



ARKANSAS SOCIETY OF • ACCOUNTANTS

RESPECTED ACCOUNTING PROFESSIONALS SERVING OUR COMMUNITIES

Monthly Newsletter

April 2010

NSA Arkansas State Director
Major Tax Provisions of Health Care

2010 Seminar Dates

What's new for Quickbooks 2010

• FROM YOUR PRESIDENT'S PEN •



Dear Members,

Is your life hectic? Is your schedule always full? Do you ever wish you could go back to a time in your life when things were simpler? There are times in my life when I wish things weren't as complex. Take a look at the picture below:



You are looking at a picture of me in the 2nd or 3rd grade at Perry Grade School. If you haven't figured it out yet, I'm the smiley one who is the 2nd from the left. This picture was posted on Facebook by the girl on the far left, and for the purposes of my illustration, we'll call her Michelle Cody. My brother, Donnie, who is 2nd from

the right, commented on the picture, "Good times at Perry...I wish I could go back to those times more and more." I'm not sure exactly what my brother meant in his comment, but I know that it makes me yearn for a time when life wasn't quite so hectic and complex. Looking back at that picture now, I was probably smiling so big because I just got an award and somebody was telling me to smile. Now, with the pressure and responsibilities of work and family in my life, those smiles are fewer and farther between. I don't have much time to just relax and enjoy myself. Does that describe any of you?

I want to make a conscious effort to make things simpler in my life. I want to apply the KISS philosophy (Keep It Simple Stupid). That means several things. First, and foremost, I have to learn to say NO to some of the things that take up so much of my time. I don't like to say no. The reason I'm an accountant and not a loan officer, which was my first job out of college, is because I didn't like to say no. "Just Say No" is a new Crain catch-phrase,

and it has nothing to do with drugs. I have said “YES” for 36 years now; it’s time to try “NO” for a little bit. Second, in my office, I need to make things more simple. I’m a bit of a control-freak; actually, there’s a good chance that I’m a control Super-freak. Why did I hire my employees, if I’m going to try to do their jobs? I could make my work life much simpler by letting my employees do their jobs. I think I’ll try that for a little while to see how that goes. Finally, in my new favorite movie “ZOMBIELAND,” the Woody Harrelson character likes to say, “You’ve got to enjoy the little things.” Of course, in the movie, he’s talking about the casual abuse of zombies. I’m going to try to enjoy the little things in life now more than ever. Specifically, those little things are 4 years old and 10 years old, and they go by the names of Georgie and Hank. I’m going to have to put a premium on my family time. These are the people who love and need me the most. Nothing keeps a person more grounded than family.

I hope that each of you has had a good tax season, and I hope that you can now take the time to enjoy the little things in life.

Brad Crain, C.P.A.
President

FROM THE NSA ARKANSAS STATE DIRECTOR

Congratulations on finishing the first leg of another filing season. I suspect by the time you read this article you may have just returned from your after-tax season get away. Hopefully you had the opportunity to relax and rid yourself of a fluorescent tan while not thinking about single 1040. However, you may be like some and are still energized by the adrenaline rush of the filing season. Either way, it’s over and now is a good time to reflect on what processes or procedures could be improved in your office.

We had to change a few processes in our office for this filing season. See last year one member of our filing season staff that had worked with us for over 30 years passed away. She was affectionately known in our office as “Sarge.” Typically you would think that a name like Sarge would be more of a title and not a name; however, because of her personality and ability to give instructions regardless of who you were, we did refer to her by “title” quite frequently. Sarge did not prepare any tax returns. Her primary job was to get tax returns ready for clients to pickup after they had been prepared. Part of her responsibility was to hand out tax returns and let clients know what they need to do next which required her to give instructions to almost every single client which she enjoyed. Clients were very comfortable with Sarge. She was very confident in the way she dealt with clients. Obviously, you don’t get a nickname like Sarge without portraying some level of confidence. She had a memory like an elephant and knew clients by name. She would read the newspaper every single day, including the obituary section. She would let us know when one of our current or even prior clients had passed away. Sarge was definitely missed this

filing season which was noticed by our clients. As a memorial, her picture still sits on the front counter as a reminder to clients of her dedication to them and our company.

