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# PA-NATP NEWS



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Autumn 2013

## President's Message



With the passing of the extension deadline, tax season is essentially over for another year, and what a year it was! Starting with the delay of the filing season and winding up with the government shutting down right as extensions were due. It has been a wild ride and one for the record books but no rest for the tax professional. Now we must turn our attention to continuing education in order to update ourselves on changes and the consequences of the new Affordable Care Act.

When it comes to continuing education there's no better "bang for your buck" than NATP and your State Chapter. Our annual Conference will be held on November 18th and 19th at the Clarion Hotel and Conference Center in New Cumberland. On the afternoon of the 18th beginning at 1:00, National Instructor Jaye Triz will present the tax aspects of Charities and Non Profits. Come and learn about the ins and outs of dealing with organizations like social clubs, sports boosters, and education boosters. That evening will feature cocktails, dinner and annual membership meeting as well as entertainment from Eric Kern's "Voices of Legends". Tuesday the 19th David Braden from the PA Department of Revenue will present the PA Individual Tax Updates in the morning session and Jaye will instruct on Estates and Trusts in the afternoon. A silent auction will be held to benefit the David Knickerbocker Scholarship so please consider bringing an item for this worthwhile event. We will also collect unwrapped toys for the area "Toys for Tots" campaign.

On December 11th we will host a 1/2 day seminar at the Regional Alliance Learning Center in Cranberry Township. The program consists of 2 hours of Ethics and 2 hours on the Affordable Care Act presented by Rich Furlong, Senior Stakeholder Liaison with the IRS in Philadelphia. Registration forms for the Annual Conference and this Conference are available on our website [www.panatptax.com](http://www.panatptax.com).

Your Board of Directors works very hard to bring you quality education throughout the year. Unfortunately, this year we were forced to cancel our seminars in the western and eastern portions of the state due to lack of response. Please give us your input on what subjects you would like to have presented as well as the locations in which you would like to see them held. A list of board members as well as their contact information is listed in this newsletter. PLEASE contact one of us with your input.

Patti Schrader Blum,  
PA-NATP President

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Due diligence has been used in preparing this publication; however, the possibility of mechanical or human error does exist. Laws, regulations and procedures do change so additional information sources should always be consulted before relying on any information herein contained. Additionally, the facts and circumstances of a particular situation may differ from those presented here. This material is presented with the understanding that this publication is not intended to render legal, accounting or tax advice.



**WE WANT YOU!**

**TO ATTEND**

**PA-NATP ANNUAL CONFERENCE**

**November 18<sup>th</sup> & 19<sup>th</sup> / Clarion Hotel / New Cumberland**

**Day 1 - Charities & Non-Profits presented by Jaye E. Tritz, EA, CFP  
Annual Dinner & Membership Meeting / Entertainment**

**Day 2 - PA Personal Income Tax Update presented by David Braden, CPA  
Estates & Trusts presented by Jaye E. Tritz, EA, CFP**

Click for [Complete Details & Registration](#)

A silent auction will be held to benefit the Dave Knickerbocker Scholarship Fund. The donation of auction items, as well as an unwrapped toy for our charity, Toys for Tots, would be appreciated.



**Featured Instructor – Jaye Tritz**

Jaye holds a B.A. degree from Northwestern University, and is currently a multi-unit franchise owner with H&R Block in the southeast Wisconsin area. She has been preparing taxes since 1992, having earned her enrolled agent (EA) designation in 1997. Jaye is also a certified financial planner (CFP®) and is registered with the NASD, holding Series 6, 7, and 63 securities licenses and a Wisconsin insurance license. Jaye's practice provides tax preparation, representation, business services, and financial planning for approximately 3,500 clients. Jaye has been a career-long member of NATP.



