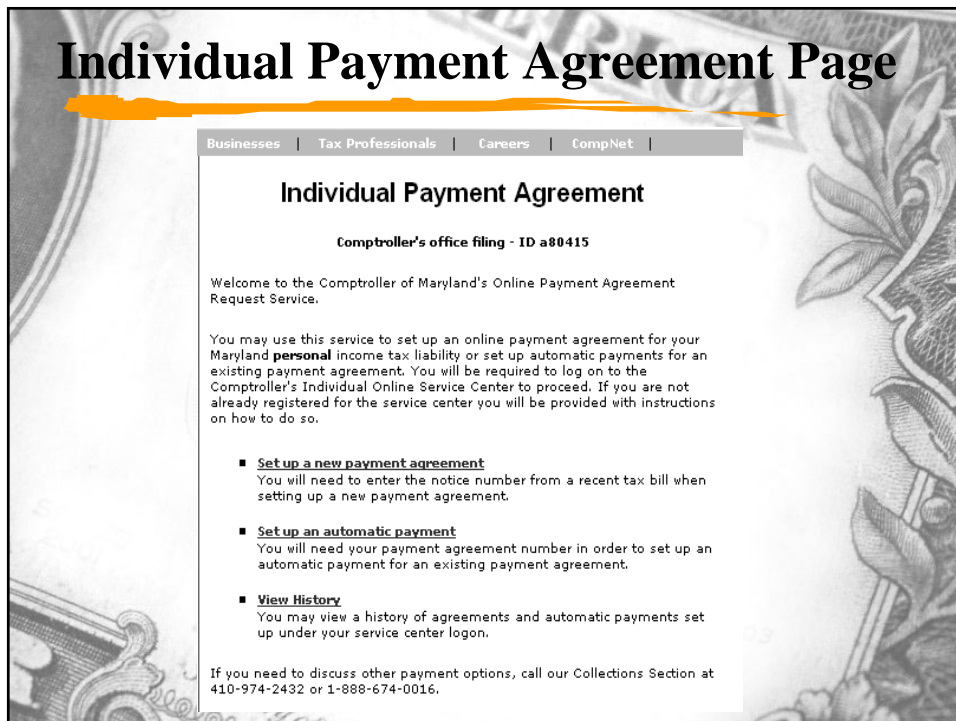
## Bill Pay – How to Start

- ✓ [www.marylandtaxes.com](http://www.marylandtaxes.com) and click on Bill Pay logo.
- ✓ Select the type of payment.
- ✓ An option is available to view your payment history.

# Bill Pay (Business) – Getting Started



# Individual Payment Agreement Page



## Bill Pay – Business Tax Payments

- ✓ Make a bill payment with a notice number on an existing liability for **any** tax liability already in our system.
- ✓ Make Extension and Declaration payments for:
  - Corporation
  - Pass-through Entity

## Online Payment Default Page

Businesses | Tax Professionals | Careers | CompNet

### Online Payment

This system may be used to make bill payments on individual income tax liabilities using electronic funds withdrawal (direct debit) from a US Bank or financial institution. Foreign facilities will not be accepted. After logging on to the Comptroller's Individual's Online Service Center you will be asked to provide the account type (checking or savings), bank routing number and account number.

To be eligible to make an online payment via electronic funds withdrawal. For identification purposes, the State of Maryland must have a return on file for the registered user.

#### I Would Like To

- [Make a payment.](#)
- [View history of payments filed via this system.](#)
- [View a demonstration.](#)
- [Make a credit card payment.](#)
- [File automatic extension payment – Form 502E.](#)
- [Pay personal estimated payment – Form 502D.](#)
- [File personal income taxes.](#)

For assistance, users may contact the Revenue Administration Division, Monday through Friday. From January 22 – April 18, 2008 the Comptroller of Maryland offers extended hours from 8:00 am until 9:00 pm for free telephone assistance. After April 18, 2008, normal office hours are 8:00 am until 5:00 pm, EST at 410-260-7980 from Central Maryland or 1-800-MDTAXES (1-800-638-2937) from elsewhere or e-mail us at [taxhelp@comp.state.md.us](mailto:taxhelp@comp.state.md.us)



## **Bill Pay - Communication**

- ✓ Email taxpayer if routing number fails at time of extract.
- ✓ Email taxpayer reminder of debit transaction two days prior to extract date.



## **Bill Pay - Eligibility Requirements**

- ✓ You need to create a user registration.
- ✓ Business taxpayers must be registered in our processing system (Central Registration Number).
- ✓ Shares the same registration database as iFile and bFile.



## **Bill Pay – Benefits to You**

- ✓ Create online payment agreements
- ✓ Create automatic recurring payments for existing payment agreements
- ✓ Make bill payments on existing individual and business tax liabilities



## **BillPay - Benefits To You**

- ✓ Control your payment date. When you pay by mail, the date we receive it is out of your control. Remember that a late payment may have a penalty and/or interest charged. Bill Pay is now!



## **iFile, bFile and BillPay - What's In It For You?**

- ✓ It is free, easy, fast and secure!
- ✓ Immediate acknowledgement – confirmation provided at submission of filing.
- ✓ You can schedule estimated payments in advance.
- ✓ You can view history of your online filing.



## **Who Should Electronically File?**

- ✓ Individuals who want speed, convenience, security
  - Once return is accepted (free of errors) turnaround is days vs. weeks for a paper return.
  - If you owe on your taxes, efile by April 15 and epay by April 30.

## Who Should Electronically File?

- ✓ Businesses who want convenience, security, and saving money on labor:
  - Set up your bFile account and your company name and bank info auto-fill each time you log in.
  - Minimal data entry after initial registration. No envelopes, stamps, or trip to the post office.
  - Combine bFile with Bill Pay and you'll have an online history of your payments.

## It's All Online

The screenshot shows a web browser window displaying the Comptroller of Maryland's Tax Professionals Homepage. The browser title is "Welcome to the Comptroller of Maryland's Tax Professionals Homepage - Windows Internet Explorer". The address bar shows "http://taxpro.marylandtaxes.com". The page features a navigation menu with "Maryland Taxes", "Maryland Money", "Comptroller of Maryland", "Media Services", "Online Services", "Search", and "Home". The main content area is titled "SPOTLIGHT ON MARYLAND TAXES" and includes sections for "Electronic Filing", "Forms and Instructions", "Tax Information", "General Tax Information", "Information for Tax Professionals", "Review 2009 Tax Law Changes", "New Regulations for Tax Preparers", "Changes to Selected Tax Forms", and "Corporate Combined Reporting Requirements". The page is designed to provide comprehensive tax information and resources for tax professionals in Maryland.



## **Updates at MACPA**

You are cordially invited to an in-depth presentation of all of the updates to Maryland Taxes, Tax Forms, and results of the recent tax season.

Leaders of the Comptroller's Revenue Administration Division will present this information to your MACPA chapter at a later date.



## **Questions?**



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### 2010 U.S. Master GAAP Guide

MACPA Members: \$81

Product Code: PMCCHGAAP09

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### 2009 Financial and Estate Planning Guide

MACPA Members: \$77

Product Code: PMCCHFINEPG09



### 2010 1040 Express Answers

MACPA Members: \$62

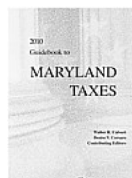
Product Code: PM1040X10



### 2009 U.S. Master Estate and Gift Tax Guide

MACPA Members: \$60

Product Code: PMCCH2009EGT



### 2010 Guidebook to Maryland Taxes

MACPA Members: \$62

Product Code: PMCCHMDTAX10

Note: Prices do not include tax and shipping.

Purchase these books here at the conference or to order online, go to: [www.macpa.org/books](http://www.macpa.org/books)

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## Economic Update

1:15pm-2:30pm

Speaker: Anirban Basu, J.D., Sage  
Policy Group



## Economic Update

1:15pm-2:30pm

Speaker: Anirban Basu, J.D., Sage  
Policy Group

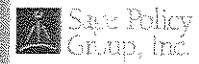
# The Amazing Race

*On Behalf of*

*MACPA*

*By: Anirban Basu  
Sage Policy Group, Inc.*

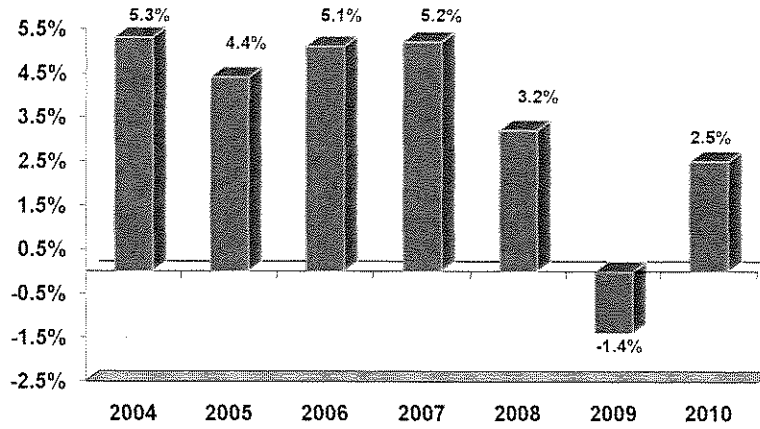
*September 16, 2009*



# The Biggest Loser

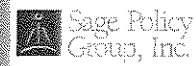


### Historic and Projected World Output Growth, 2004 through 2010\*

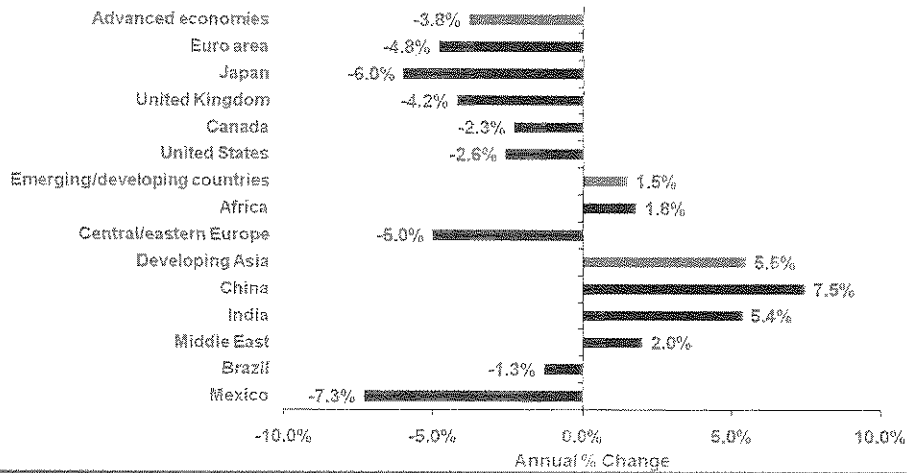


Source: International Monetary Fund

\*2009-2010 data are projections



### Estimated Growth in Output by Select Global Areas, 2009



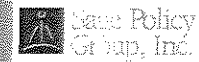
Source: International Monetary Fund



## Top 12 Stock Exchanges 2008 Growth

Rank	Exchange	Index	2008 % Change
7	Shanghai SE	Shanghai Composite	-65.4%
10	Borsa Italiana	MIBTel	-48.5%
11	Hong Kong Exchanges	Hang Seng Index	-47.9%
5	Euronext	CAC 40	-42.6%
4	Tokyo SE	Nikkei 225	-41.5%
6	Frankfurt SE	DAX	-40.2%
8	Bolsa De Madrid	Madrid General	-40.0%
2	Nasdaq	NASDAQ Composite	-39.6%
9	TSX Group	S&P TSX Composite	-35.4%
12	Swiss Exchange	Swiss Market	-34.2%
1	NYSE Group	DJI A	-33.8%
3	London SE	FTSE 100	-31.3%

Source: Yahoo! Finance



## National Charitable Giving by Type of Giving, 2008

Type of Giving	2008 Estimate (\$billions)	Percent of Total Giving	Percent Change from Year Ago (Inflation adjusted)
Individual Giving	\$229.28	75%	-6.3%
Charitable Bequests	\$22.66	7%	-6.4%
Corporate Giving	\$14.5	5%	-8.0%
Foundation Grantmaking	\$41.21	13%	-0.8%
<b>Total Giving</b>	<b>\$307.65</b>	<b>100%</b>	<b>-5.7%</b>

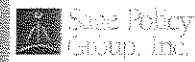
Source: Giving USA Foundation



## National Charitable Giving by Recipient, 2008

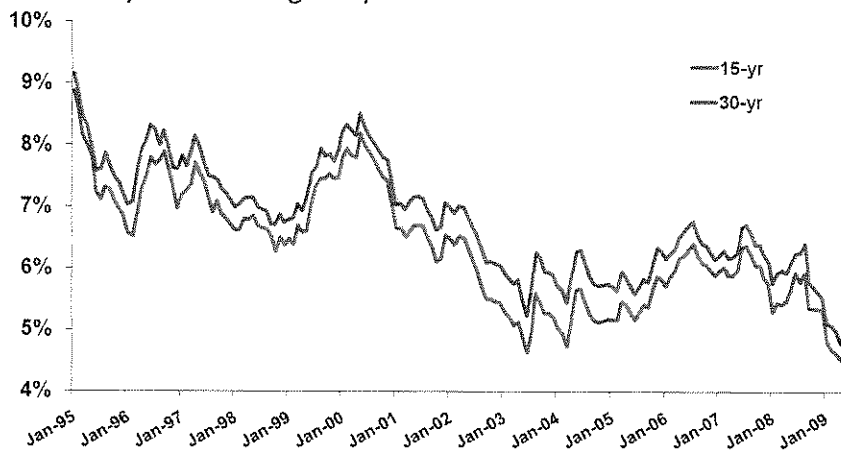
Type of Recipient	2008 Estimate (\$billions)	Percent of Total Giving	Percent Change from Year Ago (Inflation adjusted)
Religion	\$106.89	35%	1.6%
Education	\$40.94	13%	-9.0%
Foundations	\$32.65	11%	-22.2%
Health	\$21.64	7%	-10.0%
Public-Society Benefit	\$23.88	8%	1.5%
Art/Culture/Humanities	\$12.79	4%	-9.9%
International Affairs	\$13.3	4%	-3.1%
Environment/Animals	\$6.58	2%	-9.0%
<b>Total Giving</b>	<b>\$307.65</b>	<b>100%</b>	<b>-5.7%</b>

