

President's Message

Rosemary C. McMahon, EA, CPA

Dear fellow members of VASEA,

Happy New Year everyone! May health and prosperity lead you through the year!



We leave 2010 behind us with Congress squeezing in the passage of the tax extenders at the last minute. The IRS and tax software developers are now scrambling to produce the revised forms for the 2011 filing season which may be delayed by several weeks for those who itemize deductions, etc. Of course, this means a shortened period to complete the 2010 tax returns. I predict there will be more returns on extension this year than ever before.

At the November NAEA Affiliate President Exchange and board meeting, several issues were discussed that will affect our organization and our profession as a whole:

❖ NEW NAME FOR "ENROLLED AGENTS"?

NAEA has hired a marketing research firm to analyze options for changing the "Enrolled Agent" designation to a different name that is more descriptive of our services and more easily recognizable to the general public. As we know from the research that has been completed, most taxpayers do not know what an Enrolled Agent is. It is clear that the name itself is not descriptive in any way and can easily be interpreted in the wrong way.

This is a 'now or never' window of opportunity for change. I ask that you think of the next generation of Enrolled Agents when choosing whether to change the name. Do you want the profession of 'Enrolled Agent' to be perpetually bogged down with a name that will never say what we are? We spend too much time explaining what an Enrolled Agent is, leaving no time to market

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VASEA Leadership

President	Rosemary McMahon, EA, CPA
Vice President	Steve Rue, EA, CTRS
Secretary	Kenneth Whitley, Sr., EA
Treasurer	Gerald Machek, EA

Directors

Diane Beverly, EA	Jim Lam, Sr., EA
Jeffrey Bruce, EA	Barbara Taylor Roe, EA
Julie Compton, EA	George Walsh, EA
Edward Griffing, EA	

Chapter Presidents

Blue Ridge	William Barbour, EA, ATA, ATP
Fredericksburg	Gerald Machek, EA
Hampton Roads	George Walsh, EA
Northern Virginia	Anne Uno, EA, CFP
Richmond	Jeffrey Bruce, EA

ourselves. Merely including the word "Tax" in the name would be a good thing. Stay tuned: You will be receiving more information on this issue during the year.

On January 6, 2011, NAEA President, Gina Jones, EA sent an e-mail to all members of NAEA requesting response to the name change survey. Please be sure to send your response as soon as possible to ensure that your opinion is heard.

❖ REGISTERED TAX RETURN PREPARERS

NAEA has been a proponent of regulation in the tax preparation industry from the beginning. Protecting the public is always at the forefront of our minds. We should not look at this new group of tax preparers as a threat to the Enrolled Agent community, but as an opportunity to increase our membership and our continuing education offerings. Our membership committee is busy developing outreach programs, and our education committee is exploring new education offerings.

I have had the opportunity to speak with several un-enrolled preparers who have decided to study and sit for the Enrolled Agents exam instead of becoming Registered Tax Return Preparers (RTRP). Many un-enrolled preparers realize that their tax preparation experience is beyond the level of a RTRP and want to be recognized for their achievements. VASEA is pleased to assist these un-enrolled preparers to become Enrolled Agents and welcome them into our profession.

❖ NEW CONTINUING EDUCATION REQUIREMENTS

Beginning with our renewal cycle in September 2011, VASEA, along with all Enrolled Agent CPE providers will be required to obtain pre-approval from the IRS Office of Professional Responsibility ((OPR) for each hour of continuing education offered. Only federal tax issues will be approved for credit. Guidelines for the pre-approval process are in the development stage at OPR and will be available on the IRS website when ready. Our greatest challenge will be ensuring that our one-hour Chapter CPE offerings are pre-approved. OPR is aware of the dilemma posed by these new requirements and has promised to work with us in developing a rapid turn-around process.

❖ STATE AFFILIATES SHARE EXPERIENCES AND OPPORTUNITIES

The NAEA Affiliate President Exchange (APEX) is an unprecedented program for exchanging ideas with state leaders throughout the country. The main goals of APEX are:

- encouraging affiliate participation in membership recruitment and retention activities;
- encouraging and assisting affiliates in overall organizational development activities; and
- exploring and developing meaningful benefits for NAEA members.