# Announcing

## Half-Day Seminar

### December 11

### Cranberry Township



## Affordable Care Act

Presented by  
**Richard Furlong**  
IRS Tech Specialist



## Ethics

Presented by  
**Patti Blum**  
PA-NATP President

Click for [Details and Registration](#)

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## 2013 Calendar of Events

**PA Chapter events in bold type, National events in italics.**

*November 4 & 5*

*1040 Workshops  
Doubletree Monroeville Convention Center, Monroeville, PA*

*November 6 & 7*

*1040 Workshops  
Manufacturer & Business Assoc. Conference Center, Erie, PA*

**November 18**

**PA-NATP Board of Directors Meeting  
PA-NATP Annual Membership Meeting & Dinner**

**November 19**

**PA-NATP Annual Conference  
Clarion Hotel Conference Center, New Cumberland PA**

*November 18 & 19*

*1040 Workshops  
Eden resort Inn, Lancaster, PA*

*November 20 & 21*

*1040 Workshops  
Wyndham Garden - Philadelphia Airport, Essington, PA*

*November 25 & 26*

*1040 Workshops  
Park Inn by Radisson, Mechanicsburg, PA*

**December 11**

**Half-Day Health Care & Ethics Seminar  
Regional Learning Center, Cranberry, PA**

## Welcome New Members

The Pennsylvania Chapter is honored to welcome these new members

August		September	
Mary Ann Jesse	Burgettstown	Amy Walter, RTRP	Erie
Perry M Jackson	Philadelphia	Margaret Mary Feathers-Long	Glenmoore
Cynthia Goodin	Quakertown	Don Bowers	Greencastle
Gary E Benjamin	Towanda	Kathleen M Johnston, CPA	Harrisburg
		Jenine Marie Stankiewicz, EA	Monroeville

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## 2013 Working Together

Submitted by Patti S. Blum

On September 19<sup>th</sup> at the Regional Learning Alliance Center in Cranberry Township, PA-NATP, along with the IRS, PA DoR, PACPA, PAEA, and PSPA, co-sponsored the Western Working Together Conference. The keynote speech was delivered to a full house by Mark D. Yochum Esq. Professor of Law at Duquesne University. Each panel discussion on the following topics was followed by a Q&A session:

- IRS Appeals Process
- S-Corps, Partnerships, and LLCs
- PA Tax Initiatives
- Non-Profit Doesn't Mean Non-Taxable
- Hot Topics
- Taxpayer Advocacy

PA-NATP is proud to be a part of this worthwhile conference. Not only do attendees gain the knowledge presented by each panel, but the opportunity to network with top professionals and government agency employees is invaluable.

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## Award of Excellence

A number of years ago the Pennsylvania Chapter established an Award of Excellence, the purpose of which is to recognize those members who go the extra mile for their clients and the Chapter. Do you know of a colleague who stands out as a dedicated tax professional and PA-NATP member? This is your opportunity to bring that person the recognition they deserve for their dedication to the tax profession. To nominate someone for the Award of Excellence, contact Chapter President Patti Blum at [widders5@windstream.net](mailto:widders5@windstream.net)

## 2011 PA Personal Income Tax Statistics

The following information was excerpted from the recently released PA Department of Revenue annual report on taxable income as reported on 2011 Personal Income Tax Returns.

### Taxable Income by Type and Tax Year

Dollars in Thousands  
Tax Rate 2004 through 2011 = 3.07%

	2004	2005	2006	2007	2008	2009	2010	2011
Number of Returns	5,662,454	5,730,469	5,838,596	6,057,511	6,076,777	5,962,945	6,020,494	6,080,836
Taxable Comp.	201,758,251	210,175,729	223,627,833	238,971,435	246,136,171	239,452,563	245,629,659	255,040,028
Interest & Dividends	9,589,143	11,911,060	15,487,017	20,386,507	15,825,196	11,343,800	11,144,059	11,283,171
Net Profits	22,159,101	23,846,889	26,279,989	30,228,791	32,501,193	29,427,751	31,889,431	34,007,987
Other Taxable Income	17,414,508	20,865,904	22,648,129	27,860,683	20,409,051	14,668,656	21,705,301	20,799,933
Total Taxable Income	250,921,005	266,799,577	288,042,872	317,393,429	314,871,635	294,892,767	310,368,447	321,131,114

