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Contents

President's Message	1
Mission Statement	2
Board of Directors	2
Committee Members	3
Calendar of Events	4
New Members	5
Sharing News/Updates	6-7
Scholarship Fund	8-9
Office Management	10
Adv. Rates	10

President's Message

August 12, 2021

Hello and Happy Summer!

I hope you are all enjoying your summer and have been able to spend time with your family and friends. For the second year in a row, tax season does not seem to have an end with returns still being processed from 2019! Tax pros have been champions with adapting to the many changes that have gone our way!

We have a great conference planned on Monday and Tuesday November 15th and 16th, 2021 at the Penn Stater Hotel and Conference Center in State College. Conference seminars that we have planned are Tax issues of divorce, PA inheritance taxes, New tax pro accounts, cyber security for tax professionals, child tax credit issues, due diligence, and late breaking IRS announcements, PA and Local tax issues, updates and highlights. We will have full two days of training that you will not want to miss!

I wish you all a very relaxing fall as we try to close down tax season, and look forward to seeing you at the conference in November!

Holly Whiteside, EA

President PA-NATP

PA-NATP Mission Statement

- To unite those engaged in the practice of preparing Federal, State and Local Taxes.
- To foster and promote NATP's contributions toward the high standard of the tax preparation profession.
- To promote and protect the interest of tax professionals everywhere for the public benefit.
- To promote and maintain high standards of conduct in the tax preparation profession as expressed in the Code of Ethics and the Standards of Professional Conduct of the National Association of Tax Professionals.
- To work with the National Association to provide and promote continuing tax education programs for all members of the Association, particularly on issues and changes in the tax laws of the Commonwealth of Pennsylvania.

2021 PA-NATP Board of Directors

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<p>Mary Lynn Lemmon, AFSP (21) Marchand, PA 724-286-9771 mll.panatp@gmail.com</p>	<p>Marianne Kleppner, EA (21) Finleyville, PA 724-348-8028 kleppner@comcast.net</p>	<p>Patti Blum (22) Sheffield, PA 814-968-5919 widders5@windstream.net</p>
<p>Charles C. Evans, Jr (22) Downingtown, PA 610-873-2073 evansjrc@verizon.net</p>	<p>Paul Pascuzzi, EA, MBA (22) Clarendon, PA 814-723-1088 paul@taxcuzzi.com</p>	<p>David Luczak, EA (22) Pittsburgh, PA 412-680-8572 DLuczak@Pallastax.com</p>
<p>Vicki Ziegler (22) New Castle, PA 724-657-0047 vicshaffer@gmail.com</p>		<p>Rev 12/31/20</p>

(xx) indicates year term will expire

2021 PA NATP Committee Members

AUDIT

Sue Bure
Vicki Ziegler

AWARDS

Charles Evans - Chair
Joyce Jones

BUDGET

Executive Committee

BYLAWS

Samuel Wingard - Chair
Patti Blum

EDUCATION

Patti Blum - Chair Kath Bowman
Susan Bure Holly Whiteside

MEMBERSHIP

Mary Lynn Lemmon - Chair

NEWSLETTER/COMMUNICATIONS

Mary Lynn Lemmon - Editor
Joyce Jones - Proofreader

NOMINATIONS

Paul Pascuzzi - Chair
Vicki Ziegler
David Luczak

PUBLIC RELATIONS/WEBSITE

Marianne Kleppner - Chair
Troy Clawson
Patti Blum
Holly Whiteside

NATIONAL CONFERENCE

Walter Douglass
Patti Blum

WEBINAR COMMITTEE

Marianne Kleppner - Chair
Holly Whiteside
Troy Clawson
Patti Blum

SCHOLARSHIP FUND

Joyce Jones - Chair
Susan Bure
Troy Clawson
Patti Blum

SEMINARS & EVENTS

PA/Local

Patti Blum
Kath Bowman

Working Together – East

Chuck Evans

Working Together – West

Patti Blum
David Luczak

Annual Conference

Holly Whiteside - Co-Chair
Patti Blum - Co-Chair
Chuck Evans
Marianne Kleppner
Walter Douglass
Andrea Phillips

