



Serving the Public Accounting Profession for over 50 years

MAY 2008

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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! Irving Eichenbaum

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

Buxmont Accountant

Buxmont Chapter

PA Society of Public Accountants

PRESIDENT'S NOTE

Dear Fellow Buxmont Members,

It is now time to plan your CPE for the year, once again we have Gear-Up on board for our 8 & 16 hour subjects. Election will be held this month, come up support your new board.

As my term comes to an end I want to thank you for the encouragement that you have given me. Have a happy and health summer.

Very truly yours, Monty Anderson President Buxmont Chapter

JUNE MEETING

QUICKBOOKS UPDATE

Next meeting is scheduled for Tuesday, June 24, 2008

Speaker: Gita Faust—Adv Certified QuickBooks ProAdvisor Place: Williamson's Restaurant Willow Grove, PA

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 June 18, 2008 "Meeting Only" Registrants at the door will be subject to a \$5.00 surcharge.

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

To review the registration list, go to: www.buxmontpspa.eboard.com and look at registrants under the meeting tab.

PSPA is Hershey-bound!!!

June 26-29, 2008: The 61st Annual Meeting will take place in the Great American Chocolate Town. Come and enjoy the wonderful aroma of chocolate. (800) 270-3352.

3rd Annual Shredder Event

September 8, 2008: At Williamson's Restaurant - noon to 2 p.m.

Welcome New Members



Stanley Rubin
Bensalem, PA

Earlene Thorne, CPA
Ambler, PA

What Congress Is Likely to Do to Your Tax Bill

It's going to be a tricky year to do your tax planning. Look for congress to revive several popular tax breaks this year that expired at the end of 2007 and to shield more than 20 million people from being caught in the tangled web of the alternative minimum tax.

That's the consensus among lawyers, congressional staffers and tax advisers. But it's unclear what some of the key details will be-and whether lawmakers will slip in a few wild cards, too. As a result many people may face difficulties with making tax-planning decisions in coming months.

This week, the House Ways and Means Committee is expected to approve legislation to extend expired provisions such as deductions for state and local sales taxes, higher-education tuition and fees, and educator's out-of-pocket expenses for classroom supplies. Temporary relief from the alternative minimum tax, known as an "AMT patch" won't be part of that bill but is widely expected to sail through Congress this year.

The bill also is expected to include several revenue raisers, reflecting pay-as-you-go budget rules adopted by Democrats. The most likely contenders include new limits on hedge fund managers' ability to defer taxes on their compensation by holding it offshore, which had been proposed by House Ways and Means Committee Chairman Charles Rangel (D., N.Y.). But any proposals viewed as tax increases would likely run into heavy fire from Senate Republicans.

"The most likely things to get done this year are a one-year AMT patch and an extension of expired tax provisions; including the state sales-tax deductions," says Marc Gerson, a lawyer at the Miller & Chevalier firm in Washington and a former Ways and Means Committee tax counsel. Here is a summary of several major proposed tax changes that would affect individuals this year.

- ◆ Alternative minimum tax. Based on current law about 26 million taxpayers will owe higher taxes for 2008 because of the AMT, according to the latest Treasury Department estimates. That would be up sharply from about four million people last year.

Approval of a temporary AMT patch this year is "all but certain" says Clint Stretch, managing principal of tax policy at Deloitte Tax LLP in Washington.

Many people many have difficulty figuring out the best strategies to plan around the AMT since nobody knows what will happen next year. But if you're likely to be caught by the

tax for 2008, there may be a few tactics to consider. For example, don't prepay state and local taxes this year that aren't due until 2009, since they wouldn't be deductible. The most likely outcome: Congress will increase the AMT's income exemption levels and tax other action to keep the number of AMT victims about the same as in 2007.

- ◆ Sale-tax deduction. This expired provision allowed tax payers who itemize to deduct state and local sales taxes, instead of state and local income taxes. About 11 million returns claimed the sales-tax deduction for 2006, deducting a total of nearly \$19 BILLION. Renewing this deduction is widely seen as must-pass legislation.