Source: Giving USA Foundation



## 15-Year & 30-Year Fixed Mortgage Rates

January 1995 through July 2009

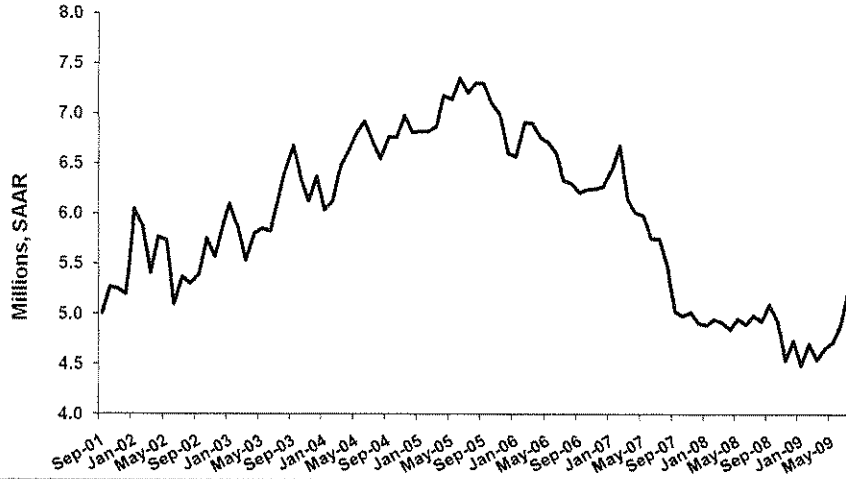


Source: Freddie Mac

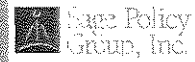


## U.S. Existing Home Sales

September 2001 through July 2009

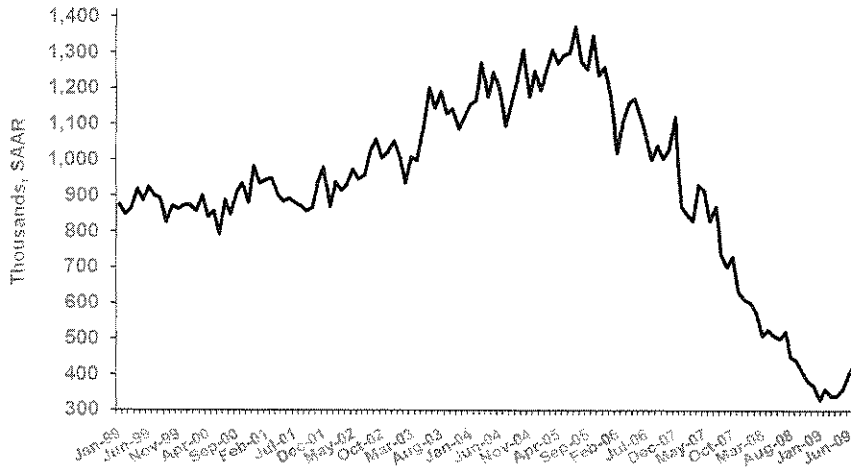


Source: [Economy.com](http://Economy.com)



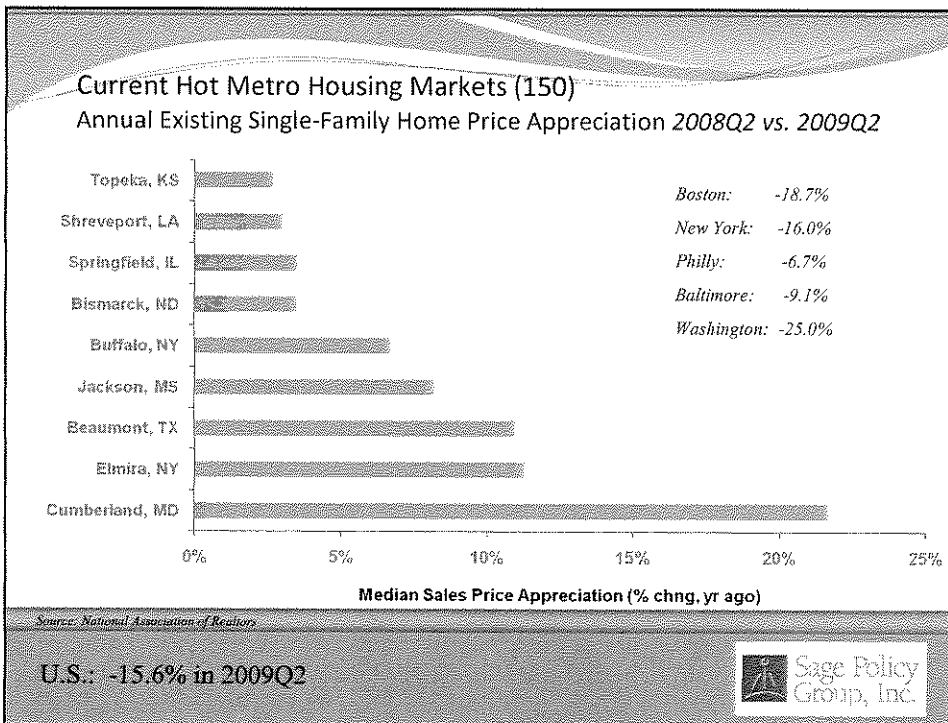
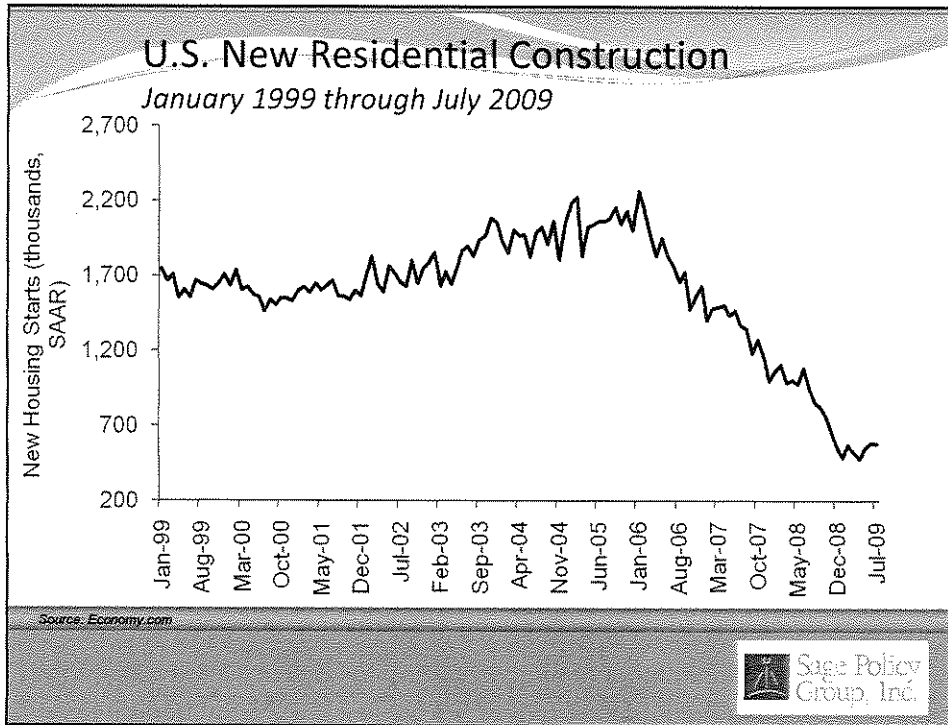
## U.S. New Home Sales

January 1999 through July 2009



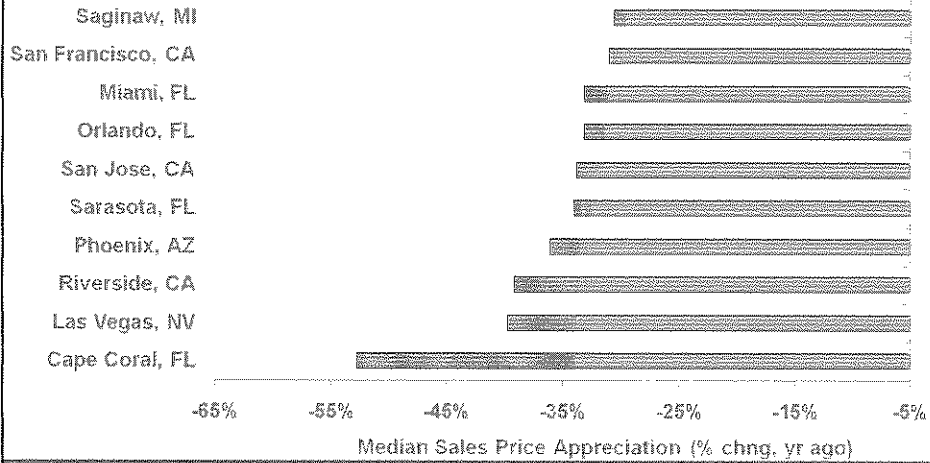
Source: [Economy.com](http://Economy.com), [Census Bureau](http://Census Bureau)





### Worst Performing Metro Housing Markets (150)

Annual Existing Single-Family Home Price Appreciation 2008Q2 vs. 2009Q2

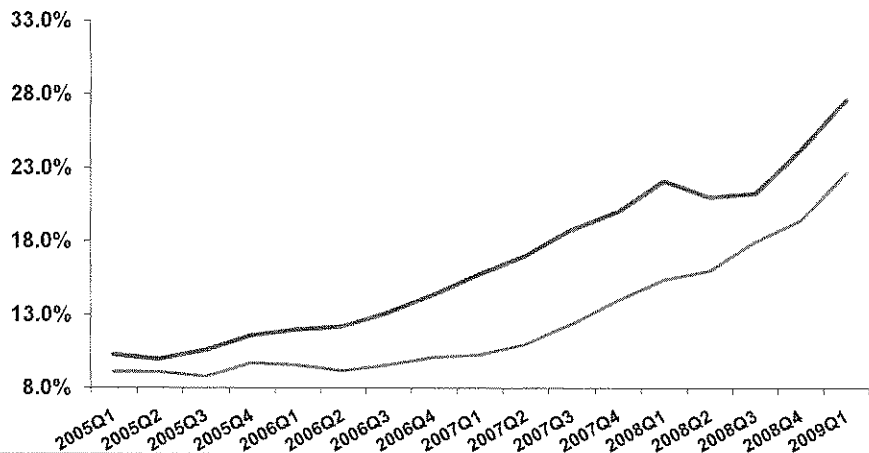


Source: National Association of Realtors

U.S.: -15.6% in 2009Q2



### Mortgage Banker's Association Delinquency Rates, Prime Mortgage Loans, 2005Q2 through 2009Q2

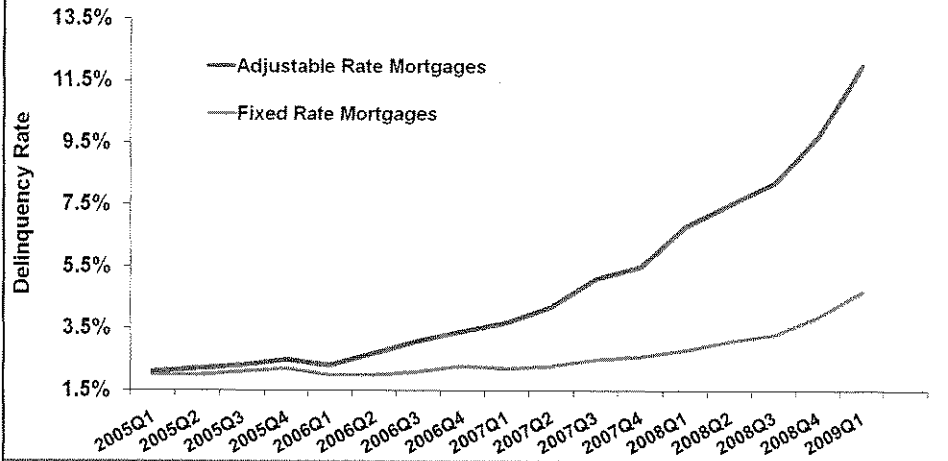


Source: Economy.com

The delinquency rate does not include loans in the process of foreclosure. The percentage of loans in the foreclosure process was 0.7 percent of Fixed Rate prime loans and 2.8 percent of all adjustable rate prime loans outstanding at the end of the second quarter.

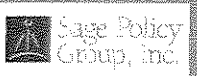


Mortgage Banker's Association Delinquency Rates, Subprime Mortgage Loans, 2005Q2 through 2009Q2



Source: [fcmany.com](http://fcmany.com)

The delinquency rate does not include loans in the process of foreclosure. The percentage of fixed rate subprime loans in the foreclosure process was 3.0 percent while those with adjustable rates were 5.8 percent.

