



# ***Buxmont Accountant***

*Buxmont Chapter*

*PA Society of Public Accountants*

**DECEMBER 2006**

## Inside this issue:

President's Note	1
Chapter Meeting	1
Free Tax Drawing	1
Return Filing Date	1
Federal Tax Deposit	2
New Energy Credit	2
Expiration of Tax Credit	2
Telephone Tax Credit	2
Mileage for 2007	2
Meals for Transportation	2
New Forms	3
Children—Parent's Rate	3
E-file—Exempt Organization	3
NJ E-file Requirements	3
Chapter Meetings & Seminars	4



## **E-Mail & Address Changes**

Don't miss out on important information regarding upcoming seminars and chapter meetings because you didn't let us know of an email or address change. Notify us of any changes via email at:

**info@pspabuxmont.org**



## **FREE SEMINAR DRAWING**

Congratulations!

**John Kitterell**

The winner of a free one day seminar of their choice at the drawing held at the **November** business meeting. The Buxmont Chapter holds a drawing for a free seminar at the conclusion of every business meeting.

## **PRESIDENT'S NOTE**

Dear Fellow Buxmont Members,

I would like to wish you all Healthy and Happy Holidays. Unfortunately we all know what follows the Holidays, our time of the year. So kick back and enjoy.

We are in the planning stage for next years monthly meetings. If you have any ideas please give Frank Corso a call at 215-632-3064. Likewise Barb Thomas will entertain ideas for the After Season Tax Party.

Very truly yours,  
Monty Anderson

## DECEMBER MEETING

### **UNEMPLOYMENT COMPENSATION**

Next meeting is scheduled for Tuesday, December 19, 2006.

Speaker: Jim Differdaul  
2 HR Tax CPE

Place: Williamson's Restaurant  
Willow Grove, PA

Cocktails & Hors-d'oeuvre: 5:30 PM

Meeting: 7:00-9:00 PM

Dinner: 6:00—7:00 PM

Must pre-register for dinner reservation.

Please complete and mail the registration form with payment.

**Deadline for registration is Wednesday December 6, 2006**

## **REMEMBER, IT IS YOUR RESPONSIBILITY TO CONFIRM THE CHAPTER HAS YOUR RESERVATION**

To review the registration list, go to: [www.buxmontpspa.eboard.com](http://www.buxmontpspa.eboard.com) and look at registrants under the meeting tab.

## **INCOME TAX FILING DUE DATE**

### INDIVIDUALS

Tax Return filings and payments are due on April 16, 2007 as April 15, 2007 falls on Sunday.

Maine, Maryland, Massachusetts, New Hampshire, New York, Vermont and the District of Columbia will have an extra day to file tax returns and extensions; pay balances due, make estimated tax payments and claim refunds for the tax year 2003. Filing date is April, 17, 2007 as Patriot's Day is observed on the third Monday of April which falls on April 16, 2007. IR-2006-170

### BUSINESS

1120 and 1120S due date March 15, 2007

1065 due date April 16, 2007

## Welcome New Members



Jennifer A. Ginnetti, CPA  
Hatfield, PA

Kathleen Pecura, EA  
Philadelphia, PA

Yvonne A. Ward, CPA  
Feasterville, PA

Joseph T. Adams, Jr., EA  
Philadelphia, PA

Vincent Kowalick, CPA  
Harleysville, PA

### EXPIRATION OF 2005 TAX CREDITS AND DEDUCTIONS

- ◆ Option of deducting either income tax or state and local sales tax.
- ◆ Deduction up to \$250.00 for out-of-pocket educator expense.
- ◆ Deduction up to \$4,000 for college tuition and fees.
- ◆ Deduction for clean-fuel vehicles
- ◆ Accelerated depreciation for qualified Indian reservation property.
- ◆ Deduction for clean-fuel vehicle property and refueling property.
- ◆ Work opportunity & welfare-to-work credits.
- ◆ Indian employment credit
- ◆ 15 year recovery period for qualified leasehold improvements
- ◆ Credit for electricity produced from a facility using solar energy.

### FEDERAL TAX DEPOSIT—FTD

IRS is ending the FTD penalty refund program. Businesses receiving a penalty for a late FTD for any quarter after January 1, 2007, will no longer be eligible for an FTD penalty refund. Your last chance to be part of this program will end on December 31, 2006. To participate, and receive the one time penalty refund, you must fully pay a late FTD penalty for a quarter ending on or before December 31, 2006, and you must enroll in the EFTP System. You must complete four full quarters of federal tax deposits using EFTPS by March 31, 2008.

### NEW ENERGY EFFICIENT HOME CREDIT

New residential energy credit can be claimed on Form 5695:

- ◆ Non business energy property of credit. Maximum \$500
- ◆ Residential energy efficient property credit. Maximum \$2000

Announcement 2006-88 informs taxpayers that they may use either RESNET Publication No. 05-001 or RESNET Publication No. 06-001 to determine whether a dwelling unit qualifies.