Its "very important in several politically sensitive states, particularly Florida," that don't have their own income tax, says Ed McClellan of PricewaterhouseCoopers in Washington, a former Senate Finance Committee tax counsel. Other states with no income tax include Texas and Washington. But you don't have to live in a no-income-tax state to be eligible for this provision.

Outlook for passage: excellent.

- ◆ Tuition and fees deduction. Prospects appear bright for extending this deduction, which also expired at the end of last year. It was known as an "above the line" deduction since it appeared on the tax return above the line for adjusted gross income-which means those who were eligible could deduct it even if they claimed the standard deduction. Many people were ineligible because their income was too high. Even so, about four million returns claimed this deduction for 2006.

Outlook for passage: excellent.

- ◆ IRAs. Another law that expired at the end of last year allowed taxpayers who were 70 1/2 or older to transfer as much as \$100,000 a year, tax free, directly from their individual retirement accounts to qualified charities. That transfer, also accounted toward the taxpayer's required minimum distribution for the year.

Prospects for renewing this provision are very good. Even so, tax advisors urge would-be donors to play it safe and wait until Congress acts before making transfers this year.

Outlook for passage: very good.

- ◆ "Cost basis" reporting. President Bush has called for requiring many brokerage firms and other institutions to report to the government what investors paid for stocks and other securities. Advocates say this cost-basis reporting would make many taxpayers more honest in reporting capital gains and also make it easier for law-abiding taxpayers to calculate taxes. This might win congressional approval since the White House has endorsed it, it would raise additional revenue, and it could be sold as improved tax-law compliance, not a tax increase.

Outlook for passage: possible.

- ◆ Penalties for non filers. President Bush wants to increase criminal penalties for "willful" failure to file federal income-tax returns for several years. His budget includes making it a felony, instead of a misdemeanor, and imposing stiffer financial penalties. This proposal received more attention earlier this year when Welsey Snipes, the actor, was convicted of misdemeanor charges for failing to file returns but was found not guilty of more serious felony charges. Mr. Snipes recently was sentenced to three years in prison.

Outlook for passage: possible.

◆ Estate taxes. Except lots of heated rhetoric in coming months about the need for major changes in the federal estate tax—but don't expect action during 2008. "There isn't going to be estate-tax reform this year," says Sen. Jon Kyl, an Arizona Republican. Look for Congress eventually to raise the basic exclusion and cut the top tax rate, lawyers say. This year, the basic exclusion is \$2 million (although transfer to a spouse typically are free from the tax). Next year, the exclusion jumps to \$3.5 million. Under current law, the tax is scheduled to disappear completely in 2010 and then return in 2011, with a \$1 million exclusion.

Outlook for this year: Forget about it.

◆ Educator deduction. This expired deduction allowed elementary and secondary-school teachers and other educators to deduct up to \$250 a year for buying classroom supplies, out-of-pocket. This also was an above-the-line deduction. About 3.2 million returns, took this deduction for 2006.

Outlook for passage: excellent.

*From: Wall Street Journal
Email: taxreport@wsj.com*

Pennsylvania

Deadline to file Property Tax/Rent Rebate applications is June 30, 2008 .

Two Benefits Added. Now that slots gaming has generated enough money to provide property tax relief to all Pennsylvania homeowners this summer, supplemental property tax rebates will be provided through the Property Tax/Rent Rebate Program to approximately 187,000 homeowners in high-tax areas who most need property tax relief. Qualifying homeowners with incomes of \$30,000 or less in Pittsburgh, Scranton and Philadelphia will receive additional rebate money equal to 50 percent of their base rebates. Homeowners who make under \$30,000 in the rest of the state and pay more than 15 percent of their income on property tax bills will also receive supplemental rebate money. For example, a claimant living in one of these high-tax areas who is eligible for a \$650 rebate will receive \$975. Supplemental rebate money is only available for homeowners, not renters, and no homeowner can receive more rebate money than was paid in property taxes. The 2007 Property Tax/Rent Rebate form (PA-1000) does not include a line for claimants to calculate supplemental rebates. The Department of Revenue will automatically

calculate the additional rebate for qualifying homeowners and include it in one payment. **Claimants should not alter the form.** Property Tax/Rent Rebate claim forms and information are available online at www.PaPropertyTaxRelief.com and by calling, toll-free, 1-888-222-9190.