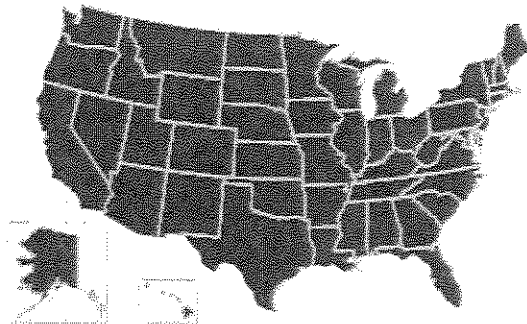


# American Idle



## Recession Watch

as of May, 2009



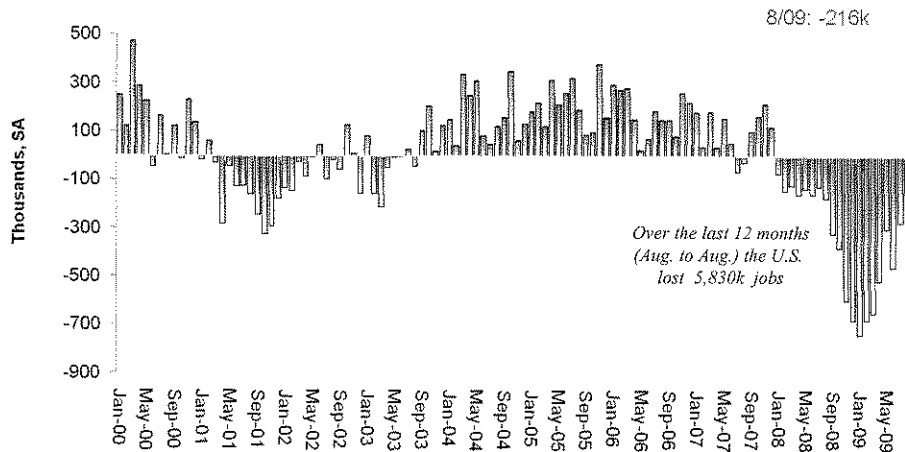
- Expansion
- At Risk
- Recovery
- In Recession

Source: Moody's Economy

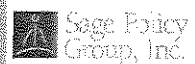


## Net Change in U.S. Jobs

January 2000 through August 2009



Source: Bureau of Labor Statistics

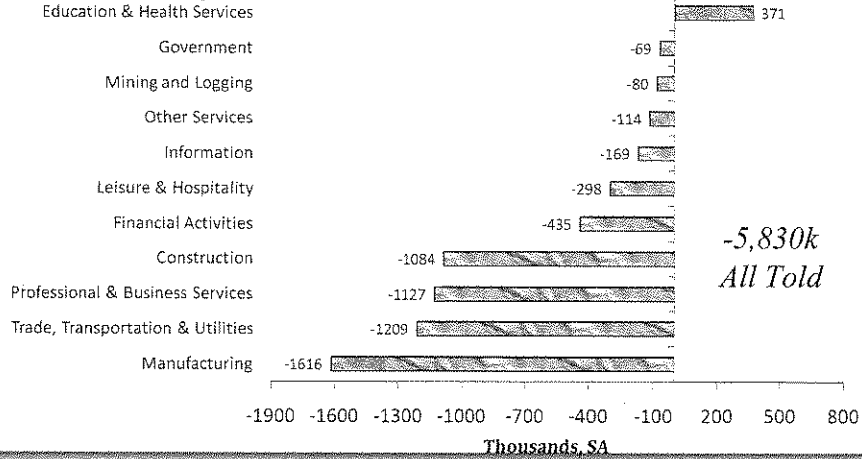


## National Nonfarm Employment

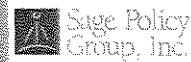
### by Industry Sector Groups

August 2008 v. August 2009

Absolute Change



Source: Bureau of Labor Statistics

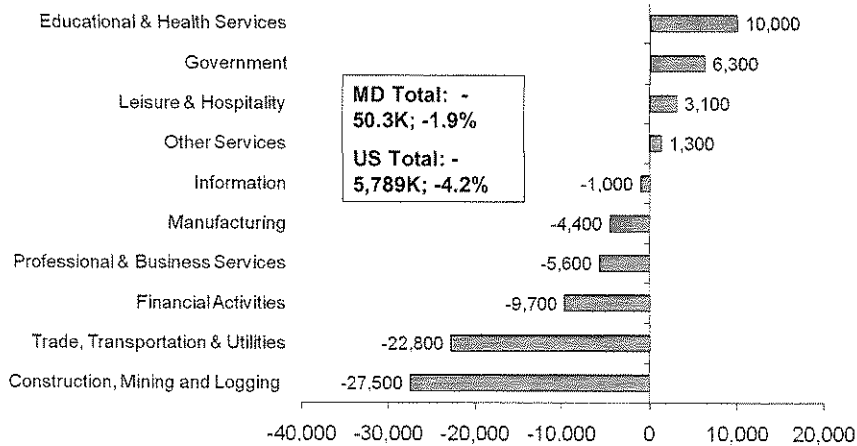


## Maryland Nonfarm Employment

### by Industry Sector Groups (SA)

July 2008 v. July 2009

Absolute Change

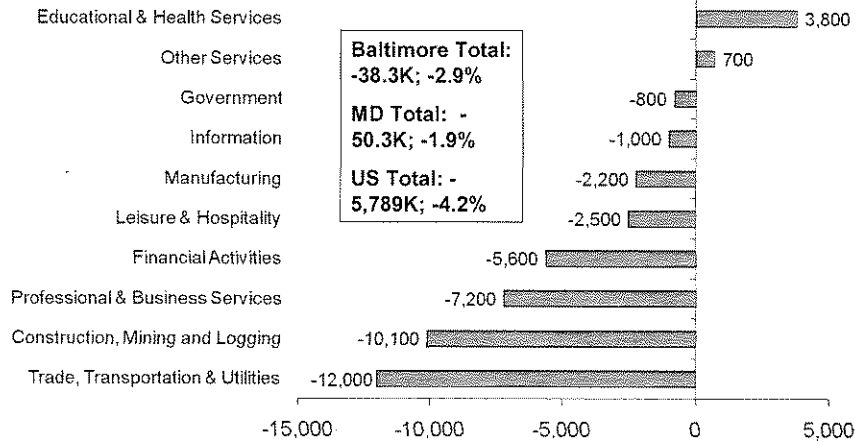


Source: Bureau of Labor Statistics

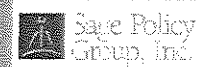


### Baltimore-Towson MSA Nonfarm Employment by Industry Sector Groups (NSA)

July 2008 v. July 2009  
Absolute Change

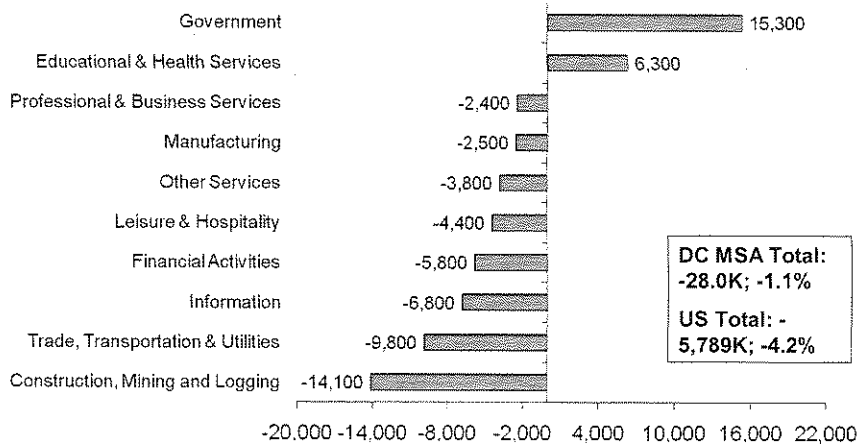


Source: Bureau of Labor Statistics



### Washington, D.C. MSA Nonfarm Employment by Industry Sector Groups (NSA)

July 2008 v. July 2009  
Absolute Change



Source: Bureau of Labor Statistics



## Unemployment Rates, Largest 20 Metros(NSA)

July 2009

Rank	MSA	UR	Rank	MSA	UR
1	<b>Washington-Arlington-Alexandria, DC, VA, MD, WV</b>	6.2	11	St. Louis, MO-IL	9.9
2	Minneapolis-St. Paul-Bloomington, MN-WI	7.9	12	San Diego-Carlsbad-San Marcos, CA	10.3
3	<b>Baltimore-Towson, MD</b>	8.0	13	San Francisco-Oakland-Fremont, CA	10.5
4	Dallas, Fort Worth, Arlington, TX	8.3	14	Chicago-Naperville-Joliet, IL-IN-WI	10.6
5	Houston-Sugar Land-Baytown, TX	8.4	15	Atlanta-Sandy Springs-Marietta, GA	10.7
6	Boston-Cambridge-Quincy, MA-NH	8.4	16	Miami-Fort Lauderdale-Pompano Beach, FL	10.8
7	Phoenix-Mesa-Scottsdale, AZ	8.7	17	Tampa-St. Petersburg-Clearwater, FL	11.3
8	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	8.8	18	Los Angeles-Long Beach-Santa Ana, CA	11.7
9	Seattle-Tacoma-Bellevue, WA	8.9	19	Riverside-San Bernardino-Ontario, CA	14.3
10	New York-Northern New Jersey-Long Island, NY-NJ-PA	9.1	20	Detroit-Warren-Livonia, MI	17.7

Source: Bureau of Labor Statistics



## MD Jurisdiction Unemployment Rates

July 2009

Rank	Jurisdiction	UR	Rank	Jurisdiction	UR
1	Montgomery County	5.5	13	Prince George's County	7.5
2	Howard County	5.7	14	Harford County	7.7
3	Saint Mary's County	6.1	15	Garrett County	7.9
4	Calvert County	6.4	16	Baltimore County	8.0
4	Charles County	6.4	16	Wicomico County	8.0
4	Frederick County	6.4	18	Allegany County	8.6
7	Carroll County	6.7	19	Caroline County	8.8
7	Talbot County	6.7	20	Cecil County	9.4
9	Queen Annes County	6.8	21	Somerset County	9.5
10	Anne Arundel County	6.9	22	Washington County	9.7
11	Kent County	7.3	23	Baltimore City	11.3
11	Worcester County	7.3	24	Dorchester County	11.5

Source: Bureau of Labor Statistics



## Unemployment Rates, U.S. States (SA)

July 2009

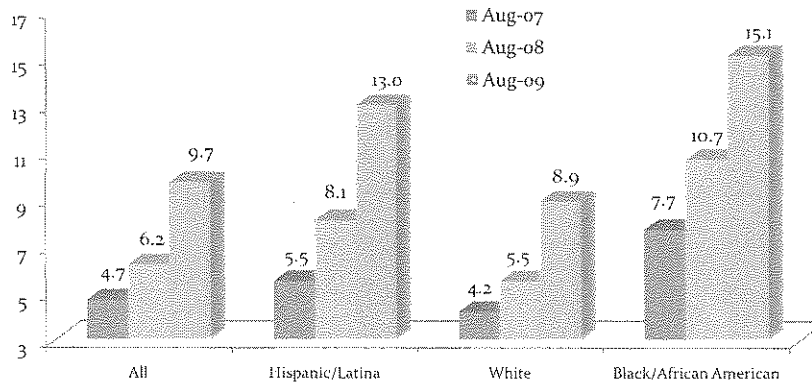
Rank	State	Rate	Rank	State	Rate	Rank	State	Rate
1	NORTH DAKOTA	4.2	18	COLORADO	7.8	35	MISSISSIPPI	9.7
2	NEBRASKA	4.9	18	CONNECTICUT	7.8	36	ALABAMA	10.2
2	SOUTH DAKOTA	4.9	20	TEXAS	7.9	37	GEORGIA	10.3
4	UTAH	6.0	21	MINNESOTA	8.1	38	ILLINOIS	10.4
5	IOWA	6.5	22	DELAWARE	8.2	39	DISTRICT OF COLUMBIA	10.6
5	OKLAHOMA	6.5	23	ALASKA	8.3	39	INDIANA	10.6
5	WYOMING	6.5	24	MAINE	8.4	41	FLORIDA	10.7
8	MONTANA	6.7	25	PENNSYLVANIA	8.5	41	TENNESSEE	10.7
9	NEW HAMPSHIRE	6.8	26	NEW YORK	8.6	43	KENTUCKY	11.0
9	VERMONT	6.8	27	IDAHO	8.8	43	NORTH CAROLINA	11.0
11	VIRGINIA	6.9	27	MASSACHUSETTS	8.8	45	OHIO	11.2
12	HAWAII	7.0	29	WEST VIRGINIA	9.0	46	SOUTH CAROLINA	11.8
12	NEW MEXICO	7.0	29	WISCONSIN	9.0	47	CALIFORNIA	11.9
14	<b>MARYLAND</b>	<b>7.3</b>	31	WASHINGTON	9.1	47	OREGON	11.9
15	ARKANSAS	7.4	32	ARIZONA	9.2	49	NEVADA	12.5
15	KANSAS	7.4	33	MISSOURI	9.3	50	RHODE ISLAND	12.7
15	LOUISIANA	7.4	33	NEW JERSEY	9.3	51	MICHIGAN	15.0

Source: Bureau of Labor Statistics

•U.S. Unemployment Rate: July 09' =9.4%



## Unemployment Rate by Ethnicity/Race August 2007-August 2009



Source: Bureau of Labor Statistics



## State Labor Supply/Demand Rate, July 2009

<i>Location</i>	<i>Supply/Demand Rate*</i>
<b>Maryland</b>	<b>2.00</b>
Virginia	2.25
Massachusetts	2.94
Colorado	3.03
New Jersey	3.64
Washington	3.86
California	3.90
Arizona	3.99
Texas	4.13
New York	4.26