### Growth Rates Over the Previous Year by Income Class

Type of income	2004	2005	2006	2007	2008	2009	2010	2011
Compensation	4.4%	4.2%	6.4%	6.8%	3.0%	-2.7%	2.6%	3.8%
Interest & Dividends	8.4%	24.2%	30.0%	31.6%	-22.4%	-28.3%	-1.8%	1.2%
Interest	-9.5%	20.1%	38.7%	26.3%	-10.5%	-20.1%	-17.5%	-11.7%
Dividends	24.7%	26.9%	24.6%	35.3%	-30.0%	-35.1%	14.3%	10.8%
Net Profits	4.2%	7.6%	10.2%	15.0%	7.5%	-9.5%	8.4%	6.6%
Other Income Total	19.5	19.8	8.5	23.0	-26.7	-28.1	48.0	-4.2
Sale of Property	26.3	27.3	8.0	26.4	-40.1	-39.3	73.3	-7.2
Rents & Royalties	0.4	-0.7	9.8	11.4	34.3	-6.8	15.5	1.5
Estates & Trusts	16.7	6.6	10.0	16.2	-9.8	-16.0	32.0	-0.8
Gambling & Lottery	8.1	-5.8	22.4	8.1	5.0	-2.0	-6.2	-4.3
Total Taxable Income	5.4	6.3	8.0	10.2	-0.8	-6.3	5.2	3.5

### Returns Receiving Tax Forgiveness

Dollars in Thousands

	2004	2005	2006	2007	2008	2009	2010	2011
Number of Returns	1,354,894	1,334,905	1,286,696	1,298,565	1,331,530	1,399,853	1,410,177	1,362,972
Taxable Income	11,576,003	11,527,498	11,249,994	11,278,913	11,253,621	11,519,571	11,413,527	10,994,102
Eligibility Income	11,860,439	11,819,910	11,530,713	11,550,109	11,534,469	11,824,784	11,736,085	11,323,341
Tax Forgiveness	322,314	320,281	312,091	312,287	311,615	319,778	316,705	304,978

# *CORBETT ADMINISTRATION, PARTNERS IN TAX PRACTITIONER AND BUSINESS COMMUNITIES ACHIEVE SIGNIFICANT TAX APPEALS REFORM*

Reprinted from the PA Dept. of Revenue's website with the permission of the Department's Press Office

After working for years to implement administrative improvements to the state tax appeals process, the Corbett Administration, working in partnership with associations representing the business and tax practitioner communities, achieved significant legislative tax appeals reform as part of the state budget enacted this past summer.

"The tax appeals reform signed into law by Governor Corbett capitalizes on national best practices to implement taxpayer-friendly changes and improve the integrity of appeal decisions," Revenue Secretary Dan Meuser said. "As a result, the appeals process will be more fair, more transparent and more accountable to the taxpayers of Pennsylvania."

Key changes include restructuring the Board of Finance and Revenue within the Treasury department to better address tax appeals functions by April 2014. Three new, independent board members will replace the current six board members representing various agencies of state government, and each of the three new board members must meet minimum standards for experience with accounting and state tax law.

Meuser noted these changes are anticipated to improve Pennsylvania's ranking in multi-state reviews of tax appeals processes.

"The Department of Revenue drafted the improvements to the Tax Reform Code, and the Pennsylvania Chamber and the Pennsylvania Institute of Certified Public Accountants worked throughout the spring and early summer to gain the support of the Legislature and the three Row Offices impacted by the changes," Gene Barr, President and CEO of the Pennsylvania Chamber of Business and Industry, said. "This achievement is the culmination of months of work, and we're grateful to the Corbett Administration for the opportunity to participate in such significant reform that will make the tax appeals process more fair in Pennsylvania."