New Jersey

2007 **Homestead Rebate** and Senior Freeze Program Application has been extended to August 15, 2008.

NJ Gross Income Tax

NY City UBT/Philadelphia BPT

The NJ Division of Taxation has determined that tax paid to NY City UBT/Philadelphia BPT is a tax on individual's income and can be included in NJ's calculation of credit for taxes paid to other jurisdictions.

Officer Nominations to be held at the June Business Meeting

Nomination and Election of officers for the 2008-2009 fiscal year will be held immediately following the June 24th CPE Program. Nominations may be made from the floor by any Active member in good standing once the Nominating Committee submits its slate to the membership. Only Active and Life members in good standing are entitled to vote or hold office. The Nominating Committee has recommended the following slate of candidates:

President
Frank L. Corso, CPA

1st Vice President
Barbara M. Thomas, CPA

2nd Vice President
Clare Shaw, CPA

Secretary
Albert E. Schilling

Treasurer
Ruth Ann Bryner, CPA

The Chapter's success is due in large part to the many dedicated volunteers who served this organization throughout the years. We salute all those past, present and future officers of the Buxmont Chapter for their dedication.

Buxmont Chapter Officers, Committees and Directors

President

Lamont B. Anderson, PA
215-957-9608 x-201

First Vice President

Frank L. Corso, CPA
215-632-3064

Second Vice

President

Barbara M. Thomas, CPA
215-579-6250

Treasurer

Ruth Ann Bryner, CPA
215-345-7746

Secretary

Albert E. Schilling
215-628-2328

Education Committee

Irving Braunstein, EA
215-757-5555

Membership Committee

Magdalena Ammann, EA
215-672-9949

Scholarship Committee

Howard R. Matter, PA
215-675-0262

Sunshine Committee

Clare Shaw, CPA
215-860-1199

Web Site

Richard Brasch Jr., CPA
215-715-8377

Board of Directors

Michael H. Agin, CPA
Gunther Blob, PA
Richard Brasch, Jr. CPA
Irving Braunstein, EA
Jeffrey J. Cohen, EA
Charles H. Dawicki, CPA
John Komarnicki, CPA
M. Michael Lerner, PA
Howard R. Matter, PA
Willy Seman(Emeritus)



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**"Registration forms for
all seminars
can be printed
directly from our web
page"**

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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:(2 Hr.)	Member \$25.00	Non-member: \$49.00
Dinner & Meeting:(4 Hr.)	Member \$35.00	Non-member: \$59.00
Meeting Only: (2 Hr.)	Member \$15.00	Non-member: \$39.00
Meeting Only: (4 Hr.)	Member \$25.00	Non-member: \$49.00

2008 Gear-UP Seminar Programs

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

- ◆ Technology—8 CPE Hours Other
Wednesday, September 17, 2008
- ◆ Accounting—8 CPE Hours A & A
Friday, September 19, 2008
- ◆ Business Entities—16 CPE Hours Tax
Monday & Tuesday, October 20-21, 2008
- ◆ 1040—16 CPE Hours Tax
Thursday & Friday, December 4 & 5, 2008



2008 Chapter Program Schedule

- ◆ QuickBooks Update - 2 HR CPE A&A
Gita Faust, Buxmont Chapter Member
Advanced Certified QuickBooks ProAdvisor
Tuesday, June 24, 2008
- ◆ Fundamentals of Annuities & Life Insurance Planning - 2 HR CPE
Stephen Peterson, Brokers International
Tuesday, September 23, 2008
- ◆ Local Tax Panel - 2 HR CPE Tax
Tuesday, October 28, 2008
- ◆ Annual Ethics and IRS Update - 2 HR CPE
Richard Furlong
Tuesday, November 25, 2008