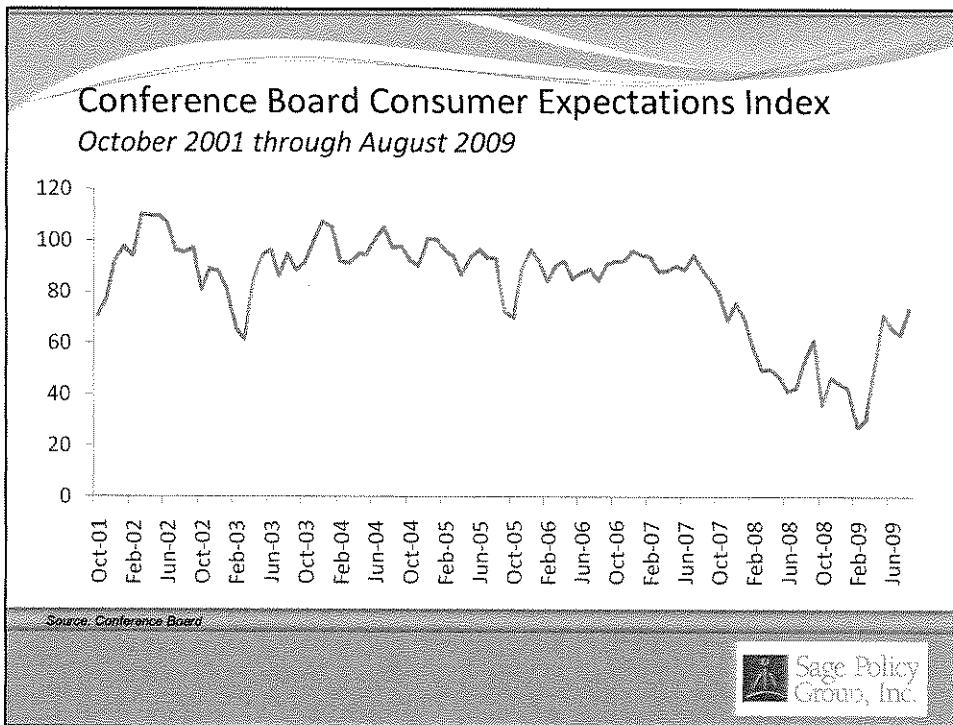
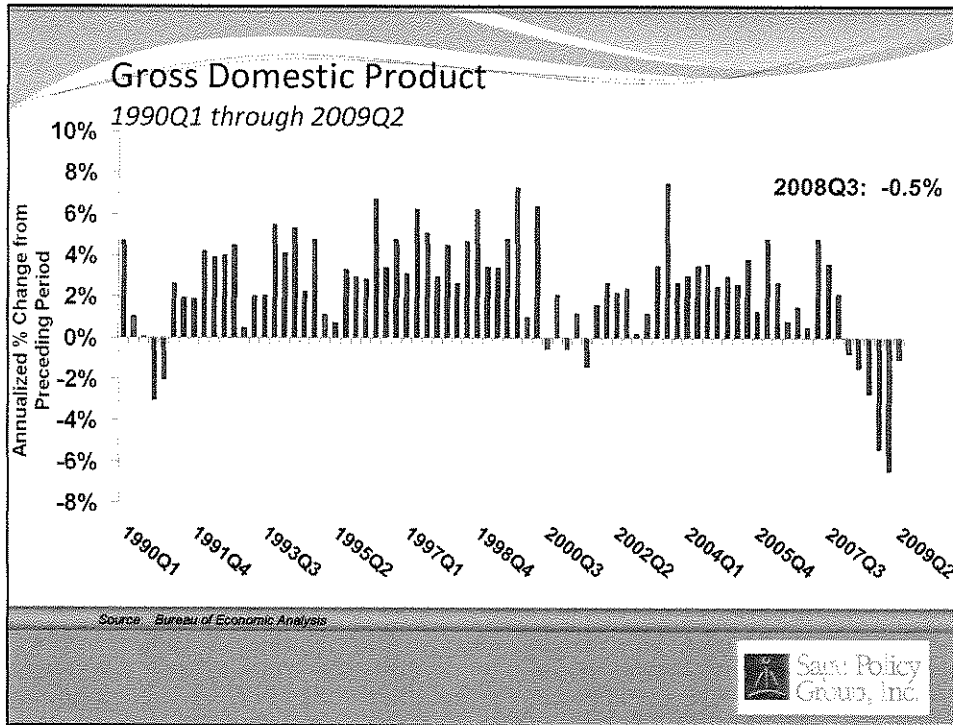
<i>Location</i>	<i>Supply/Demand Rate*</i>
Minnesota	4.27
Missouri	4.51
Pennsylvania	4.55
Wisconsin	4.68
Georgia	5.39
Illinois	5.54
Florida	5.70
North Carolina	6.33
Ohio	6.65
Michigan	10.69

Source: Conference Board



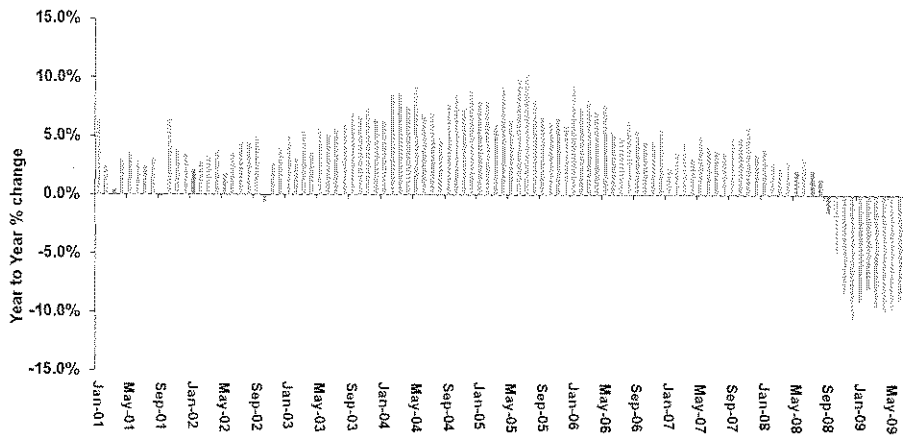
## Fear Factor





## U.S. Retail & Food Services Sales

January 2001 through July 2009

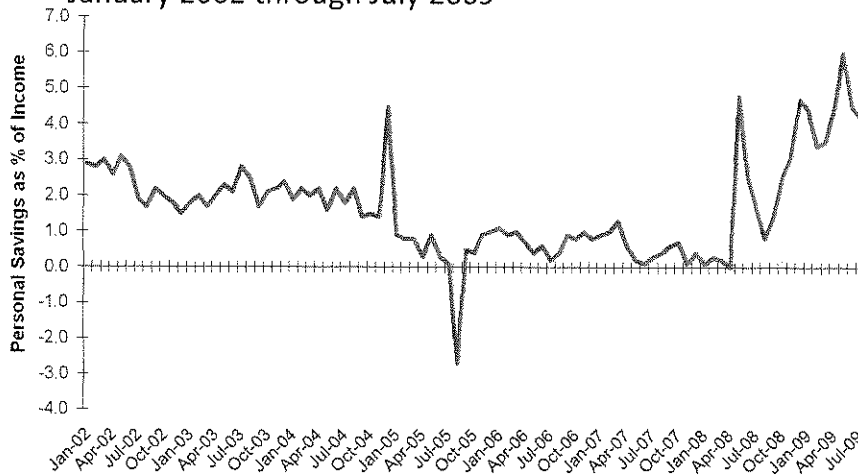


Source: Dismal.com



## U.S. Personal Savings Rate

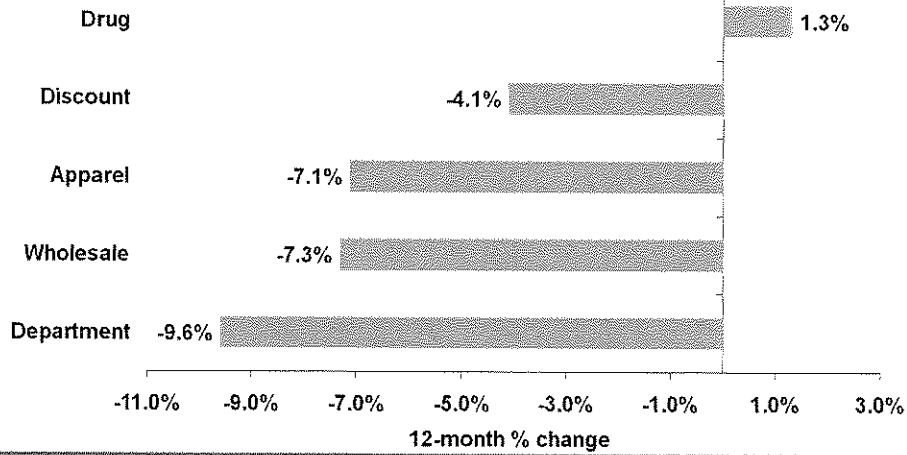
January 2002 through July 2009



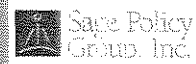
Source: Bureau of Economic Analysis, Energy Information Administration



### U.S. Chain Store Sales Growth by Type of Store July 2008 vs. July 2009

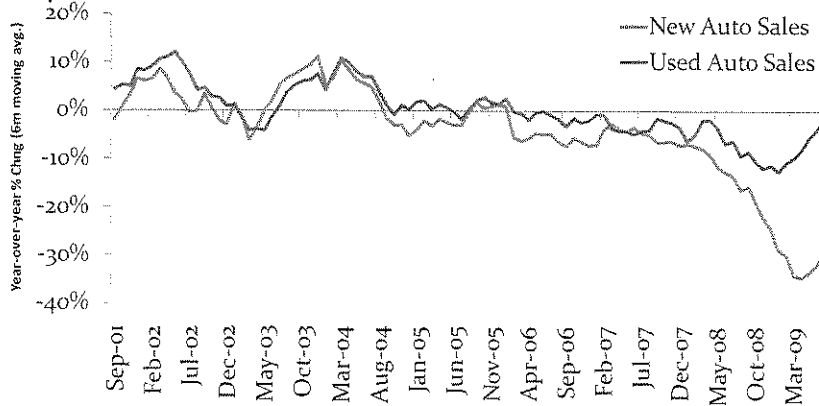


Source: Economy.com



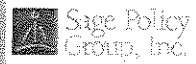
### Maryland Auto Sales

Sep. 2001-Jul. 2009

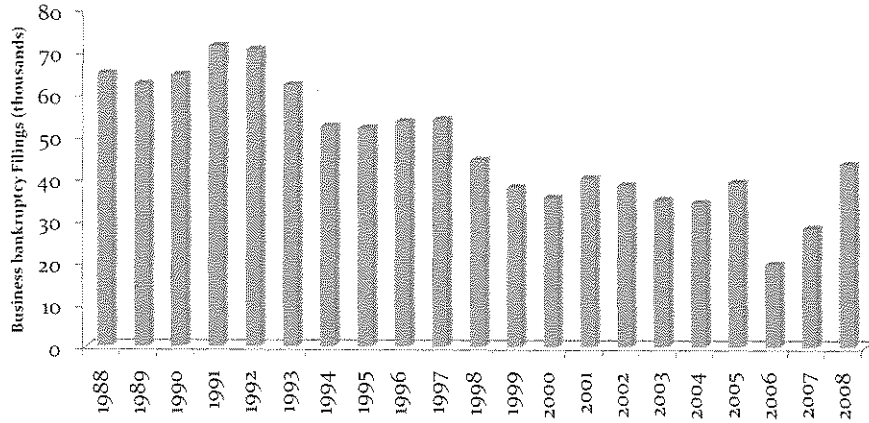


Source: Maryland Motor Vehicle Administration

**July 09' New Car Sales: 22,836; down 21.8% from July 08'**  
**July 09' Used Car Sales: 54,410; up 1.1% from July 08'**



## Business Bankruptcy Filings 1989-2008

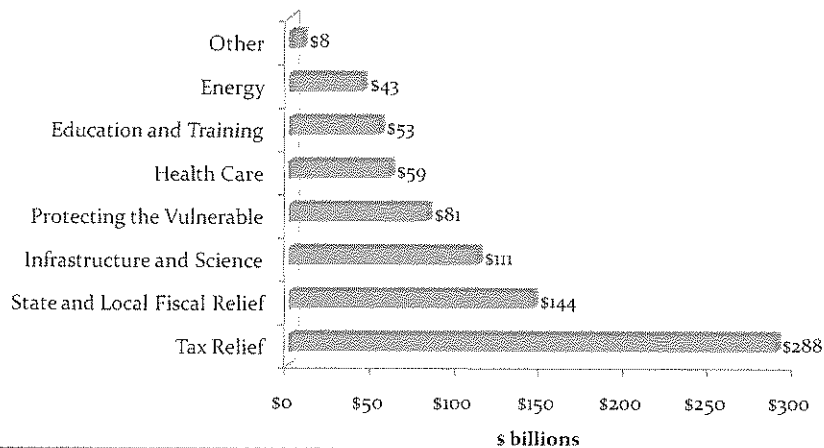


Source: Administrative Office of the U.S. Circuit Courts

• *Maryland Business Bankruptcies*  
2007: 380; 2008: 628

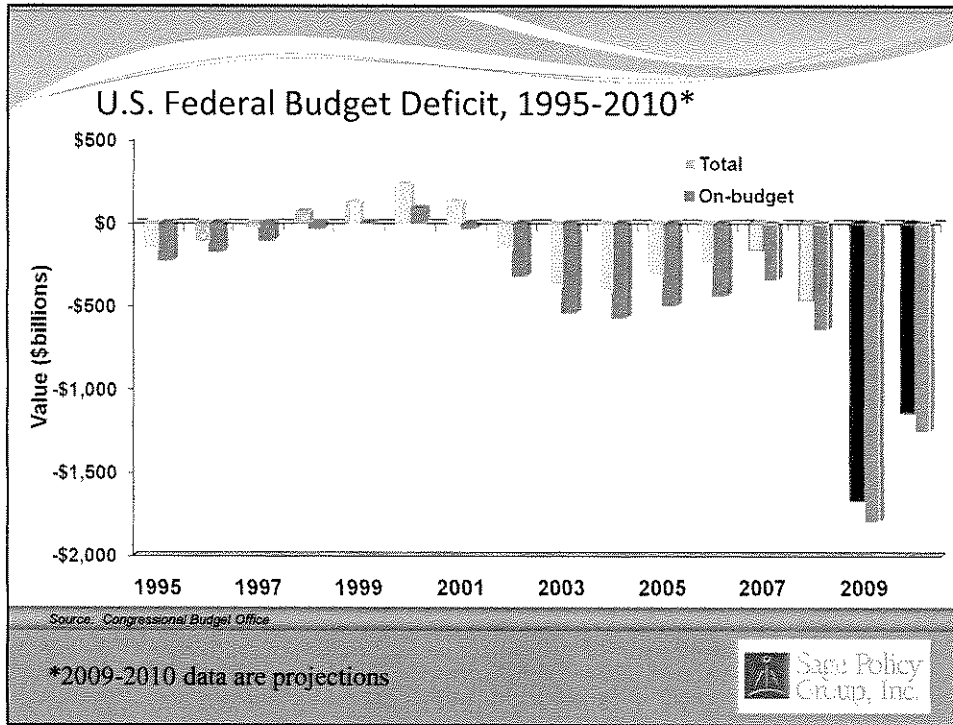


## Overview of where the \$787 billion is going



Source: Recovery.gov





## America's Next Top Model

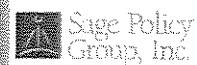
- Stimulus, stimulus, stimulus;
- Unemployment will likely peak above 10 percent nationally, perhaps much higher than that;
- This is the worst of it from a broader economic perspective;
- Ben Bernanke as hero;
- Too soon to tell if inflation will be problematic;
- Washington, D.C. remains the financial capital of North America.
- U.S. dollar may be the economic element to watch;

&

Sage Policy Group, Inc.