Prior to achieving this legislative reform, beginning in 2011, the Department of Revenue implemented a number of administrative improvements to the tax appeals process that streamlined operations and improved taxpayer service. Most notably, the Department began considering requests for compromise in cases where the compromise illustrates doubt regarding liability and/or it promotes effective tax administration. This change allowed taxpayers an opportunity to resolve tax appeals in a matter of weeks, rather than endure a potentially costly process that could last years.

The department also achieved legislative appeals reform last year and effected changes designed to reduce issues that result in tax appeals and make the appeals process more fair and less cumbersome for taxpayers. "This most recent tax appeals reform is a victory for Pennsylvania taxpayers and delivers on my campaign promise to make the tax appeals process more objective and taxpayer-friendly," Governor Corbett said.

Tax appeals reform was one element of a [comprehensive tax reform](#) plan proposed by Governor Corbett and executed as part of the 2013-14 budget.

## APPEALS REFORM DRAMATICALLY IMPROVES PA RANKING IN MULTI-STATE REVIEW

Reprinted from the PA Dept. of Revenue's website with the permission of the Department's Press Office

In a sneak-preview of the upcoming Scorecard on State Tax Administration, the Council on State Taxation (COST) revealed in late September that Pennsylvania will show the greatest improvement of any state in the latest release of the report.

"We expect Pennsylvania to improve from a 'D' in the 2010 Scorecard to an 'A-' in the scorecard we plan to release in October," said COST President and Executive Director Douglas L. Lindholm. "I thank Secretary Meuser and others at the Department of Revenue for their leadership on this issue. The scorecard evaluates the state's statutory framework, and we realize that legislative change of this magnitude require a great deal of effort and commitment on behalf of taxpayers and tax administrators alike."

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### Quick Reference Book Reminder

The order forms for Quickfinder and TaxBook reference books are now available on the NATP website  
<http://ad.natptax.com/taxstore/Documents/2012%20Quickfinder%20Order%20Form.pdf>  
<http://www.natptax.com/taxstore/Documents/TheTaxBook%20Order%20Form.pdf>

PA-NATP receives a \$5.00 donation per book when ordered on these specially coded order forms but only when ordered on these forms. So please remember when ordering your quick reference books to download and use only the coded forms, not ones that you receive in the mail.

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### Classified Advertisements

#### Tax Forms, Schedules and Worksheets

Over my 40+ years as a tax professional I've developed a collection of over 30 forms, schedules and worksheets that have proven helpful in my practice. Some are given to clients to help them provide me with information; some are used as memos to back-up items reported on returns; others are used as attachments to the 1040. I offer this compilation to PA-NATP members for \$4.50 (a 25% discount)! The package is sent as a Word document email attachment so you can customize them. Send \$4.50 and your email address to - T&A Inc, PA-NATP Offer, PO Box A, Hawley, PA 18428

Classified advertisements are offered here solely as a service to our members. PA-NATP neither endorses nor makes any warranty as to the suitability or performance of any goods or services advertised herein.



## *Celebrities Wanted:*

Have you spoken publicly with respect to tax topics? Perhaps you have appeared on television or had articles published? If so, the Chapter of the Year Committee wants to hear from you. The Communications Section of the Chapter of the Year application awards points for members who have had articles published or made a public presentation. Documentation of such activities is required to be included with the application. Please forward information to Chapter President Patti Blum at [widders5@windstream.net](mailto:widders5@windstream.net). The application deadline is June 1 however the committee will collect the documentation throughout the year.

### **Be a Volunteer**

The Chapter is always in need of volunteers to serve on its committees. Volunteers benefit the Chapter by bringing in new skills and fresh ideas. The volunteer benefits by not only establishing contacts with people and businesses that can be helpful in their own business but also from a sense of satisfaction in helping to accomplish the goals of the Chapter. Please contact Patti Blum at [widders5@windstream.net](mailto:widders5@windstream.net) or any Board member, whose contact information can be found at the end of this newsletter.