When I think about it, in several ways NSA is much like Sarge. NSA is committed to its members just like Sarge was to our company and clients. NSA has been around a long time and will continue to be here to defend to our rights to practice. That's becoming even more important as our industry changes with tax preparer registration and international accounting standards just around the corner. Special NSAlert emails kept us informed all during tax season about current and emerging issues that affect us and potentially our clients. NSA has an excellent reputation in the tax and accounting community. All these factors and many more continue to make NSA a valuable member of your team.

HEALTH CARE: EFFECTIVE DATES OF MAJOR TAX PROVISIONS

The Patient Protection and Affordable Care Act and Health Care and Education Reconciliation Act of 2010 phases in some \$438 billion in tax changes to take place over eight years. These changes encompass increased or reduced taxes, changes in information reporting, making some taxes refundable, and most of them having the added benefit of making the preparation of tax returns even more cumbersome and problematic. So, when will these changes become effective (assuming no changes in the future, of course):

2010-

Ten percent excise tax on indoor tanning services begins July 1.

Adoption tax credit is made refundable, effective Jan 1, 2010; the thresholds for qualifying expenses are increased; and the adoption credit is extended through 2011.

Forgiven student debts for medical professionals that have participated in a program to bring medical care to underserved areas are excluded from taxable income beginning in the 2009 tax year.

2011-

Employers would no longer be allowed to deduct from their taxes the value of benefits bought for retirees with government subsidies for providing retiree prescription drug coverage under Medicare Part D.

Businesses must begin reporting the value of health care benefits on employees' W-2 statements.

Money in flexible spending arrangements, health savings accounts, and other health reimbursement arrangements cannot be used for over-the-counter medicines unless they are prescribed by a doctor.

The penalty for using health savings account funds for nonqualified uses will rise to 20 percent from 10 percent.

2012-

New information reporting is required for businesses making payments in excess of \$600 over the course of a calendar year to corporations.

2013-

A new 0.9 percent surtax will be tacked onto the 1.45 percent Hospital Insurance (HI) payroll taxes paid by individuals earning more than \$200,000 per year or joint filers earning more than \$250,000 per year. The index levels were not indexed for inflation.

A 3.8 percent tax will be imposed on unearned income of individuals earning more than \$200,000 per year (\$250,000 for joint filers).

The threshold for claiming medical expense deductions rises from 7.5 percent of adjusted gross income to 10 percent. The threshold for deductions will remain at 7.5 percent of income for individuals 65 or older until 2016.

Contributions to health care flexible spending arrangement will be limited to \$2,500 as of Jan 1, 2013. The cap would be indexed to consumer price inflation beginning in 2014.

2018-

A 40 percent excise tax on high-cost health insurance plans goes into effect. The tax, paid by insurers or self-insured firms, is on the amount in excess of \$10,200 for individuals and \$27,500 for families.

ASA MEMBER PARTICIPATES IN KATV TAX HOTLINE

On Thursday, February 11, 2010, members of the Arkansas Society of CPAs, a member of the Arkansas Society of Accountants and a representative of the Internal Revenue Service

volunteered to provide answers to taxpayer's questions. These volunteers answered tax-related questions from KATV Channel 7 television viewers who called in to a telephone hotline from 5:00 to 7:00pm that evening. During the evening news, the phone number for viewers to call in with their tax related questions was announced by television reporter Jason Pederson. During the news broadcast, volunteers were briefly shown on television while they answered phones. The tax hotline is KATV Channel 7's most popular call-in program of the year, with approximately 400 calls answered during the two hour period. The ASA member participating in this event was Brian Thompson, who is also the Arkansas State Director for NSA.



(Left) Brian Thompson explains steps for filing an amended return, while John Chism (back) offers his expertise to a taxpayer's question over the phone.

2010 SEMINAR DATES

June 4

QuickBooks Seminar, Crowne Plaza,
Little Rock (8 hrs)*

July 29 & 30

Accounting and Ethics Seminar, Crowne Plaza,
Little Rock (8 hrs accounting and 4 hrs ethics)

September 23 & 24

Business Entities Seminar, Crowne Plaza,
Little Rock (16 hrs)

November 18 & 19
1040 Seminar, Embassy Suites,
Little Rock (16 hrs)

December 2 & 3
1040 Seminar, Holiday Inn
Springdale (16 hrs)

Please mark these dates on your calendar!
More information will be available later.

*Your clients who use QuickBooks may be
interested in attending this seminar.