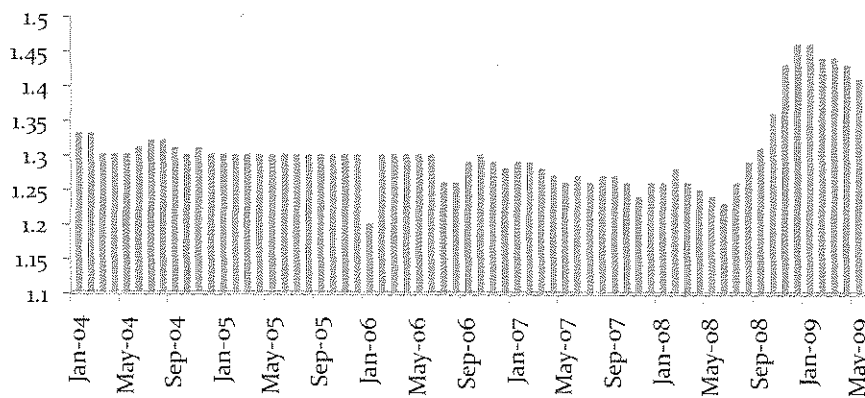
# Thank You

- You can always reach me at [abasu@sagepolicy.com](mailto:abasu@sagepolicy.com)
- If you appreciate this type of information and would like regular updates, please see our newsletter service at [www.spgtrend.com](http://www.spgtrend.com)
- Also, if you need us in a hurry, we are at 410.522.7243 (410.522.SAGE)
- Please contact us when you require economic research & policy analysis.

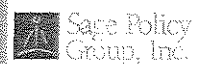


## U.S. Business Inventory to Sales Ratio

January 2004 through June 2009

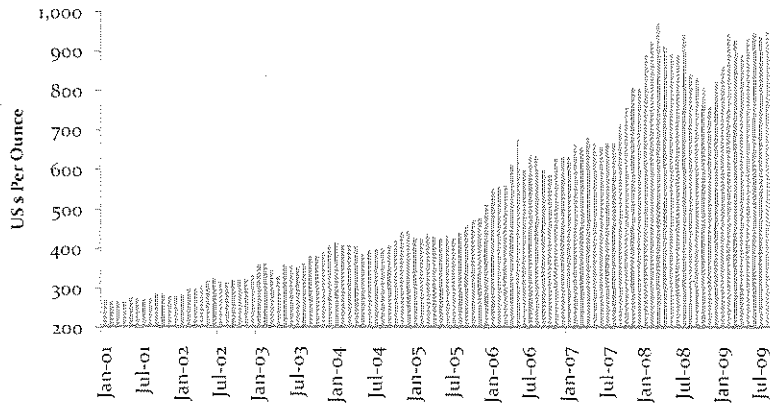


Source: Dismal.com



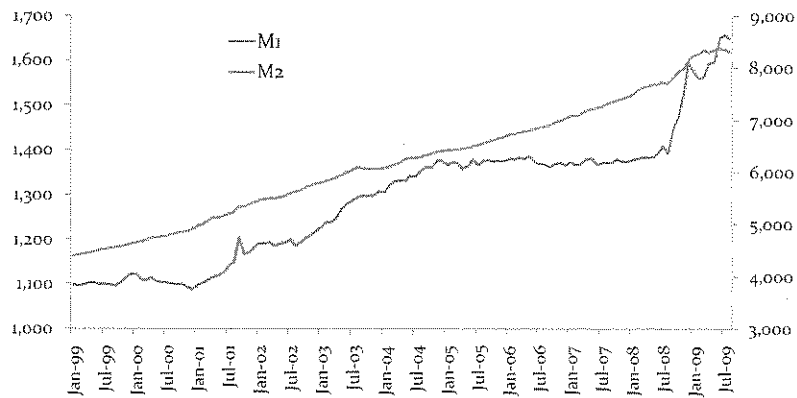
# Gold Prices

## January 2001-August 2009

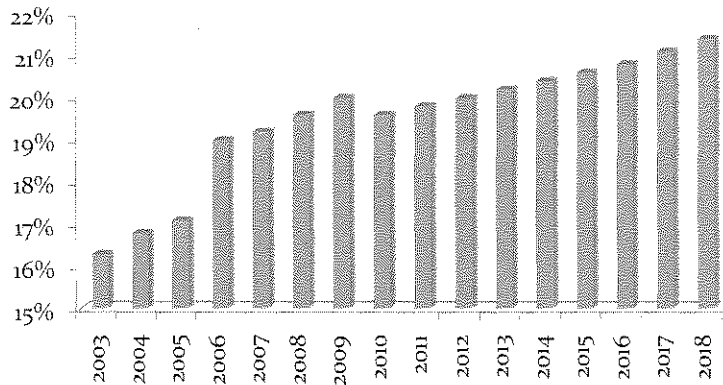


# Money Stock

## January 1999-August 2009



## Medicare as Portion of National Health Care Expenditures, 2003-2018\*

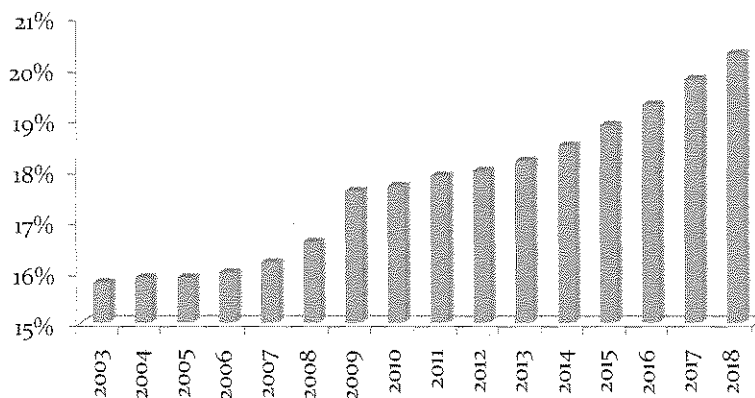


Source: Centers for Medicare & Medicaid Services

*\*2008-2018 are projected*



## National Health Expenditures as Percent of GDP, 2003-2018\*



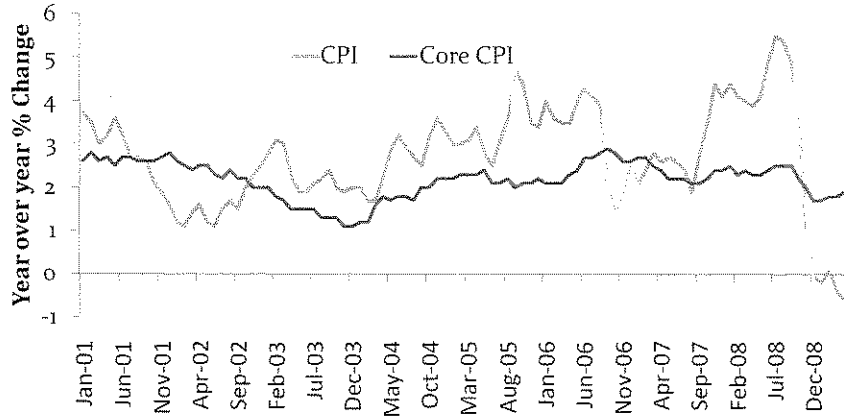
Source: Centers for Medicare & Medicaid Services

*\*2008-2018 are projected*



## U.S. CPI

January 2001-July 2009



Source: Bureau of Labor Statistics

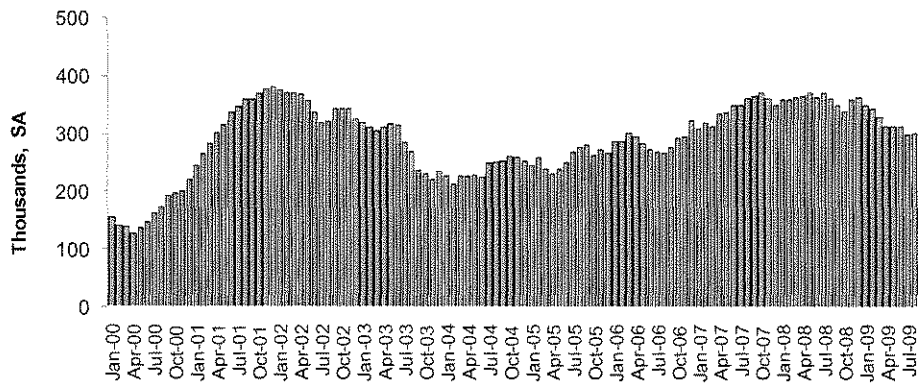
\*Core CPI: All items less food and energy

CPI: -1.9% Core CPI\*: 1.7%



## U.S. Health Care Employment Growth

Jan. 2000-Aug. 2009, 12-month net change

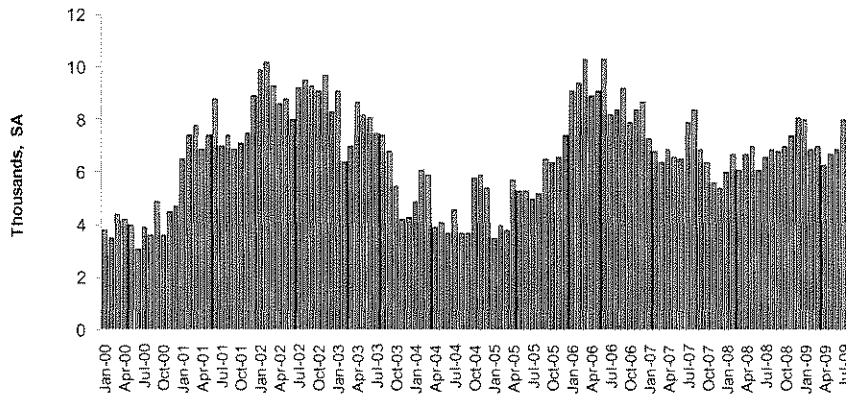


Source: Bureau of Labor Statistics



## Maryland Health Care Employment Growth

Jan. 2000-Apr. 2009, 12-month net change



Source: Bureau of Labor Statistics



## Metro Cost of Living Index Breakdown

2<sup>nd</sup> Quarter 2009

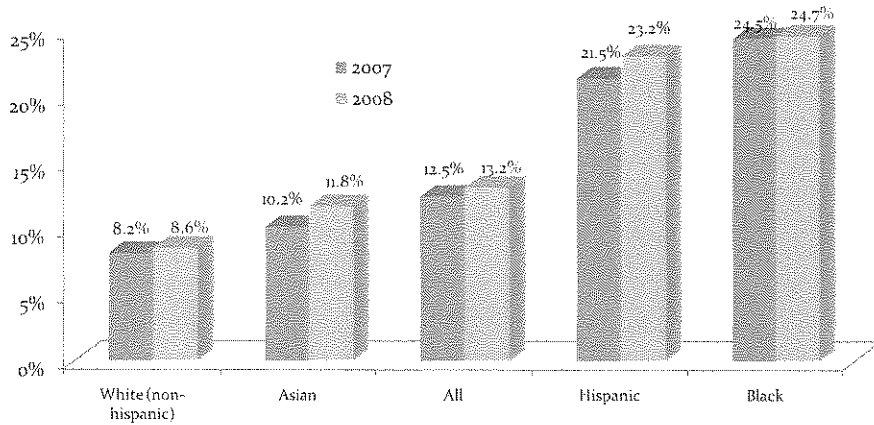
	Baltimore	DC	New York	Detroit	Dallas
<b>OVERALL INDEX</b>	122.5	140.0	217.	100.2	92.0
<b>GROCERIES</b>	109.4	111.6	142.8	94.0	91.2
<b>HOUSING</b>	163.2	222.7	402.5	100.7	69.5
<b>UTILITIES</b>	121.5	103.2	146.7	127.2	111.1
<b>TRANSPORTATION</b>	102.8	107.6	132.4	98.3	103.6
<b>HEALTH CARE</b>	98.3	102.3	130.4	96.2	104.3
<b>MISC GOODS</b>	101.4	104.4	143.3	94.9	100.9

Source: The Council for Community and Economic Research

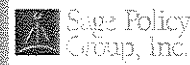
100 = National Average



## Poverty Rates by Race and Ethnicity 2007-2008



Source: Census Bureau



## Poverty Rate by State, 2008

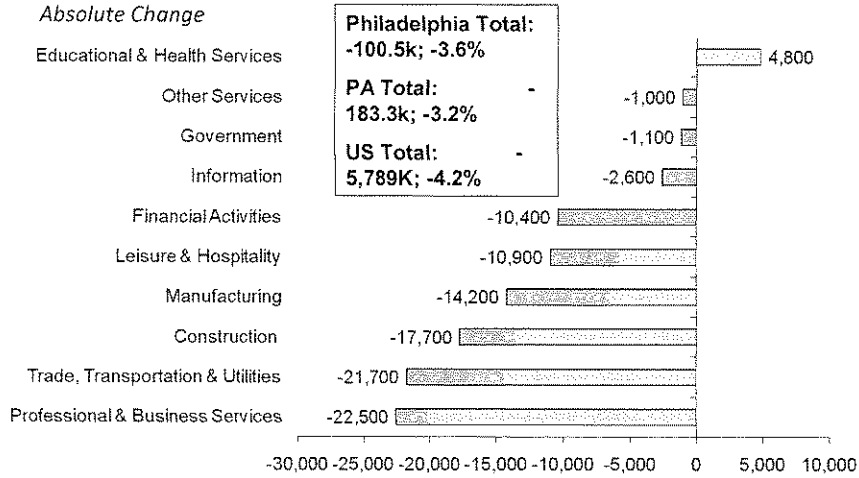
Rank	State	Rate	Rank	State	Rate	Rank	State	Rate
1	New Hampshire	7.0	18	Nevada	10.8	35	North Carolina	13.9
2	Utah	7.6	19	Colorado	11.0	36	South Carolina	14.0
3	Connecticut	8.1	19	Pennsylvania	11.0	37	New York	14.2
4	Alaska	8.2	21	Massachusetts	11.3	38	Alabama	14.3
<b>5</b>	<b>Maryland</b>	<b>8.7</b>	22	North Dakota	11.8	38	Indiana	14.3
6	Vermont	9.0	23	Maine	12.0	40	West Virginia	14.5
7	New Jersey	9.2	24	Idaho	12.2	41	California	14.6
8	Iowa	9.5	25	Illinois	12.3	42	Tennessee	15.0
9	Delaware	9.6	26	Kansas	12.7	43	Arkansas	15.3
10	Wisconsin	9.8	26	Rhode Island	12.7	44	Georgia	15.5
11	Hawaii	9.9	28	Montana	12.9	45	Texas	15.9
11	Minnesota	9.9	29	Michigan	13.0	46	District of Columbia	16.5
13	Wyoming	10.1	30	Florida	13.1	47	Kentucky	17.1
14	Virginia	10.3	30	South Dakota	13.1	48	Arizona	18.0
15	Washington	10.4	32	Missouri	13.3	49	Mississippi	18.1
16	Nebraska	10.6	33	Oklahoma	13.6	50	Louisiana	18.2
16	Oregon	10.6	34	Ohio	13.7	51	New Mexico	19.3