### **Become a Certified Instructor**

Do you know what a "Certified Instructor" is? This is a recent designation instituted by NATP. Certified Instructors are eligible to teach a variety of classes developed by National. (The Essential 1040 & Beyond 1040 Workshops are not included.) With the IRS mandated education requirements now in affect, it will be beneficial for our Chapter to have a number of certified instructors available to provide certified education at various times and places throughout the state. Our Chapter currently has seven members who have been certified: Patti Blum, Kathy Bowman, Doris Cooper, Amy Gambler, Bonnie Lewis, Rebecca Mangold and Patty Turner. Congratulations to them on passing this challenging certification course. Might you like to become a Certified Instructor? If enough individuals are interested in taking the two day certification course, we might be able to hold it in Pennsylvania next year. If you are interested in learning more or to have your name added to the list of students, please email Patti Blum at [widders5@windstream.net](mailto:widders5@windstream.net).

## The Financial Page

### **Income & Expenses Year to Date**

as of 30 September 2013

#### **REVENUES**

Dues	9460.00
Incentive	1455.72
Printed materials	530.84
Commissions	1336.00
Interest	5.02
Vendors/Advertising	30.00
Misc. Receipts	150.00
<b>TOTAL REVENUES</b>	<b>12967.58</b>

#### **EXPENSES**

Newsletter - Postage	38.38
Newsletter - Printing	107.45
Newsletter - Misc.	600.00
<b>SUBTOTAL</b>	<b>745.83</b>

#### **Administration -**

PA State Fees	70.00
Photocopies	33.70
Telephone	9.00
Office Supplies	120.25
Bank & PayPal Fees	231.49
Mileage Reimb.	293.80
<b>SUBTOTAL</b>	<b>758.24</b>

#### **Board of Directors -**

Conference Calls	884.06
<b>SUBTOTAL</b>	<b>884.06</b>

#### **Committees -**

Seminars	1063.08
Promotions	696.77
Web Site	345.20
<b>SUBTOTAL</b>	<b>2105.05</b>

#### **Conferences -**

National Conf Reimb	670.00
Chapter Showcase	226.71
National Conf Misc	637.89
<b>SUBTOTAL</b>	<b>1534.60</b>

Scholarship	<b>500.00</b>
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<b>TOTAL EXPENSES</b>	<b>6527.78</b>
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<b>NET INCOME</b>	<b>6439.80</b>
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### **Balance Sheet**

#### **ASSETS**

##### Current Assets:

Commercial Bank Checking	13,622.16
Commercial Bank Savings	13,480.34
Commercial Bank PayPal	354.95
Accounts Receivable	_____

<b>Total Current Assets:</b>	<b>27457.45</b>
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Property and Equipment:	2442.10
Equipment - Accum Depr	-2260.00

<b>Total Property and Equipment:</b>	<b>182.10</b>
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##### Other Assets:

Prepaid Telephone Expense	0.94
Deposits	600.00

<b>Total Other Assets:</b>	<b>600.94</b>
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<b>Total Assets:</b>	<b>28,240.49</b>
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#### **LIABILITIES AND CAPITAL**

##### Current Liabilities:

Scholarship Payable	_____
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##### Total Current Liabilities:

Long-Term Liabilities:	_____
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<b>Total Long-Term Liabilities:</b>	_____
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##### Total Liabilities:

##### Capital:

Retained Earnings:	21,800.69
Net Income:	6,439.80

<b>Total Capital:</b>	<b>28,240.49</b>
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<b>Total Liabilities &amp; Capital:</b>	<b>28,240.49</b>
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## PA-NATP NEWS Advertising Space Available

Your ad on these pages can reach nearly 1000 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 tax/accounting/financial planning related.