If you are a member of ASA, your client will
be able to register for this seminar
at your member rate! Topics for this seminar
are included in this newsletter.

DON'T FORGET

This August one of our own will be installed
as President of NSA. Don't forget to plan
your vacation or schedule time off to go to
Washington DC to support Donny Woods as
he becomes only the second member of ASA
to become president of NSA!

It should be a very special time in his life. We
should be there to help make it happen.

LLT

Note: The convention will be held August 18-
21 in Arlington, VA.

More information on the convention is available
on the NSA website at www.nsacct.org

WHAT'S NEW FOR QUICKBOOKS 2010

JUNE 4 SEMINAR TOPICS

- 1) Document organization
- 2) Bank reconciliation
- 3) Templates
- 4) Client Data Review

Sales Tax

- 1) Setting up sales tax
- 2) Sales tax codes
- 3) Sales tax return

Estimates and Progress Invoices

- 1) Creating Estimates
- 2) Progress Invoices
- 3) Change Orders

Customizing QuickBooks

- 1) QuickBooks preferences
- 2) Customizing menus and windows
- 3) Items and other lists
- 4) Custom fields
- 5) Custom & memorizing reports
- 6) Finding transactions

Adjustments and Year-End Procedures

- 1) Processing 1099's
- 2) Editing, voiding & deleting transactions
- 3) General journal entries
- 4) Tracking fixed assets
- 5) Memorized transactions
- 6) Closing the year

Troubleshooting QuickBooks

- 1) Accounts receivable / Undeposited funds
- 2) Adjusting/payroll liabilities
- 3) Adjusting/fixing sales tax payable
- 4) Misc.

**Small Business and Self-Employed
Stakeholder Liaison Division
IRS DIRECTORY for Practitioners**

Arkansas Directory

Appeals			
Title	Name	Email	Phone
Supervisory Appeals Officer	Leland Neubauer	leland.j.neubauer@irs.gov	405-297-4936
Supervisory Appeals Officer	Greg Shaw	robert.g.shaw@irs.gov	405-297-4920
Area Counsel			
Title	Name	Email	Phone
Associate Area Counsel	Nancy Hale	nancy.w.hale@irscounsel.treas.gov	615-250-5448
Associate Area Counsel	Bill Kiessling	william.k.kiessling@irscounsel.treas.gov	615-250-5491
Bankruptcy Cases			
Title	Name	Email	Phone
Senior Bankruptcy Specialist	Coleen White	coleen.l.white@irs.gov	501- 396-5956
Criminal Investigation			
Title	Name	Email	Phone
Special Agent In Charge	Scott Hogue		501- 396-5827
Lien Cases			
Title	Name	Email	Phone
Centralized Lien Processing Unit			800-913-6050
LMSB Territory Manager (Retailers, Food, Pharmaceuticals and Healthcare)			
Title	Name	Email	Phone
Program Manager	Alan McWilliams	alan.r.mcwilliams@irs.gov	501- 396-5911
Manager	JoAnn Wilde	joann.r.wilde@irs.gov	501-396-5970
Manager	Marla Walker	marla.j.walker@irs.gov	479-273-6265
Manager	Gary Wilson	gary.w.wilson@irs.gov	479-444-7624
SB/SE Collection Division			
Title	Name	Email	Phone
Territory Manager	Jeff Tomaw		901-544-0967
SB/SE Communications, Liaison and Disclosure, Disclosure			
Title	Name	Email	Phone
Disclosure Officer	Tim Christian	tim.christian@irs.gov	615-250-5162
SB/SE Communications, Liaison and Disclosure, Governmental Liaison			
Title	Name	Email	Phone
Governmental Liaison	Jamye Ericson	jamye.b.ericson@irs.gov	501- 396-5720
SB/SE Communications, Liaison and Disclosure, Stakeholder Liaison			
Title	Name	Email	Phone
Area Manager	Craig Crews	craig.e.crews@irs.gov	615-250-5791
SB/SE Examination			
Title	Name	Email	Phone
Territory Manager	Vicki Nichols	vicki.nichols@irs.gov	501- 396-5824
Taxpayer Advocate			
Title	Name	Email	Phone
Taxpayer Advocate	Bill Wilde	bill.j.wilde@irs.gov	501-396-5978
Tax Exempt/Government Entities (TE/GE) Employee Plans			
Title	Name	Email	Phone
Exempt Plans Manager	Craig Bellanger	craig.bellanger@irs.gov	504-558-3135
Exempt Plans Manager	Thomas Petit	tom.j.petit@irs.gov	512-464-3151
TE/GE Exempt Organizations			
Title	Name	Email	Phone
Exempt Organization Manager	Danial Bird	dan.c.bird@irs.gov	405-297-4491
TE/GE Federal, State & Government Entities			
Title	Name	Email	Phone
Internal Revenue Agent	Jan Germany	jan.f.germany@irs.gov	501-396-5816
Wage & Investment Field Assistance			
Title	Name	Email	Phone
Manager	Margaret Stewart	margaret.e.stewart@irs.gov	501- 396-5944
Wage & Investment Stakeholder Partnership, Education & Communication			
Title	Name	Email	Phone
Territory Manager	Karen O'Neill	Karen.L.ONeill@irs.gov	405-297-4026