United States Poverty Rate: 13.2%



## Philadelphia MSA Nonfarm Employment by Industry Sector Groups (NSA)

July 2008 v. July 2009  
Absolute Change

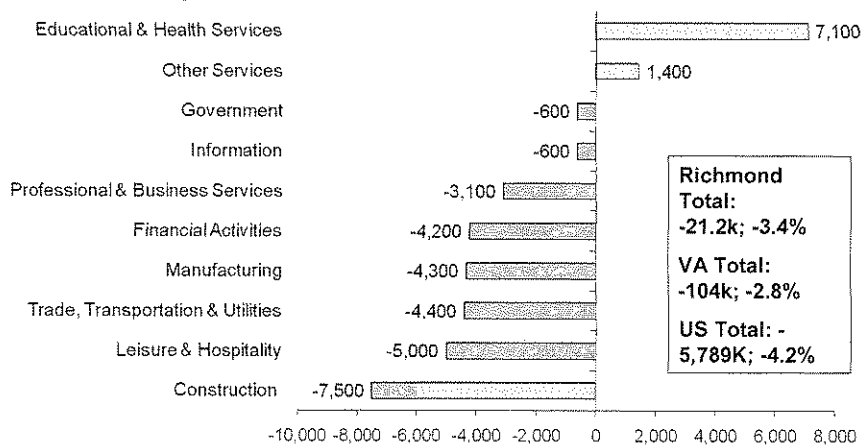


Source: Bureau of Labor Statistics



## Richmond MSA Nonfarm Employment by Industry Sector Groups (NSA)

July 2008 v. July 2009  
Absolute Change



Source: Bureau of Labor Statistics





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# FALL WEBCAST SCHEDULE

- |        |   |        |  |
|--------|---|--------|--|
| Sep 25 | Blue Ocean Innovation: Market-Taker to Market-Maker<br>Event code: 17W090   | Oct 22 | Best Practices in Accounting and Finance Writing: Being Clear and Accurate<br>Event code: 17W097 |
| Oct 6  | Form 990 Preparation - Compensation to Managers<br>Event code: 17W095   | Oct 23 | Ethics, Leadership and the Role of the CPA<br>Event code: 17W094                                 |
| Oct 8  | Form 990 Preparation—Reporting on the Board and on Governance Overall (A.M. Session)<br>Event code: 17W102        | Oct 29 | FASB Codification: What It Means to You Is ...<br>Event code: 17W092                             |
| Oct 8  | Form 990 Preparation—Application of the Newly-revised “Public Support Tests” (A.M. Session)<br>Event code: 17W103 | Nov 6  | Leadership and Generations: What Are They Thinking?<br>Event code: 17W098                        |
| Oct 20 | Best Practices in Accounting and Finance Writing: Putting Ideas In Order<br>Event code: 17W096                    | Nov 11 | IFRS for Small- and Medium-Sized Entities<br>Event code: 17W093                                  |

To register or see the full schedule, visit [www.macpa.org/webcast](http://www.macpa.org/webcast)

CPE CREDITS: 2-4  
PRICE: \$79-\$125

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Have *your* voice heard!

Wednesday, Jan. 20, 2010  
Governor Calvert House,  
Annapolis



CPA Day in Annapolis  
*Let your voice be heard*



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CPAs have a unique opportunity to introduce the Profession and its goals to legislators at the annual CPA Day in Annapolis. MACPA members meet directly with lawmakers to discuss issues vital to the CPA profession. Add to that a **free two-hour CPE session** — a legislative/regulatory update — and a luncheon with your legislators and you have a day packed with fun, food, information and political impact.

For more information or to register, go to [www.macpa.org/cpaday](http://www.macpa.org/cpaday).

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## Reorganizations – Advantages, Pitfalls and Your Role (2 pt. session)

2:45pm-3:45pm

Speaker: Glenn Solomon, Esq., CPA,  
Offit Kurman

**REORGANIZATIONS -  
ADVANTAGES, PITFALLS AND YOUR ROLE**

by

Glenn D. Solomon

**INTRODUCTION**

Your client is in peril. Should your client file for Chapter 11? This presentation will discuss the benefits and disadvantages of a Chapter 11 reorganization case, how it works and how you fit in.

You can have an important role in helping your client understand its alternatives and survive the hard times.

Insolvency planning and implementation require substantial budgeting, financial analysis and financial reporting.

**FIRST THINGS FIRST**

Client must be able to pay its ongoing operating expenses with current cash flow.

Steps:

1. Reduce Expenses
2. Obtain Financing
3. Increase Revenues

**Your Role:** Assist your client to determine what expenses to cut and to formulate a new budget. If your client has cut expenses as much as it can, is unable to obtain financing and

does not have sufficient cash to pay ongoing expenses, your client should stop. Chapter 11 reorganization is not for your client, and other alternatives should be considered. If, however, your client can generate sufficient cash flow to pay ongoing expenses, Chapter 11 should be explored.

### **ADVANTAGES**

#### 1. Time to Reorganize.

- In general, upon the filing of a Chapter 11 bankruptcy case, creditors are prohibited from instituting or continuing litigation against your client.

- A debtor has the exclusive right to file a plan of reorganization during the first 120 days after the case is filed. The 120-day period may be extended for up to 18 months after the case is filed. In a typical Chapter 11 case, a plan would be filed sometime after 180 days and prior to 18 months after the case is filed. (If a company is a "small business," the dates to file a plan of reorganization change somewhat. A small business is a company, including its affiliates, that has debts in an amount less than \$2,190,000.00, excluding amounts owed to affiliates and related parties, such as owners, directors and officers).

2. Rejection of Contracts.

- Your client may be burdened by an above-market lease, a prohibitively expensive supply agreement or a costly union contract.

- A debtor is permitted to terminate, or "reject", existing leases and contracts that the debtor believes are cumbersome.

- The debtor has the unilateral right to reject the contracts.

- Any creditor whose contract is rejected would have a claim for damages that would be deemed to exist on the day before the bankruptcy case is filed.

3. Assumption of Leases.

- A debtor can continue with existing leases as long as payments are current or there are adequate plans to become current.

4. Debt Reduction.

- There is a possibility in a Chapter 11 case that your client's overall liabilities can be reduced, that is, that the client could obtain approval of a plan that provides for the payment of less than 100% of its liabilities that existed at the time the case was filed.

- Factors - Your client's financial wherewithal at the time the plan is filed; whether creditors object to the plan.

## **PITFALLS**

1. Costs. The costs of a Chapter 11 case can be staggering:

- Legal fees, which can range from \$25,000 in a very small case to millions of dollars in a very large case, depending upon the complexity of the case (legal fees of debtor, secured creditors, unsecured creditors committee)

- Quarterly fees to the Office of the United States Trustee, the government agency that oversees Chapter 11 cases

- Accounting fees

- Appraisal fees

- Intangible costs - substantial amounts of time must be devoted by your client's management.

2. Negative Publicity.

- Chapter 11 filings are public record;

- Vendors may require your client to begin doing business on a C.O.D. basis, if that had not already occurred. This is not set in stone. If a company has a long standing, and good standing, relationship with its vendors, certain vendors may continue doing business with the company based upon the

credit terms that existed prior to the filing of the Chapter 11 case.

3. Reporting and Administrative Requirements.

- Monthly operating reports must be filed with the court, and consist of a balance sheet, an income statement, bank statement reconciliations and a questionnaire. If your client has the internal resources, the monthly operating report may be prepared by the client. If not, the client will need your assistance to prepare the reports.

- The company must close all existing bank accounts and establish new "debtor-in-possession" bank accounts at an approved bank. Balances in existing bank accounts must be physically transferred to the new debtor in possession accounts.

- New insurance certificates naming the insured as "debtor in possession" must be obtained.

4. Greater Oversight of Transactions. Although a company is entitled to continue to operate in the ordinary course of business in a Chapter 11 case, there will be greater oversight of transactions engaged in by the company and of its operations.

- The Office of the United States Trustee will monitor your client's Chapter 11 case.

- Unsecured creditors can form a committee which also monitors the case and the company's operations.

- Transactions between the company and its affiliates, owners and officers prior to the bankruptcy filing, such as loan repayments and increases in compensation, will be examined to determine if they were ordinary. If there were unordinary transactions engaged in, the third party receiving the benefit of the transaction could be required to return the benefit.

- Certain transactions will require the approval of the court (sale of business, refinance, new loans)

5. Loss of Ownership. It is possible that the owners of a company filing Chapter 11 would not be able to retain part or all of their ownership in the company.

- One of the requirements of a Chapter 11 plan is that objecting creditors receive 100% of the amount owed plus interest over time. If that plan requirement is not satisfied, then, owners, who are deemed to be junior in priority of payment to creditors, may not retain their ownership

- "New value" exception - cash or other property contributed to the company by the owners equal to at least the fair market value of the company at the time that the plan of reorganization is filed.

6. Lenders. If your client has financing in place, it must obtain permission from its lenders to use its cash at the outset of the bankruptcy case and continuing during the case.

Typically, an agreement providing for the use of cash is made with lenders prior to or at the time of filing the bankruptcy case.

## **THE REORGANIZATION PLAN**

### 1. Voting.

- Each class of creditors must either be paid in full, with interest, or have accepted the plan. (There is an exception if at least one class of creditors approves the plan, and the court determines that the plan is fair to all classes of creditors.)

- A class of creditors accepts a plan when creditors representing two-thirds of the total dollar amount of the claims in that class and one-half of the total number of claims in that class vote to approve the plan.

### 2. Payments to Creditors.

- If a class of creditors has not accepted a Chapter 11 plan, then the plan must provide for the payment of 100% of the claims plus interest, or the owners of the company must contribute new value.

- Included among the claims that must be paid are the claims held by creditors whose contracts or leases have been rejected. The amount of the creditor's claim will generally

equal the profits the creditor would have received had the contract or lease not been terminated.

**Your Role** - Your client will need your assistance to evaluate the amount of the creditor's claim.

- The debtor must pay to all creditors over time at least as much as the creditors would receive as if the assets of the company were liquidated. A debtor typically engages an appraiser to determine the liquidation value of the debtor's assets. You may have a role in that appraisal.

- The payments under a Chapter 11 plan are generally made for a period of five years or less.

3. Effect of Approved Plan.

- Discharge of debt
- Permanent cessation of lawsuits pending at the time the case was filed
- Continuation of assumed contracts and leases

**TAX ISSUES**

1. Discharge. Does not result in gross income. Exclusion is limited to the amount of the debtor's insolvency.

- The exclusion of income from the discharge of debt reduces tax attributes, including (1) net operating losses for the year of discharge and the net operating loss carryover to the year of discharge, (2) net capital losses for the year of

discharge and net capital loss carryovers to the year of discharge, and (3) the basis of property.

2. NOL Carry Forwards. NOL carry forwards continue to be available (unless reduced by discharge of debt income or if there is a substantial change of ownership).

3. Tax Compliance. The filing of a bankruptcy has no impact on the debtor's duty to file tax returns; however, prepetition taxes cannot be paid until there is court approval - postpetition taxes must be kept current.

4. Tax Refunds. The debtor may or may not be entitled to receive tax refunds as a result of losses, depending upon the year of the loss.

## **CONCLUSION**

Your clients in financial peril need your help. They arrived where they are because of a combination of one or more of the following: unrealistic optimism, poor planning, overspending and a bad economy. You can help them determine whether Chapter 11 is viable and if it is, help them navigate through its muddy waters.

Glenn D. Solomon is chairman of the Insolvency and Creditor's Rights Department of Offit Kurman, P.A., a regional law firm

with offices in Philadelphia and throughout Maryland. Mr. Solomon can be contacted at [gsolomon@offitkurman.com](mailto:gsolomon@offitkurman.com).

# DON FARMER'S 2009 TAX SEMINARS

Don Farmer Tax Seminars are presented with a straightforward approach to the audience with comprehensive, timely information, flavored with humor and entertaining dialogue. A comprehensive manual is also provided with each class.

**THESE EVENTS HAVE BEEN PRE-APPROVED FOR CE CREDIT BY THE CFP BOARD.**

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## DON FARMER'S CORPORATE / BUSINESS INCOME TAX WORKSHOP

**Date:** Nov. 6, 2009  
**Event ID:** 111000  
**Time:** 8:30 a.m. - 4:30 p.m. (Registration at 8 a.m.)  
**Recommended CPE:** 8 CFP, 8 Tax  
**Fees:** \$245 (Early Bird) (fee expires 30 days prior to event date)  
\$295 Members  
\$395 Non-Members

Using a combination of humor and examples, this course will provide a review of corporate and business income taxation including tax developments that affect 2009 return preparation and 2009 tax planning. Current year developments, recurring problems, and planning ideas will be reviewed. We will also look at the major areas of corporate and business taxation to fine tune practitioners for tax season. The course includes an 800-page reference manual containing basic rules, developments, planning ideas, elections and forms.

## DON FARMER'S INDIVIDUAL INCOME TAX WORKSHOP

**Date:** Nov. 19 - 20, 2009  
**Event ID:** 211000  
**Time:** 8:30 a.m. - 4:30 p.m. (Registration at 8 a.m.)  
**Recommended CPE:** 16 CFP, 16 Tax  
**Fees:** \$490 (Early Bird) (fee expires 30 days prior to event date)  
\$590 Members  
\$690 Non-Members

In this course, we review current year developments, recurring problems, and planning ideas using a combination of humor and examples. We will review tax developments that affect 2009 return preparation and 2009 tax planning, as well as the major areas of individual taxation, to fine tune practitioners for tax season. The course includes an 800-page reference manual containing basic rules, developments, planning ideas, elections and forms, plus a topical index.

## DON FARMER'S 2009 TAX UPDATE

**Date:** Dec. 4, 2009  
**Event ID:** 111001  
**Time:** 8:30 a.m. - 4:30 p.m. (Registration at 8 a.m.)  
**Recommended CPE:** 8 CFP, 8 Tax  
**Fees:** \$245 (Early Bird) (fee expires 30 days prior to event date)  
\$295 Members  
\$395 Non-Members

Review current year developments and planning ideas affecting individual, corporate and business income taxation using a combination of humor and examples. We will emphasize tax developments that affect 2009 tax return preparation and 2009 tax planning for individuals, corporations, and non-corporate businesses. The course format is designed to update CPAs with various levels of experience, and a 300-400-page reference manual is included.