Last November's APEX meeting at the Hilton Old Town Alexandria, in Alexandria, VA brought more members together than ever before. Heather Greenwell and I attended the meeting and will share our experiences with the VASEA Board of Directors this month and hope to bring new successful programs to our members in Virginia.

If you have ideas about our organization that you'd like to share on the state and federal level, please consider running for a board position in the coming year. Our nominating committee is hard at work searching for a slate of officers and directors to represent all of our members in Virginia in the coming year(s).

❖ GEAR-UP 2010 - 1040 INDIVIDUAL TAX UPDATE

We had a successful showing at our first VASEA-sponsored Gear-Up 1040 Update in Reston, Virginia; nearly 140 people were in attendance. Northern Virginia tax preparers (EAs, CPAs, and the un-enrolled) expressed resounding appreciation to the Virginia Society of Enrolled Agents for bringing Gear-Up to Virginia. Many attendees had previously journeyed to Maryland for this seminar. I was filled with pride for VASEA as I received a round of applause after announcing that we will be sponsoring Gear-Up in years to come. We also had favorable response to the Fredericksburg, Herndon, and Virginia Beach seminars. Extremely positive feedback was the norm for this two-day seminar.

Be aware: VASEA only receives commissions from Gear-Up for VASEA member attendees to the

seminar. Please make Gear-Up your seminar of choice.

On a negative note, we were sorry to learn that there were insufficient registrations in the Blue Ridge Chapter area to offer the seminar in Roanoke. This was a major setback in our goal of supporting our entire membership. We will continue reaching out to our southern and western members, but we can't do it alone. We need your help (constructive specific ideas) to make this work for everyone.

❖ **BESS MESSMER, EA**

I am amongst the fortunate people who had the opportunity to work with Bess Messmer, EA before she retired as the Executive Director of VASEA. Bess was truly an inspiration to me and everyone she came in contact with. She made everyone feel comfortable and needed. VASEA was her creation, and we carry on its purpose in her name.

Old friends and acquaintances know that Bess was a collector of costume jewelry. At each NAEA annual convention, Bess would donate pieces of jewelry for the fundraising auction. I am happy to be an owner of one of Bess' bracelets. It will always be a special treasure to me.

Reprint from *NAEA e@lert*:

Inspiring Leader Passes

Bess Messmer, EA passed away quietly on November 30. NAEA and VASEA owe Bess a debt of gratitude because, as a long-time member put it, "VASEA probably wouldn't exist today without her efforts."

After attending an NAEA meeting in Washington, DC in the early 1980's, Bess was inspired to create an EA organization in Virginia. She spearheaded an organizational meeting, open to all Virginia enrolled agents, and the Virginia Society of Enrolled Agents was quickly incorporated.

Bess volunteered to serve as executive director without compensation and served for many, many years from her home in Colonial Heights. In 1985, Bess received NAEA's Founders Award recognizing her for

her significant leadership and contributions and service to NAEA and its members. This lifetime achievement award is NAEA's highest recognition bestowed on a member. From 1988–1989, she served as the president of NAEA. Bess was also the first recipient of VASEA's EA of the Year Award in 1988.

Bess retired as VASEA's executive director in 1999. Upon her retirement, Bess wrote a letter to the VASEA membership that was published in the October 1999 issue of the *Virginia Voice*. In the letter she states, "I have told my family that when I die I do not want flowers but would like donations made to the scholarship." Those who wish to honor Bess by donating to the organization she supported and loved, the Virginia Society of Enrolled Agents, may send their donations to the VASEA, c/o Bess Messmer EA Scholarship Fund, 2415 Westwood Avenue, Richmond, VA 23230.

Rosemary C. McMahon, EA, CPA
VASEA President



NAEA and VASEA Meet with Korean National Tax Service

by Rosemary C. McMahon, EA, CPA

On November 3, 2010, Pat Inman (VASEA Education Chair), Michael Nelson (NAEA Executive Director), and I met with Byeong-Jin Ahn and two colleagues from the Income Tax Division of the Korean National Tax Service to discuss tax preparation services in the United States and how our services correlate with the U.S. Internal Revenue Service.

Mr. Ahn was selected for the Korean Government Overseas Fellowship which is designed for promising government officials with the intention of helping Korea cope appropriately with the changing international environment through overseas study.