#### Mail checks, payable to PA-NATP, to the treasurer:

Richard L. Miller, CFP

168 McCabe Dr

Greensburg, PA 15601

#### Send ads to the newsletter editor:

Samuel Wingard

2652 Barnard Rd

Dayton, PA 16222

[sam1040@windstream.net](mailto:sam1040@windstream.net)

## 2013 PA-NATP Board of Directors

<p><b>Region 1 (Philadelphia)</b></p> <p>VACANCY (14)</p> <p>Charles C. Evans Jr. (13) Downingtown, PA 19335 <a href="mailto:evansjrc@verizon.net">evansjrc@verizon.net</a></p> <p>Drew Stump, RTRP (15) 610-683-9319 Kutztown, PA 19530 <a href="mailto:dmstump@hometownnu.com">dmstump@hometownnu.com</a></p> <p><b>Region 2 (South Central)</b></p> <p>Patricia Turner, EA (15) - <b>1<sup>st</sup> Vice-President</b> 717-299-1686 Lancaster, PA 17603 <a href="mailto:ptytrnr@comcast.net">ptytrnr@comcast.net</a></p> <p>Bonnie Lewis EA (13) 814-410-3578 Johnstown, PA 15901 <a href="mailto:blewis07@atlanticbb.net">blewis07@atlanticbb.net</a></p> <p>Rebecca Mangold EA (14) - <b>2<sup>nd</sup> Vice President</b> 717-285-4181 Lancaster, PA 17601 <a href="mailto:rmtaxservice@comcast.net">rmtaxservice@comcast.net</a></p> <p><b>Region 3 (South West)</b></p> <p>Richard L Miller, CFP®, EA (13) - <b>Treasurer</b> 724-853-8536 Greensburg, PA 15601 <a href="mailto:rlmillerqbgq@msn.com">rlmillerqbgq@msn.com</a></p> <p>A.C. Stickel (14) 814-944-9000 Altoona, PA 16602 <a href="mailto:acstickel@abstaxshelter.com">acstickel@abstaxshelter.com</a></p> <p>Samuel Wingard, RTRP(15)- <b>Newsletter Editor</b> 814-257-8404 Dayton, PA 16222 <a href="mailto:sam1040@windstream.net">sam1040@windstream.net</a></p>	<p><b>Region 4 (North West)</b></p> <p>Patti Blum (13) - <b>President</b> 814-968-5919 Sheffield, PA 16347 <a href="mailto:widders5@windstream.net">widders5@windstream.net</a></p> <p>David Fleming, EA (14) 814-764-3371 Fairmount City, PA 16224 <a href="mailto:dflemming00@windstream.net">dflemming00@windstream.net</a></p> <p>Justina Tushak, CPA, EA (15) 814-456-1040 Erie, PA 16508 <a href="mailto:jtushak@tushakaccounting.com">jtushak@tushakaccounting.com</a></p> <p><b>Region 5 (North East)</b></p> <p>Kathryn Bowman, EA (15) - <b>Secretary</b> 717-273-2742 Lebanon, PA 17042 <a href="mailto:kbowmanea@comcast.net">kbowmanea@comcast.net</a></p> <p>Howard M. Pachter, EA, PA (13) 570-343-9910 Scranton, PA 18510 <a href="mailto:hpachter@aol.com">hpachter@aol.com</a></p> <p>Joyce Jones (14) 724-924-9722 New Castle, PA <a href="mailto:joycejones@zoominternet.net">joycejones@zoominternet.net</a></p> <p><b>At Large</b></p> <p>VACANCY (14)</p> <p>Angela Leasure, EA - <b>Historian</b> Erie, PA 16509 <a href="mailto:TAXAL@aol.com">TAXAL@aol.com</a></p> <p>Jeff Cohick, EA - <b>Delegate</b> 717 249-5321 Carlisle, PA 17013 <a href="mailto:jcohick@cohickassoc.com">jcohick@cohickassoc.com</a></p> <p>Denise E Brandt, EA - <b>Delegate</b> 610-488-0295 Bernville, PA 19506 <a href="mailto:denise@mainstreettaxandaccounting.com">denise@mainstreettaxandaccounting.com</a></p>
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