TAX PRACTITIONER LIAISONS

IRS - Walter Douglass
PA - David Luczak
Local - Joyce Jones

CHAPTER BETTERMENT

Susan Bure

2021 Calendar of Events

PA Chapter events in bold type
National events in italics

January 6, 8:30am-12pm (Wednesday)	Board of Director Zoom Meeting
May 12, 8:30 (Wednesday)	Board of Director Zoom Meeting
May-Canceled	East Working Together
July 7, 8:30am-12pm (Wednesday)	Board of Director Zoom Meeting
<i>Aug 24 - 26 (Tuesday-Thursday)</i>	<i>Virtual Tax Con</i>
September 8, 8:30am-12pm (Wednesday)	Board of Director Zoom Meeting
September-Canceled	West Working Together
<i>September 21 & 22 (Tuesday & Wednesday)</i>	<i>Tax forum Las Vegas, NV</i>
<i>September 8 & 29 (Tuesday & Wednesday)</i>	<i>Tax forum Atlantic City, NJ</i>
<i>October 20 & 22 (Wednesday & Thursday)</i>	<i>Tax forum Orlando, Fl</i>
November 14, 4pm-8pm (Sunday)	Board of Directors Meeting Penn Stater State College, PA
November 15 & 16 (Monday & Tuesday)	Annual State Conference & Membership Meeting Penn Stater State College, PA**

****Register @**

<https://www.natptax.com/Chapters/Pages/PennsylvaniaChapterEducation.aspx>

Welcome New Members

The PA Chapter is honored to welcome these new members

February 2021

Sharonda Pryer	Northampton
Eugene Tyrell Brown, Jr	Delaware
Patricia Ann Gober	Northampton
Neil Andrew Stein	Montgomery
Deborah Taggart	Allegheny
Ramakrishnan Rao	Lehigh
Tatiana N Ivoylova	Allegheny
Deborah Essig	Lackawanna

March 2021

Nicole Hinkel	Bucks
Charles T. Butler, III	Philadelphia
Ronald Williford	Montgomery
Sherry L Bender	Berks
Alan Szynal	Bucks
Bernard P Rooney, Jr, EA	Bucks
Diane C Woite	Montgomery
Laura L Brice	Armstrong
Dane Janas, EA	Northampton
Danielle F Palmer, CPA	Delaware
Randee Mellon	Bucks
June Louise Blair	Northampton
Angela Zern, CPA	Berks

April 2021

Robert A Ziff	Bucks
Robert McNeill	Bucks
Paul John Stocker	Northampton

May 2021

Jennifer M Gilmore	Armstrong
Rosemary Ann Davis	Lackawanna
Ridvan Hoxha, EA	Philadelphia
Kaitlyn Miller-Cox	Lehigh
Kabeyia Lynn Jones	Allegheny
Andrea Jack, MBA	Montgomery
Sharon G. Voulgaris, EA	Cumberland

June 2021

Darlene Williams, EA	Montgomery
Keith Douglass	Montgomery
Mary M Freeman	Allegheny
Devendra Peer, CPA	Philadelphia

June 2021 (con't)

Vincent Chiamonte, EA	Susquehanna
Earlene E Clark, CPA	Montgomery
Lisa Belmonte	Lancaster
Diane M Morgan	Westmoreland
Joy Dorner	Allegheny
Lanoma F Stein, EA	Allegheny
Linda Eich	Allegheny
Lisa Dipasquale	Allegheny
Susan Williams	Allegheny
Joshua B Clippinger	Cumberland
Kristina Hoagland	Cumberland
Clarence Gerald Griffin	Wyoming
Karen Renee Adams	Allegheny
Kelly Ann Bowers	Allegheny