The topics that Mr. Ahn was interested in discussing were:

- Introduction of the National Association of Enrolled Agents
- Preparation methods of tax returns on behalf of taxpayers
- Responsibility and punishment law for tax return filing on behalf of taxpayers
- Comparison between cash and accrual methods of reporting

The group was presented with an NAEA packet which included the pamphlet “What is an Enrolled Agent”. Michael Nelson gave a brief summary of our organization and its members.

We supplied the group with Treasury Department Circular #230 and explained that this document comprises the regulations by which all Enrolled Agents engage with taxpayers in the preparation and representation of tax matters with the IRS. The group was especially interested with practical aspects of income tax preparation, and we discussed the similarities and differences between our methods and those of Korean tax preparers.

Mr. Ahn and his colleagues were familiar with the new regulations regarding the “un-enrolled preparer”, and it was noted that as the United States moves toward increased regulations for tax preparation that Korea was moving in the opposite direction of deregulation. We also discussed the various types of tax return preparers; Enrolled Agents, CPAs, Attorneys, and the un-enrolled preparer community. Most of the tax preparers in Korea are former employees of the Korean National Tax Service.

We talked extensively about the reporting of income and expenses of sole proprietorships, specifically those dealing with cash transactions. Mr. Ahn stated that the Korean National Tax Service utilizes statistical percentages in determining certain allowable expenses when documentation is not available. We explained to the group that taxpayers in the United States are required to maintain records to justify all receipts and expenditures. A detailed discussion of documenting cash and non-cash transactions ensued with examples from both sides.

The meeting was a productive exchange of information and an important part of our coordinated effort in understanding and implementing a globally consistent tax system that is fair and reasonable for all citizens throughout the world. As the free market continues to expand on an international level, it is imperative that countries work together to ensure that uniformity is achieved in business and taxation.

Blue Ridge Chapter Update

by David Tanner, EA, Chapter Vice President

The Blue Ridge Chapter of the Virginia Society of Enrolled Agents meets monthly on the third Wednesday at various restaurants at noon in the Lynchburg, Roanoke, Rocky Mount area. We meet each month except for November, February and March. Each month we have different speakers except for April when we have a roundtable discussion about the previous tax season. The speakers enable us to offer continuing education credits. Speakers include IRS personnel, tax attorneys, local government officials or members of our group talking about their specialty.

Our President is Bill Barbour, EA, Vice-President is David Tanner, EA, and Secretary-Treasurer is Fritz Greimel, EA.

Hampton Roads Chapter Update

by George Walsh, EA, Chapter President

A monthly breakfast meeting, with CPE, is usually held on the third Wednesday of each month except May. The breakfast meetings begin at 7:30 a.m. and are held at the Hilton Norfolk Airport, 1500 N. Military Highway, Norfolk, VA 23502. We do not have a breakfast meeting in May, but instead, hold a four-hour seminar on a Saturday in mid-May.

Upcoming Speakers:

- ◆ February 16 : Tentative: Offer In Compromise: What is an acceptable offer? - Anna Falkenstein, IRS
- ◆ March 16 : Elder Law Update - Andrew Hook, Esq., Oast & Hook
- ◆ April 20 : Tax Season Roundtable - D. Barry Iacono, MSA, CFP, EA, D. Barry Iacono and Associates

Northern Virginia Chapter Update

by Bill Wilke, EA, Chapter President and Vivian F. Sangunett, EA, Chapter Board Member

A dinner meeting with one hour of CPE is generally held on the fourth Wednesday of each month at 6:30 p.m. at the Marco Polo Restaurant in Vienna. Daytime seminars (3-4 hours of CPE; free to chapter members) are held in May and September. In addition, the chapter sponsored annual Tri-State Seminar is coming up this Saturday, January 22nd. The Tri-State Seminar includes presentations by tax administrators from Virginia, Maryland, and DC on changes to their tax laws, as well as problem sets showing how these laws translate to tax returns.