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# **SPEAKER BIOGRAPHIES**

## **Anirban Basu**

Mr. Anirban Basu is Chairman & CEO of Sage Policy Group, Inc., and is one of the mid-Atlantic region's most recognizable economists. Mr. Basu has been active in the areas of real estate economics, economic development and economic forecasting. He has conducted numerous economic and fiscal impact analyses, conducted seminars on the economy, and has authored a number of high profile economic development strategies. Mr. Basu is also a Senior Lecturer at Towson University, and is host of the Maryland Economic Forecast radio spot on Baltimore's WYPR.

Mr. Basu holds a B.S. in Foreign Service from Georgetown University. He earned his master's in public policy from Harvard University's John F. Kennedy School of Government in 1992. He earned his master's in economics at University of Maryland, College Park in 1998. His J.D. from the University of Maryland School of Law was obtained in 2003.

**Allan Cohen, CPA, CITP**  
Managing Partner, Naden/Lean, LLC  
CEO Next Level Technology

Allan Cohen is the Managing Partner of Naden/Lean, LLC, a 40 person CPA firm in Timonium, MD. Allan is also the CEO of Next Level Technology, a network integration and managed services technology firm which he start in 1997 when it became apparent that small to medium sized business clients needed a technology company that understood not only computers and technology but also the business needs of the client.

Allan started his accounting and computer careers in 1982 by purchasing and implementing one of the first IBM System 34 used in a public accounting firm in Baltimore. Since then Allan has implemented hundreds of computer and accounting systems as well as consulted on office automation for the health care, legal, financial and manufacturing industries.

## **David S. De Jong, LL.M, CPA-ABV, CVA**

David S. De Jong, LL.M, CPA-ABV, CVA, is an attorney, certified public accountant and certified valuation analyst. A principal in the Rockville, Maryland law firm of Stein, Sperling, Bennett, De Jong, Driscoll & Greenfeig P.C., Mr. De Jong is a frequent writer, lecturer and expert witness on various tax, estate, valuation and business topics. He has testified before the IRS Oversight Board and has been quoted in various publications including the Wall Street Journal. Mr. De Jong received a B.A. degree from the University of Maryland, a J.D. degree from Washington and Lee University and an LL.M. degree in Taxation from the Georgetown University Law Center. He has been Treasurer and Tax Section Chair of the Montgomery County (Maryland) Bar Association as well as a Trustee of the Attorney-CPA Foundation. Mr. De Jong currently serves on the Board of Directors of the Montgomery County Bar Foundation and on the Character Committee of the Maryland Court of Appeals for the Seventh Appellate Circuit. He also serves as a member of the Tax Section Council of the Maryland State Bar Association, as Secretary of the Estate Planning Council of Suburban Maryland and as Vice President of the Maryland-DC Chapter of the National Association of Certified Valuation Analysts. Mr. De Jong has taught tax and business management at four universities, most recently for 20 years as an Adjunct Professor of Taxation in the Kogod School of Business at American University in Washington, D.C. For 16 years Mr. De Jong co-authored the J.K. Lasser annual tax planning book entitled Year-Round Tax Strategies. He is a Director of the American Association of Attorney-Certified Public Accountants and served as its President for 2003-04 having previously held every other office in the organization.

# GLENN D. SOLOMON

Principal



## Practice Areas

Debtor & Creditor  
Rights/Insolvency & Bankruptcy  
Business Formation and  
Governance  
Business Transactions  
Intellectual Property

## Washington Area:

Phone 301.575.0322  
Fax 301.575.0335

## Baltimore Area:

Phone 443.738.1522  
Fax 443.738.1535

gsolomon@offitkurman.com

## Practice Focus

Glenn D. Solomon is a Principal in the firm's Business & Real Estate Group and head of the firm's Insolvency, Reorganization and Creditor's Rights Practice Area. In addition, Mr. Solomon has extensive experience in business transactions and issues of concern to businesses and business owners, including mergers and acquisitions, trademarks, employee benefits, bankruptcy preference actions, estate planning, mortgage lending, and sports law. In addition, Mr. Solomon earned his Certified Public Accountant license in 1984.

## Education

J.D. (with honors), University of Maryland, 1984  
B.A., Franklin and Marshall College, 1981

## Bar and Court Admissions

Maryland

## Activities

Mr. Solomon actively served as Vice President and Director of the Greater Baltimore unit of the American Cancer Society and as President and Director of the Liberty Showcase Theater. Mr. Solomon currently serves as Vice President and on the Executive Committee and Board of Directors of the Jewish Federation of Howard County.

## Publications/Speeches

Mr. Solomon has been a frequent publisher and lecturer on various legal issues relating to distressed companies and employee benefits.

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## 2009 fall TOWN HALL SCHEDULE

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- Oct. 1  
Columbia, MD  
8 a.m. – noon  
Event ID: 141036

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- Oct. 2  
Rockville, MD  
8 a.m. – noon  
Event ID: 141033

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- Oct. 9  
Salisbury, MD  
12:30 p.m. - 4:30 p.m.  
Event ID: 141040

---

- Oct. 12  
Baltimore, MD  
8:30 a.m. – noon  
Event ID: 141034

---

- Oct. 16  
Aberdeen, MD  
8:00 a.m. – noon  
Event ID: 141047

---

- Nov. 9  
Gambrills, MD  
2 p.m. – 6 p.m.  
Event ID: 141031

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- Nov. 12  
Frederick, MD  
8 a.m. – noon  
Event ID: 141035

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- Dec. 4  
Cumberland, MD  
8 a.m. – noon  
Event ID: 141038

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## UPCOMING MACPA SEMINARS AND CONFERENCES