July 2021

Terri Johnson, CPA	Blair
Nicole D Vracarich	Tioga
Nicole LeeAnn Barker	Crawford
Stephen Photopoulos, ATT	Allegheny
Frank W Winn	Allegheny
Tracey Gail Hawley, CPA	Montgomery
Kelli Kaliszewski	Erie
Deborah Jean Scotto	Allegheny
Richard Cornelius Flynn	Lawrence
Veronica Henry, EA, ATA, ATP	Berks

August 2021

Tatiana Barnett	Erie
Thomas Paul Paolo	Allegheny
Carole Harris	Montgomery
Patrick A Rood	Gloucester
Phillip John Fleck	Northampton
Henry Alan Jefferson	Armstrong
Frank Keshvari, CFE	Centre
Shelley Batt	Mckean
Jamie Spidle	Cumberland
William H Gummo, EA	Mckean
Marina Hernandez, EA, CFP(R)	Montgomery
Tara Lang	Lawrence
David Wayne Mory, EA	Northampton

Get Involved in Our Chapter!

Included with NATP membership

Getting involved in your Chapter is a great way to stay up-to-date on state and local tax issues and network with tax professionals in your area. Here are some Chapter opportunities available to all members:

- Register for education seminars on state and local tax topics at the PA Chapter Annual Conference in November.
- Volunteer and share your state and local tax expertise with other members.
- Attend state Chapter meetings where members can exchange ideas, solve problems, and discuss issues with other state members.
- Reach out to fellow members for support or advice about state and local tax issues.
- Send news articles that you feel would benefit our members

For more information or to contact our Chapter, visit <http://panatptax.com>.

Sharing some News & Updates

Pennsylvania—Income Credits Amended, Payment Changes Enacted [Jul. 7, 2021]

Pennsylvania has enacted legislation making changes for income taxpayers to:

- allow farmers to defer income received from disaster-related crop insurance payments for one year, conforming to IRC Sec. 451(f) after December 31, 2020;
- require the filing of 1099-NEC;
- require personal income tax payments equal to or greater than \$15,000 be made electronically after December 31, 2021;
- require the qualified manufacturing innovation and reinvestment deduction to be applied following allocation and apportionment of income after December 31, 2020;
- adopt tax credit administration provisions within 30 or 60 days from enactment;
- amend deadlines for the Keystone Innovation Zone and Opportunity Zone Programs within 30 days;
- amend the Local Resource Manufacturing Tax Credit;
- increase the amount of the Mixed-Use Development Tax Credit;
- increase the amount of Pennsylvania Housing Tax Credits available;
- amend the Qualified Manufacturing Innovation and Reinvestment Deduction;
- change deadlines for the Research and Development Tax Credit;
- expand availability of the Entertainment Tax Credits to multi-film projects within 30 days;
- amend the Entertainment Economic Enhancement Program to include a COVID-19 Emergency Assistance Program and make other changes; and
- increase aggregate amount of all Educational Tax Credits.

Act 25 (H.B. 952), Laws 2021, effective immediately and as noted above; State Tax Legislative Summary, Pennsylvania Department of Revenue, July 6, 2021

R.I.P. PA-40 Form W-2s

By Samuel A. Wingard, AFSP

If you attended a PIT update seminar this past fall you were probably as surprised as I was to learn that the Department of Revenue has eliminated the W-2S form for tax year 2020. If you weren't aware of this mystifying decision, you are now. I say mystifying because the rationale for or logic behind this action totally escapes me as well as everyone else with whom I talk. The Department will still require submission of all the information that was previously contained on the W-2S. My software does contain a worksheet that may suffice for some situations but I'm afraid in most cases a more detailed statement will need to be prepared separately. Obviously, this means additional work and requires remembering when a statement is needed. Inevitably, the statement is going to be overlooked on some returns and we know what that means – letters from PA requesting the missing info.