January Meeting Topic:

Do you remember when you first learned how to do taxes, and there were forms and items that went on forms that might have been written in Greek? We are back to those good-old/bad-old days. This January's update will highlight "What's new" for 2010, with a twist. We are going to review how the law actually impacts forms. The following topics will be highlighted:

- Limits on personal exemptions and overall itemized deductions ended
- Self-employed health insurance deduction
- Standard deduction increased
- Adoption credit
- First-time homebuyer credit - repayments
- Roth IRAs rollover contributions

Join us on Wednesday January 26th at the Marco Polo Restaurant in Vienna. Cocktails at 6:30 and dinner at 7:00. RSVP to Sherry Loop swloopea@aol.com or (703) 866-9152.

Fredericksburg Chapter Update

by Gerald Machek, EA, Chapter President

The Fredericksburg Chapter of the Virginia Society of Enrolled Agents has been in existence since October 2006. The chapter meets monthly for dinner on the third Wednesday at 6:30 p.m. except for June at Ristorante Renato, 422 William Street, in downtown Fredericksburg.

Our meetings generally have a speaker, but during the months of February, March, and April we will have roundtable discussions on current tax matters. The remainder of the year our meetings generally have a speaker who is capable of providing Continuing Education Credits. Past topics have been Reverse Mortgages, Converting Traditional IRA's to Roth IRAs, and VA State Issues. Every January we have invited the local Commissioners of Revenue: City of Fredericksburg, Stafford County, and Spotsylvania County to come and speak to us on local tax issues and tax processing that they do for the Commonwealth of Virginia.

Our chapter leadership is: Gerald J. Machek, EA, President; Carolyn Brammer, EA, Vice President, and Deborah Gladden, EA, Secretary Treasurer.

Richmond Chapter Update

by Jeffrey S. Bruce, EA, Chapter President

Calendar year 2010 was an eventful one for the Richmond chapter of the Virginia Society of Enrolled Agents. Our breakfast meetings (held the second Thursday of each month at Richmond's Westwood Racquet Club) proved to be an excellent source of education for the members this year. Some of the topics included trust accounting, ethics, the health care reform act and health savings accounts. The turnout at our breakfast meetings has increased each year and with a varied and useful schedule of speakers for 2011, we expect it to increase even more. Our roundtable discussions are insightful and thought-provoking due to the large amount of tax knowledge that exists within our chapter. Edward Levine, EA and Stuart Logan, EA are regular participants at our meetings and they not only provide their knowledge but since they are two of VASEA's founding members, they also provide us with their unique historical perspectives. Another regular attendee of our meetings is past VASEA president Winston Macon, EA who continues to assist us with his unique knowledge of the inner workings of Internal Revenue Service and his vast expertise on qualifying continuing education.

The Richmond chapter also will continue to have its annual Enrolled Agent Christmas Party the first Saturday in December of 2011. Besides talking "shop", the Christmas party allows our members and their significant others to mingle in an atmosphere outside of the office. This event has been a big success and allows the members to "let their hair down."

Lastly, the Richmond Chapter will continue to support the efforts of VASEA at the state level in terms of encouraging member participation in VASEA supported Gear Up tax seminars, the VASEA Spring Seminar in June, and the VASEA Current Tax Issues Seminar in October. The Richmond Chapter believes that greater participation means a stronger and more responsive State Society.

VASEA Calendar of Events

May - September, 2011

VASEA SEE Review Courses

Classes will be held in Richmond, Vienna, and Virginia Beach, Virginia

Wednesday, June 1, 2011

VASEA Board Meeting, Fredericksburg, Virginia

Thursday-Saturday, June 2-4, 2011

Annual Spring Seminar (22 hours CPE), Fredericksburg, Virginia

Wednesday, October 19, 2011

VASEA Board Meeting, Charlottesville, Virginia

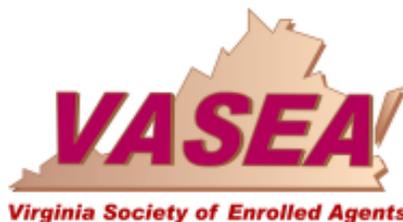
Thursday, October 20, 2011

VASEA Annual Meeting, Charlottesville, Virginia

Thursday-Friday, October 20-21, 2011

Current Tax Issues Seminar (10 hours CPE), Charlottesville, Virginia

!!!Gear Up Seminar Dates To Be Announced Soon!!!



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