### FEDERAL TELEPHONE EXCISE TAX CREDIT

For Individuals: The standard amounts are based on the total number of exemptions claimed on the 2006 federal income tax return. To avoid gathering 41 months of old phone records, IRS has issued the standard amounts: \$30 for a person filing a return with one exemption, \$40 for two exemptions, \$50 for three exemptions and \$60 for four or more exemptions on Form 1040, 1040A, 1040NR or 1040EZ. The term "exemptions" does not appear on Form 1040 EZ. If they choose not to use the standard amount, Form 8913 must be filed and attached to the income tax returns. Individuals who don't need to file a return can use Form 1040EZ-T. For Businesses and Nonprofits. Standard amount is not available. Must fill out Form 8913 and base the refund request on the actual amount of tax paid. Attach the form to the tax returns.

### MILEAGE FOR 2007

IR-2006-168 —Beginning Jan. 1, 2007, the standard mileage rates for the use of a car (including vans, pickups or panel trucks) will be:

- 48.5 cents per mile for business miles driven;
- 20 cents per mile driven for medical or moving purposes; and
- 14 cents per mile driven in service to a charitable organization.

The new rate for business miles compares to a rate of 44.5 cents per mile for 2006. The new rate for medical and moving purposes compares to 18 cents in 2006. The primary reasons for the new rates were higher prices for vehicles and fuel during the year ending October.

### MEAL EXPENSES FOR TRANSPORTATION WORKERS

For 2006, workers subject to the Department of Transportation hours of service limits can deduct 75% of business meals consumed when those limits are in effect.

## NEW FORMS FOR 2006

- ◆ Schedule M-3 for Forms 1065, 1120-L, Form 1120-PC, and 1120S (net income (loss) reconciliation for entities with total assets of \$10 million or more)
- ◆ Schedule O (Form 1120), Consent Plan and Apportionment Schedule for a Controlled Group
- ◆ Form 5695, Residential Energy Credits
- ◆ Form 8909, Energy Efficient Appliance Credit
- ◆ Form 8916, Reconciliation of Schedule M-3 Taxable income with Tax Return Taxable income for Mixed Groups
- ◆ Form 8916-A, Reconciliation of Cost of Goods Sold Reported on Schedule M-3.

## CHILDREN TAXED AT PARENT'S RATE

Children do not pay taxes on the first \$850 in annual income (2006 figures), due to the standard deduction. Subsequent income is taxed at either the child's rate or the parents' rate:

- ◆ Before a child reaches age 18, the next \$850 in income is taxed at the child's rate. Earnings above \$1,700 are taxed at the parent's marginal rate.
- ◆ All income (after the first \$850) earned by children age 18 and older is taxed at the child's rate.

## E-FILE FOR EXEMPT ORGANIZATIONS

IR News Release 2005-8 and TD 9175 (1/11/05) summarize the mandatory e-filing requirements. Organizations whose tax year ends after Dec. 30, 2005, with total assets of \$100 million or more, and who file at least 250 returns (including income tax, excise tax, information and employment tax returns) during the 2005 calendar year, are required to e-file. *For tax year 2006*, exempt organizations with assets of \$10 million or more who file at least 250 returns must e-file. Private foundations and charitable trusts filing at least 250 returns must e-file their 2006 returns, regardless of asset size.

## NEW JERSEY E-FILE REQUIREMENTS

If you filed 100 or more NJ Resident Tax Returns, you are required to electronically file all 2006 returns for your clients. Tax practitioners may be accessed a penalty of \$50 for each tax return that was not filed electronically. NJ TeleFile Program will no longer be available.

A practitioner whose business is located outside New Jersey must complete New Jersey's E-File Program registration from. In the event the taxpayer refuses to e-file an Opt-Out form (Form NJ-1040-O) must be completed and the practitioners are required to retain the form with the tax return.

Two electronic filing methods are available:

- ◆ NJ WebFile is a free service provided by the State, available January 16, 2007, at [www.njwebfile.com](http://www.njwebfile.com)
- ◆ Federal/Sate E-File Program. In order to participate in the program you must be enrolled ERO and have an EFIN assigned by the IRS.



## Buxmont Chapter Officers, Committees and Directors

### President

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for all seminars  
can be printed  
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## Chapter Profile:

The Buxmont Chapter is the PA Society of Public Accountants' largest chapter, representing over four hundred Certified Public Accountants, Public Accountants, Enrolled Agents and tax practitioners in the Bucks and Montgomery Counties of Southeastern PA. If you are a small practitioner in search of an organization interested in your needs, you'll want to consider the Pennsylvania Society of Public Accountants.

## Chapter Meetings:

Meetings are generally held on the fourth Tuesday of the month at Williamson's Restaurant, Route 611 & Blair Mill Rd, in Willow Grove, PA (unless otherwise noted)

**Dinner & Meeting: Member \$25.00 Non-member: \$35.00**  
**Meeting Only: Member \$15.00 Non-member: \$25.00**

## 2006 Gear-UP Seminar Programs

Seminars are held at the Radisson Hotel located at 2400 Old Lincoln Highway, Trevoise, PA (1/4 mile south of PA Turnpike Interchange 351)



1040 — December 7 and 8th (16 CPE Tax)

## 2006 Chapter Program Schedule

**December 19** — Unemployment Compensation Tax (2 CPE Tax)

Presented by:  
Jim Differdault

**January 23, 2007** — "FASB Update" (2 CPE A&A)

Presented by:  
John D. Rossi III, CPA & MBA  
JR3 Management Services, PC