**APPLICATION FOR MEMBERSHIP IN
THE ARKANSAS SOCIETY OF
ACCOUNTANTS**

P.O. Box 479
Searcy, AR 72145
asaarkansas@yahoo.com
www.arspa.org

Last Name _____ First Name _____ Middle Initial _____ Business Phone _____ Home Phone _____

Business Address _____

How many years of accounting have you had? _____ Date of Birth _____

Sole Practitioner [] Partner [] Employee [] Corporate Officer []

Name of Firm _____ Number of Employees _____

Name of Partner(s) _____

Are you a Licensed, Registered or Certified Public Accountant? _____ If yes, give License# _____

Are you an Accredited Public Accountant? _____ If yes, give Accreditation # _____

Are you an Enrolled Agent _____ If yes, give EA # _____

Do you hold an Associate or Baccalaureate degree with a minimum of 24 semester hours in Accounting? Yes _____ No _____

Are you engaged in any other trade or profession? _____ If yes, please describe _____

Please list other accounting organizations in which you hold membership: _____

I hereby state that the accompanying statements are correct to the best of my knowledge and belief. I further state that I will abide by the Constitution and By-Laws of the Society and will practice in strict conformity with the Code of Ethics and Rules of Professional conduct adopted by the Society.

Date _____ Signature of applicant _____

Annual dues are payable IN FULL in advance and are prorated for credit by ASPA on a monthly basis to August 31 - the end of ASPA's fiscal year.

[] Membership Annual Dues \$110.00 [] Firm Annual Membership \$50.00 [] Diamond State Annual Dues \$15.00
(Non-Residents only)

Do Not Write Below This Line

State Member Approving Membership

Signature _____

Title _____

Date _____

Sponsor, If Any

FOR ASPA OFFICE USE ONLY

Amount

Date Received

Control Number

*State Society dues payments may be deductible as an ordinary and necessary business expense. However, they are not deductible as charitable contributions for Federal income tax purposes.

OFFICERS & GOVERNORS

Brad Crain.....President	Gerry Waddell.....Governor District II
Penny Lincoln.....President Elect	Bryan Johnston.....Governor District III
Dan J. Rieke.....1st Vice President	Brian Thompson.....Governor District IV
Marchelle Foshee.....2nd Vice President	Carl Dalrymple, Jr.Governor District V
Tom Simmons.....Governor District I	Jeanice Neel.....Governor District VI



**ARKANSAS SOCIETY
OF • ACCOUNTANTS**

RESPECTED ACCOUNTING PROFESSIONALS SERVING OUR COMMUNITIES

Donna Gowan / EXECUTIVE SECRETARY

EXECUTIVE OFFICES:

1313 E. RACE ST. • P.O. BOX 479

SEARCY, AR 72143

PHONE 501-305-9110 • FAX 501-268-5877

www.arspa.org

FOR YOUR INFORMATION

The ARKANSAS PUBLIC ACCOUNTANT is the monthly publication of the ARKANSAS SOCIETY OF ACCOUNTANTS. We are a professional organization dedicated to the promotion of accountants and tax preparers in the State of Arkansas. We accept newsworthy articles and advertising. If you have either of these for publication, please contact the editor.

Return Service Requested

P.O. BOX 479
SEARCY, AR 72145

RESPECTED ACCOUNTING PROFESSIONALS SERVING OUR COMMUNITIES

**ARKANSAS SOCIETY
OF • ACCOUNTANTS**