So, when exactly will a statement need to be attached to the PA-40? Anytime an amount is included on Line 1a – Gross Compensation and the amount didn't come from a W-2.

Examples are:

- jury duty
- director, executor and fiduciary fees
- non-employee compensation
- taxable distributions from IRA's, pensions and retirement plans

Also, bear in mind that there are situations when copies of forms W-2, 1099-MISC, 1099-NEC and 1099-R must be included with the return. Returns filed on paper require copies of all Forms W-2 and all Forms 1099-R, regardless of whether the distributions are taxable or nontaxable and/or include PA tax withholding. Also, paper returns only require copies of Forms 1099-MISC and 1099-NEC if the amount is reported as compensation and/or include PA tax withholding.

Electronically filed returns only require copies of the W-2s be provided as separate PDF file attachments or sent in via fax using the DEX-93 when the following conditions exist:

1. The compensation reported on Line 1a is different than the amount reported in Box 16 of the W-2;
2. The employer provided a handwritten W-2;
3. The employer reported an incorrect number of wages on the W-2 (a written statement from the employer explaining why it is incorrect must also accompany the return);
4. PA tax withheld is at a rate greater than 3.07% (a written statement from the employer verifying the withholding at a higher rate must also accompany the return);
5. The tax withheld was for a resident of a reciprocal state;
6. Medicare wages are greater than PA wages (also requires completion of PA-40 W-2RW, Reconciliation Worksheet, with the return or as a PDF file attachment or sent in via fax using the DEX-93);
7. PA resident taxpayer works in another state or country and does not have PA tax withheld;
8. The W-2 includes a distribution from a nonqualified deferred compensation plan included in Box 1 of the W-2.
9. The W-2 shows income or tax withheld for another state; and/or
10. The W-2 or W-2P has no PA compensation and is or is not taxable for PA PIT purposes (a written statement explaining why an amount is not taxable must also accompany the return).

Number 10 from this list is new in 2020.

It would appear that we will need to be extra vigilant during the upcoming tax season to insure that required statements and forms are included with the PA-40. Otherwise, we will likely be responding to a lot of PA letters.

PA NATP Chapter Scholarship Fund

Submitted by Joyce Jones

The chapter is now offering several scholarships because of the generosity of several members and the hard work of the chapter through the past few years. We currently have a balance of \$5,386.66 in our chapter scholarship fund.

We must keep a principal amount of \$2,000.00 in the fund, but we have about \$3,300.00 available for scholarships to our members. This year your board of directors decided to offer scholarships to our members for several items. You can apply for a scholarship for Part I, II, or III of the Enrolled Agent Exam, to attend the PA-NATP Annual Conference, or any of the educational events the chapter is planning for 2021.

Our chapter first began the scholarship program to honor a deceased member, Dave Knickerbocker. Dave was very active in the chapter. He died as a result of a fall, and his passing was a shock to the members of the chapter who had worked closely with him. Dave was a self-employed tax preparer and a substitute teacher at General McLane High School. To honor Dave's memory, the chapter worked with the Erie Community Foundation to create a scholarship for a deserving senior who attends General McLane School District and plans to attend college to major in accounting. To fund the scholarship the chapter instituted the Chinese auction held during the annual conference, accepted contributions to the scholarship box that is at every education event the chapter holds, and accepts donations from members. Having a balance in the Knickerbocker Scholarship of over \$10,000, it is fully funded and self-sustaining per the requirements of the Community Foundation. As a result of that, the board decided to continue its efforts to raise funds to create scholarships for our chapter members.

To apply for a scholarship, you must complete the 2021 Scholarship application with the required information. Once completed, you must send the application to Joyce Jones, Scholarship Committee Chair, at 395 Double J Lane, New Castle, PA 16101. All applications must be received by August 31, 2021. Once received, the applications will be reviewed by the committee members who will vote on the winners. The winners will be notified by mail and will receive a Scholarship Disbursement Voucher. The voucher must be returned along with the required information to the committee chairperson who will have the treasurer send you a check for reimbursement.