### **Crystal Reports XI - Fundamentals of Report Design I (Introduction to Crystal)**

Date: 09/18/09

Location: MACPA Columbia Center

Event ID: 173002

### **Auditing Real-World Frauds: A Practical Case Application Approach**

Date: 09/21/09

Location: Sheraton Annapolis Hotel - Annapolis

Event ID: 111048A

### **Navigating the New FASB Codification: Research Real-Life Accounting Issues**

Date: 09/21/09

Location: MACPA Columbia Center

Event ID: 111009

### **FIN 48-Uncertainty in Income Taxes: A Must Know for Tax CPAs and Accountant**

Date: 09/21/09

Location: MACPA Columbia Center

Event ID: 111010

### **AICPA/AHI Staff Training -- Semi-Senior**

Date: 09/21/09

Location: Holiday Inn - Columbia

Event ID: 311000

### **AICPA/AHI Staff Training -- Basic**

Date: 09/21/09

Location: Holiday Inn - Columbia

Event ID: 311001

### **AACC: Social Security Update**

Date: 09/21/09

Location: Kaufmann's - Gambrills

Event ID: 141044

### **Disaster Recovery for all Computer Users; An Essential Part**

Date: 09/22/09

Location: MACPA Columbia Center

Event ID: 182023

### **Accounting for Income Taxes -- Applying SFAS No. 109/FIN 48: A Whole New Ballgame**

Date: 09/22/09

Location: MACPA Columbia Center

Event ID: 111049A

## UPCOMING MACPA SEMINARS AND CONFERENCES

### **Fair Value Accounting -- A Critical New Skill for All CPAs**

Date: 09/23/09

Location: Bowie Comfort Inn Hotel & Conference Center - Bowie

Event ID: 111051A

### **The Complete Guide to IRC Section 1031 Tax Deferred Exchanges**

Date: 09/23/09

Location: Holiday Inn - Columbia

Event ID: 111050

### **Are You Ready for IFRS? Moving Beyond the Basics**

Date: 09/23/09

Location: MACPA Columbia Center

Event ID: 211007A

### **CAC: Not-for-Profit Accounting & Auditing Update**

Date: 09/25/09

Location: Golden Bull Grand Cafe - Gaithersburg

Event ID: 141049

### **Webcast! Blue Ocean Innovation: Market-Taker to Market-Maker**

Date: 09/25/09

Location: Online Webcast - Internet

Event ID: 17W090

### **Executive Finance for Operating Leaders: Relating Numbers and Metrics**

Date: 09/28/09

Location: MACPA Columbia Center

Event ID: 171044

### **Real Estate Accounting and Financial Reporting: Tackling the Complexities**

Date: 09/29/09

Location: Holiday Inn - Columbia

Event ID: 111054A

### **Advanced Tax Strategies for LLC & Partnership Transactions**

Date: 09/30/09

Location: Clarion Inn & Fundome - College Park

Event ID: 111055A

### **Everyday Economics**

Date: 09/30/09

Location: Holiday Inn - Columbia

Event ID: 171045

## UPCOMING MACPA SEMINARS AND CONFERENCES

### **Keeping Up With Accounting – Professional Issues Update-Fall, 2009**

Date: 10/01/09

Location: Sheraton Columbia Hotel - Columbia

Event ID: 141036

### **Excel 2007 Power User: Macro Programming using Visual Basic for Applications**

Date: 10/02/09

Location: MACPA Columbia Center

Event ID: 133019

### **Keeping Up With Accounting – Professional Issues Update-Fall, 2009**

Date: 10/02/09

Location: Johns Hopkins University - Montgomery County Campus - Rockville

Event ID: 141033

### **CAC: The New Form 990 : In Depth Discussions and Lessons Learned**

Date: 10/02/09

Location: Johns Hopkins University - Montgomery County Campus - Rockville

Event ID: 141045

### **Accounting & Auditing Current Developments**

Date: 10/05/09

Location: Holiday Inn - Columbia

Event ID: 111057

### **Lean Accounting for Service and Nonmanufacturing Businesses**

Date: 10/05/09

Location: MACPA Columbia Center

Event ID: 111058A

### **Insurance Agencies and Brokerages: Accounting and Tax Issues**

Date: 10/06/09

Location: Bowie Comfort Inn Hotel & Conference Center - Bowie

Event ID: 111059

### **Excel 2007 Worksheets Refresher and New Features**

Date: 10/06/09

Location: MACPA Columbia Center

Event ID: 133016

### **Webcast! Form 990 Preparation -- Compensation to Managers**

Date: 10/06/09

Location: Online Webcast - Internet

Event ID: 17W095

## UPCOMING MACPA SEMINARS AND CONFERENCES

### **Ethics, Leadership and the Role of the CPA**

Date: 10/06/09

Location: The Legacy - Rockville

Event ID: 171013

### **Corporate Finance Tune-up -- Putting the Right Skills in Your Analytical Toolbox**

Date: 10/07/09

Location: MACPA Columbia Center

Event ID: 171046

### **Form 990: Moving Beyond the Basics**

Date: 10/08/09

Location: MACPA Columbia Center

Event ID: 111063A

### **Webcast! Form 990 Preparation -- Reporting on the Board and on Governance Overall**

Date: 10/08/09

Location: Online Webcast - Internet

Event ID: 17W102

### **Webcast! Form 990 Preparation -- Application of the Newly-Revised "Public Support" Tests**

Date: 10/08/09

Location: Online Webcast - Internet

Event ID: 17W103

### **Excel 2007 Data Analysis Features, Data Functions and Maintaining Data Integrity**

Date: 10/09/09

Location: MACPA Columbia Center

Event ID: 133017

### **CAC: Employment Law Update**

Date: 10/09/09

Location: Golden Bull Grand Cafe - Gaithersburg

Event ID: 141026

### **Listening For Leaders: Ask the Question, Discover the Need, Win the Trust**

Date: 10/12/09

Location: Sheppard Pratt Health Systems - Baltimore

Event ID: 171054

### **Keeping Up With Accounting – Professional Issues Update-Fall, 2009**

Date: 10/12/09

Location: Sheppard Pratt Health Systems - Baltimore

Event ID: 141034

## UPCOMING MACPA SEMINARS AND CONFERENCES

### **Sharp-Witted Studies on Single Audit and Yellow Book Snafus**

Date: 10/12/09

Location: Bowie Comfort Inn Hotel & Conference Center - Bowie

Event ID: 111064A

### **A Matter of Integrity: CPA Ethics & Leadership Today**

Date: 10/13/09

Location: Gateway Building - Columbia

Event ID: 171015

### **Technology For CPAs: Don't Get Left Behind**

Date: 10/13/09

Location: MACPA Columbia Center

Event ID: 111164

### **Governmental & Nonprofit Annual Update**

Date: 10/13/09

Location: Johns Hopkins University - Montgomery County Campus - Rockville

Event ID: 111065A

### **Audits of HUD-Assisted Projects**

Date: 10/14/09

Location: Sheppard Pratt Health Systems - Baltimore

Event ID: 111066A

### **Tech Forum: Elements of an attractive and search optimized website**

Date: 10/14/09

Location: MACPA Columbia Center

Event ID: 182017

### **Partner's Audit Engagement Documentation and Review**

Date: 10/16/09

Location: MACPA Columbia Center

Event ID: 111068A

### **Accounting Services, Compilations and Reviews -- Solving the Documentation Riddle**

Date: 10/19/09

Location: Clarion Inn & Fundome - College Park

Event ID: 111070A

### **QuickBooks new Features from the Accounting Perspective**

Date: 10/19/09

Location: MACPA Columbia Center

Event ID: 135010

## UPCOMING MACPA SEMINARS AND CONFERENCES

### **New FASB Developments for Business & Industry**

Date: 10/19/09

Location: Handelman Learning Center - Columbia

Event ID: 111011

### **Public Company Audit Update: PCAOB Developments**

Date: 10/19/09

Location: Handelman Learning Center - Columbia

Event ID: 111012

### **AACC: Forensic Accounting Techniques in Audit Engagements**

Date: 10/19/09

Location: Kaufmann's - Gambrills

Event ID: 141017

### **Webcast! Best Practices in Accounting and Finance Writing: Putting Ideas in Order**

Date: 10/20/09

Location: Online Webcast - Internet

Event ID: 17W096

### **Creative Strategies for Buying, Selling, or Gifting a Business**

Date: 10/22/09

Location: Clarion Inn & Fundome - College Park

Event ID: 111075

### **Webcast! Best Practices in Accounting and Finance Writing: Being Clear and Accurate**

Date: 10/22/09

Location: Online Webcast - Internet

Event ID: 17W097

### **Basis/Distributions for Pass-Through Entities -- An IRS Hot Spot**

Date: 10/23/09

Location: Loews Annapolis Hotel - Annapolis

Event ID: 111076A

### **Webcast! Ethics, Leadership and the Role of the CPA**

Date: 10/23/09

Location: Online Webcast - Internet

Event ID: 17W094

### **Introduction to the Accounting Requirements of Government Contracts**

Date: 10/26/09

Location: Bowie Comfort Inn Hotel & Conference Center - Bowie

Event ID: 111077

## UPCOMING MACPA SEMINARS AND CONFERENCES

### **Innovative Tax Planning for Small Businesses: Corporations, Partnership**

Date: 10/26/09

Location: MACPA Columbia Center

Event ID: 111079A

### **AICPA/AHI Staff Training -- Beginning In-Charge**

Date: 10/26 - 28

Location: Holiday Inn - Columbia

Event ID: 311002

### **AICPA/AHI Staff Training -- Supervisory**

Date: 10/26 - 28

Location: Holiday Inn - Columbia

Event ID: 311003

### **2009 PRACTITIONERS' CONFERENCE**

Date: 10/27/09

Location: Martin's West - Baltimore

Event ID: 121010

### **Pricing for Profitability (for Industry)**

Date: 10/27/09

Location: MACPA Columbia Center

Event ID: 171048

### **Closely Held Business Taxation: 49 Practical Ways to Cut Taxes**

Date: 10/27/09

Location: Johns Hopkins University - Montgomery County Campus - Rockville

Event ID: 111080A

### **Employee Benefit and Retirement Planning: Pension and Deferred Compensation**

Date: 10/28/09

Location: Sheraton Columbia Hotel - Columbia

Event ID: 111081

### **Form 990 -- AICPA's Answer to Unlocking the Tax Complexities**

Date: 10/28/09

Location: Sheraton Columbia Hotel - Columbia

Event ID: 111082A

### **Estate and Financial Planning for the Older Client**

Date: 10/29/09

Location: Sheraton Annapolis Hotel - Annapolis

Event ID: 111084

## UPCOMING MACPA SEMINARS AND CONFERENCES

### **Webcast: FASB Codification: What it means to you is...**

Date: 10/29/09

Location: Online Webcast - Internet

Event ID: 17W092

### **24th ANNUAL ADVANCED PERSONAL FINANCIAL PLANNING CONFERENCE**

Date: 10/30/09

Location: Martin's West - Baltimore

Event ID: 121007

### **Malpractice Risks: Navigating The New Frontier**

Date: 10/30/09

Location: MACPA Columbia Center

Event ID: 112023

### **CAC: Forensic Accounting: Current Trends and Hot Topics**

Date: 10/30/09

Location: Golden Bull Grand Cafe - Gaithersburg

Event ID: 141046

### **Accounting & Auditing Current Developments**

Date: 11/02/09

Location: Bowie Comfort Inn Hotel & Conference Center - Bowie

Event ID: 111089

### **Estate Planning Essentials: Tax Relief for Your Clients' Estates**

Date: 11/02/09

Location: MACPA Columbia Center

Event ID: 111087A

### **IRAs, ROTH IRAs, SIMPLEs, and SEPs: Contributions, Rollovers, Distribution**

Date: 11/03/09

Location: MACPA Columbia Center

Event ID: 111091A

### **MACPA's 1040 Fast Track - A Comprehensive Individual Tax Seminar**

Date: 11/04/09

Location: Columbia Hilton - Columbia

Event ID: 211003

### **Security for Accountants: New Legal Requirements and Practical Solutions**

Date: 11/05/09

Location: MACPA Columbia Center

Event ID: 111167

## UPCOMING MACPA SEMINARS AND CONFERENCES

### **Don Farmer's Corporate/Business Income Tax Workshop**

Date: 11/06/09

Location: Martin's West - Baltimore

Event ID: 111000

### **Word 2007 Document Technology for CPAs - New Document Designs, Formatting Collaboration and Security Features**

Date: 11/06/09

Location: MACPA Columbia Center

Event ID: 133020

### **PowerPoint 2007: Creating Dynamic Financial Presentations Incorporating Data, Graphs & Diagrams**

Date: 11/06/09

Location: MACPA Columbia Center

Event ID: 133021

### **Webcast! Leadership and Generations: What Are They Thinking?**

Date: 11/06/09

Location: Online Webcast - Internet

Event ID: 17W098

### **The Psychology of Planning**

Date: 11/09/09

Location: MACPA Columbia Center

Event ID: 111092

### **AACC: Keeping Up With Accounting – Professional Issues Update-Fall, 2009**

Date: 11/09/09

Location: Kaufmann's - Gambrills

Event ID: 141031

### **A Matter of Integrity: CPA Ethics & Leadership Today**

Date: 11/10/09

Location: Sheppard Pratt Health Systems - Baltimore

Event ID: 171018

### **A Practitioner's Guide to IRAs and Qualified Retirement Plans**

Date: 11/10/09

Location: MACPA Columbia Center

Event ID: 111094

### **What's New for Accounting Professionals from Intuit**

Date: 11/11/09

Location: MACPA Columbia Center

Event ID: 111170

## UPCOMING MACPA SEMINARS AND CONFERENCES

### **Webcast: IFRS for Small- and Medium- Sized Entities**

Date: 11/11/09

Location: Online Webcast - Internet

Event ID: 17W093

### **CAC: International Tax Considerations for a Maryland Company Going Global / Taxation and Captives**

Date: 11/13/09

Location: Golden Bull Grand Cafe - Gaithersburg

Event ID: 141052

### **Webcast! Best Practices in Accounting and Finance Writing: Putting Ideas in Order**

Date: 11/13/09

Location: Online Webcast - Internet

Event ID: 17W099

### **Access Level 1: 2007**

Date: 11/16/09

Location: MACPA Columbia Center

Event ID: 135015

### **Webcast! Growing Your Business Through Trusted Relationships**

Date: 11/16/09

Location: Online Webcast - Internet

Event ID: 17W104

### **Tax Update for Pass-Through Entities: S Corporations, Partnerships and LLCs**

Date: 11/16/09

Location: The Legacy - Rockville

Event ID: 111096A

### **4 FOR FALL: Accounting and Auditing Update**

Date: 11/17/09

Location: Gateway Building - Columbia

Event ID: 111019

### **4 FOR FALL: Advanced Issues in Compilation, Review, and Accounting Services**

Date: 11/17/09

Location: Gateway Building - Columbia

Event ID: 111020

### **4 FOR FALL: The Revised Yellow Book for Financial Audits**

Date: 11/17/09

Location: Gateway Building - Columbia

Event ID: 111021

## UPCOMING MACPA SEMINARS AND CONFERENCES

### **4 FOR FALL: Annual Update for State & Local Governments and Not-for-Profits**

Date: 11/17/09

Location: Gateway Building - Columbia

Event ID: 111022

### **4 FOR FALL: Hottest Tax Planning Developments for 2009**

Date: 11/17/09

Location: Gateway Building - Columbia

Event ID: 111023

### **4 FOR FALL: S Corporations: Strategies from Formation to Termination**

Date: 11/17/09

Location: Gateway Building - Columbia

Event ID: 111024

### **Access Level 2**

Date: 11/18/09

Location: MACPA Columbia Center

Event ID: 135016

### **4 FOR FALL: Compilation Engagements: Mastering the Fundamentals**

Date: 11/18/09

Location: Gateway Building - Columbia

Event ID: 111025

### **4 FOR FALL: Navigating the New FASB Codification: Research Real-Life Accounting Issues**

Date: 11/18/09

Location: Gateway Building - Columbia

Event ID: 111026

### **4 FOR FALL: Frequent Frauds Found in Not-for-Profits**

Date: 11/18/09

Location: Gateway Building - Columbia

Event ID: 111027

### **4 FOR FALL: AICPA's 2009 Individual Tax Review & Update: Real World Applications**

Date: 11/18/09

Location: Gateway Building - Columbia

Event ID: 111028

### **4 FOR FALL: Preventing Common OMB A-133 & Yellow Book Deficiencies: A Case Study Approach**

Date: 11/18/09

Location: Gateway Building - Columbia

Event ID: 111029

## UPCOMING MACPA SEMINARS AND CONFERENCES

### **4 FOR FALL: Innovative Tax Tips for Individuals**

Date: 11/18/09

Location: Gateway Building - Columbia

Event ID: 111030

### **Don Farmer's Individual Income Tax Workshop**

Date: 11/19/09

Location: Martin's West - Baltimore

Event ID: 211000

### **QuickBooks 2009 Comprehensive Training**

Date: 11/19/09

Location: MACPA Columbia Center

Event ID: 233001

### **Webcast! Best Practices in Accounting and Finance Writing: Being Clear and Accurate**

Date: 11/20/09

Location: Online Webcast - Internet

Event ID: 17W100

### **Health Savings Accounts, Health Reimbursement Arrangements, and Flexible Spending Accounts**

Date: 11/23/09

Location: MACPA Columbia Center

Event ID: 111116

### **Webcast! Growing Your Business Through Trusted Relationships**

Date: 11/23/09

Location: Online Webcast - Internet

Event ID: 17W105

### **Strategies for Buying, Selling, and Gifting a Closely Held Business**

Date: 11/24/09

Location: Bowie Comfort Inn Hotel & Conference Center - Bowie

Event ID: 111118

### **Advanced Income Tax Accounting - Including Practical Application Exercises**

Date: 11/24/09

Location: MACPA Columbia Center

Event ID: 111117A

### **Webcast! Getting Things Done - Engaging People to Execute Effectively**

Date: 11/24/09

Location: Online Webcast - Internet

Event ID: 17W101

## UPCOMING MACPA SEMINARS AND CONFERENCES

### **Outlook 2007 New Features Update for CPAs: Client Contact, Scheduling and Communication Management**

Date: 11/30/09

Location: MACPA Columbia Center

Event ID: 133023

### **Excel 2007: New Charting Features, Graphs and Diagrams**

Date: 11/30/09

Location: MACPA Columbia Center

Event ID: 133024

### **Webcast! Growing Your Business Through Trusted Relationships**

Date: 11/30/09

Location: Online Webcast - Internet

Event ID: 17W106

### **Excel 2007: Advanced Part 1: Advanced Functions, Pivot Tables and Tips**

Date: 12/01/09

Location: MACPA Columbia Center

Event ID: 133031

### **Crystal Reports XI - Fundamentals of Report Design I (Introduction to Crystal)**

Date: 12/02/09

Location: MACPA Columbia Center

Event ID: 173003

### **Financial Statement Analysis -- Basis for Management Advice**

Date: 12/03/09

Location: Bowie Comfort Inn Hotel & Conference Center - Bowie

Event ID: 171049A

### **Excel 2007: Advanced Part 2: Worksheet Reporting Features and Tips**

Date: 12/03/09

Location: MACPA Columbia Center

Event ID: 133036

### **Don Farmer's 2009 Tax Update**

Date: 12/04/09

Location: Martin's West - Baltimore

Event ID: 111001

### **Internal Control Procedures for QuickBooks Users**

Date: 12/04/09

Location: MACPA Columbia Center

Event ID: 133033

## UPCOMING MACPA SEMINARS AND CONFERENCES

### **CAC: Federal Tax Update**

Date: 12/04/09

Location: Johns Hopkins University - Montgomery County Campus - Rockville

Event ID: 141050

### **Introduction to Windows: Vista Operating System**

Date: 12/07/09

Location: MACPA Columbia Center

Event ID: 133034

### **2009 TECHNOLOGY CONFERENCE**

Date: 12/07/09

Location: Sheraton Columbia Hotel - Columbia

Event ID: 121009

### **AACC: Federal Tax Update-AM Session**

Date: 12/07/09

Location: Kaufmann's - Gambrills

Event ID: 141053

### **AACC: Federal Tax Update-PM Session**

Date: 12/07/09

Location: Kaufmann's - Gambrills

Event ID: 141054

### **Webcast! Growing Your Business Through Trusted Relationships**

Date: 12/07/09

Location: Online Webcast - Internet

Event ID: 17W107

### **Troublesome Tax Issues for Federal Payroll Taxes, Benefits and Form 1099**

Date: 12/07/09

Location: The Legacy - Rockville

Event ID: 111119A

### **A Matter of Integrity: CPA Ethics & Leadership Today**

Date: 12/08/09

Location: Holiday Inn - Columbia

Event ID: 171019

### **Maryland Sales & Use Tax**

Date: 12/08/09

Location: MACPA Columbia Center

Event ID: 111033

## UPCOMING MACPA SEMINARS AND CONFERENCES

### **Cost Allocation in Nonprofits -- Who Gets It?**

Date: 12/08/09

Location: Johns Hopkins University - Montgomery County Campus - Rockville

Event ID: 111122A

### **Accounting and Reporting Practices of Not-for-Profit Organizations**

Date: 12/10/09

Location: Sheraton Annapolis Hotel - Annapolis

Event ID: 111124A

### **Excel 2003 Worksheets Refresher**

Date: 12/10/09

Location: MACPA Columbia Center

Event ID: 133035

### **The CPA's Guide to LLCs and FLPs**

Date: 12/10/09

Location: The Legacy - Rockville

Event ID: 111125

### **Cost Management and Improvement for Accounting and Finance Professionals**

Date: 12/11/09

Location: MACPA Columbia Center

Event ID: 173004

### **Webcast! Growing Your Business Through Trusted Relationships**

Date: 12/14/09

Location: Online Webcast - Internet

Event ID: 17W108

### **Strategies for Dragging your Children into Financial Independence**

Date: 12/17/09

Location: MACPA Columbia Center

Event ID: 111130

### **Social Security Benefits -- Advising Clients**

Date: 12/18/09

Location: Sheraton Annapolis Hotel - Annapolis

Event ID: 111137

### **The Revised Yellow Book -- Government Auditing Standards**

Date: 12/18/09

Location: MACPA Columbia Center

Event ID: 111135A

## UPCOMING MACPA SEMINARS AND CONFERENCES

### **International versus U.S. Accounting -- What in the World is the Difference?**

Date: 12/18/09

Location: The Legacy - Rockville

Event ID: 111136A

### **Life Insurance Mysteries: The CPA's Guide**

Date: 12/21/09

Location: MACPA Columbia Center

Event ID: 111139

### **Visual Estate Planning**

Date: 12/22/09

Location: MACPA Columbia Center

Event ID: 111140