The education committee is working on current year education events. Once approval is received from National, it will be posted on our chapter website at <http://panatptax.com/>. You can apply anytime for a scholarship to the Annual Conference or the parts for the Enrolled Agent exam. However, if you are choosing to apply for a specific chapter education event, you will need to visit the chapter website to see what will be available.

Good luck with your applications. We hope to see many applications.

PA-NATP Scholarship Application Directions

DEFINITION: A scholarship will be given to any active member of the PA Chapter of National Association of Tax Professional for any of the following:

1. PA-NATP Annual Conference
2. PA-NATP Education Events
3. Enrolled Agent Test Part 1
4. Enrolled Agent Test Part 2
5. Enrolled Agent Test Part 3

INSTRUCTIONS: Complete PA-NATP Scholarship Application and send to scholarship committee chairperson: Joyce Jones, 395 Double J Lane, New Castle, PA 16101.

ALL APPLICATIONS MUST BE RECEIVED BY AUGUST 31,2021

If you are chosen as a recipient, you will be notified by mail along with a Scholarship disbursement Voucher.

Attachments needed for reimbursement:

1. Scholarship Disbursement Voucher
2. For Enrolled Agent Testing, a copy of the Prometric receipt when you registered and proof that you took the test.

Send the Scholarship Disbursement Voucher and all attachments to: Joyce Jones, 395 Double J Lane, New Castle, PA 16101

Please note that all scholarships are non-transferable.

PA-NATP

2021 SCHOLARSHIP APPLICATION

NAME: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP CODE _____

SCHOLARSHIP FOR WHICH YOU ARE APPLYING: (Pick only one)

- 1 PA-NATP Annual Conference _____
- 2 PA-NATP Seminar Event _____
- 3 Enrolled Agent Test Part 1 _____
- 4 Enrolled Agent Test Part 2 _____
- 5 Enrolled Agent Test Part 3 _____

Explain why you want to attend the event chosen from the above list.

**Send completed application to Joyce Jones, Scholarship Committee Chairperson,
395 Double J Lane, New Castle, PA 16101.**

Office Management

The Pennsylvania Chapter of the NATP provides a member benefit of ordering tax and related books and information at a discount from Tax Materials, Inc. and Thomson Reuters Checkpoint. Every tax office should have these various informative tools to help in the planning and preparation of tax returns. By ordering through us, these companies help support our chapter with a donation for each purchase.



To order The Taxbook™ or WebLibrary products and the Quickfinder tax preparation tools, go to our Chapter website at <https://panatptax.com>. The links for the order forms are on the left side of each web page under "What's New". By using code Q680 when ordering your QuickFinder books you will receive a discount. Enter code 488 if you are purchasing Taxbook™ materials to receive your discount.

PA-NATP NEWS Advertising Space Available

Your ad on these pages can reach 1200 PA tax professionals.

Classified Ad Rates

NATP Member rates, up to 100 words:

- 1 Issue \$20.00
- 2 Issues, same ad \$30.00
- 3 Issues, same ad \$40.00
- 4 Issues, same ad \$50.00

Additional words flat rate 50¢ per word for 1- 4 issues, member and nonmember.

Non-Member rates, up to 100 words:

- 1 Issue \$30.00
- 2 Issues, same ad \$45.00
- 3 Issues, same ad \$60.00
- 4 Issues, same ad \$75.00

Display Ad Rates

NATP Member rates:

- Full page \$150.00
- Half page \$85.00
- Quarter page \$50.00

Non-Member rates:

- Full page \$225.00
- Half page \$125.00
- Quarter page \$75.00

All ads must be prepaid and be tax/accounting/financial planning oriented.

Please send your ad and check, made payable to PA-NATP, to the newsletter editor:

Mary Lynn Lemmon
16128 Rt 119 Hwy N
Rochester Mills, PA 15771

mll.panatp@gmail.com
724-286-9771

