

Buxmont Accountant

Buxmont Chapter

PA Society of Public Accountants

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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!
Mark Poppel

The winner of a free one day seminar of their choice at the drawing held at the **June** 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,

As the final pallet of summer colors unfurl, our thoughts focus on preparing for the coming tax season.

Get ready – Shredder Day September 8

Get set – Attend the 2 and 8 hour courses

Go – Into tax season with confidence

Lastly, support the PSPA-PAC. Contributions are welcomed at the PAC box at all meetings.

Very truly yours,

Frank Corso

President Buxmont Chapter

SEPTEMBER MEETING

FUNDAMENTALS OF ANNUITIES & LIFE INSURANCE PLANNING

Next meeting is scheduled for Tuesday, September 23, 2008

Speaker: Stephen Peterson
Brokers International

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 September 17, 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.

IRS Increases Mileage Rates

[IR-2008-82](#) and [Announcement 2008-63](#)

Due to rising gas prices IRS has raised the reimbursement mileage rate as follows:

Mileage rate for	Jan. 1 to June 30, 2008	July 1 to Dec. 31, 2008
◆ Business	50.5 cents	58.5 cents
◆ Medical or moving	19 cents	27 cents
◆ Charitable organizations is set by statute, not the IRS, and remains at 14 cents a mile.		

Welcome New Members



Kristine Baginski, CPA
Maple Glen, PA

Linda Lutz
Jenkintown, PA

Barbara Weinstein, CPA
Southampton, PA

George Bancroft, Jr.
North Wales, PA

Michael Surden, EA
Doylestown, PA

Floyd Ruffin, EA
Cherry Hill, NJ

Eric Domski
Southampton, PA

Filing Extensions Changing for Some Business Taxpayers

[IR-2008-84](#) Temporary and proposed regulations will reduce the extension of time to file tax returns for certain businesses that generate Schedules K-1 and other similar statements from six months to five. Requiring these statements to be issued one month earlier, generally by Sept. 15, will provide recipients time to prepare and file returns within the extended time frames.

Filing extensions changing for some business returns in 2009

[IR-2008-84](#), the IRS announced that the Extension of Time to File for businesses filing Forms 1065, 1041 or 8804, will be five months instead of six to allow K-1 recipients time to prepare and file their own returns.

This change is effective for extension requests for tax returns due on or after Jan. 1, 2009, and applies to tax years ending on or after Sept. 30, 2008

Teachers Deferred Comp Rules

Notice 2008-62 IRS Provides Relief from deferred comp rules to teachers paid over 12 months.

The IRS will not accelerate the taxation of a teacher's annual compensation under Code Sec 457(f)(1) and will not treat it as deferred compensation. Amounts will be taxable as they are paid to the teacher.

The relief applies to typical arrangements under which public school employees who provide services over a 10-month period that spans two calendar years are paid ratably over 12 months. Regs. being drafted will provide Code Sec 457(f) does not apply to the arrangements, therefore avoiding the acceleration of income from amounts that are deferred to the second year.

S-Corp and Life Insurance Premiums

Rev. Rul. 2008-42 S corporation; life insurance contract;

accumulated adjustments account (AAA). This ruling, under section 1368 of the Code, outlines the effects of premiums paid by an S corporation on an employer-owned life insurance contract and the benefits received by reason of death of the insured on its AAA.

Accounting Method

Rev. Rul. 2008-30 The IRS has determined that a regulated public utility company that changed its treatment of customer payments had changed its method of accounting and must secure the IRS's consent to make the change. The utility began to treat the payments as taxable fees, rather than as nontaxable contributions to capital under Code Sec. 118.

HSA Contributions

Notice 2008-52 The IRS has issued guidance on contributions to Health Savings Accounts to reflect taxpayers friendly changes made by the Tax Relief and Health Care Act of 2006 (TRHCA). Under the TRHCA contributions to HSAs are no longer limited to the annual deductible under a high deductible health plan.

Monthly contribution limits: The maximum annual contribution to an HSA is the sum of the contribution limits determined separately for each month, based on eligibility and health plan coverage on the first day of the month. HSA contribution is increased by a Catch-up amount for individuals age 55 or older as of the last day of the calendar year and who are not enrolled in Medicare, \$900 for eligible taxpayers for 2008.

Full contribution rule: A taxpayer must be an eligible individual on the first day of the last month of his or her tax year (which is December 1 for calendar year taxpayers.) Rule applies without regard to whether the individual was an eligible individual for entire year.

One-Time RIA-To-HSA Transfers

THE TRHCA allows eligible taxpayers to make one-time transfers from a traditional IRA or a Roth IRA to an HSA. These distributions are generally excluded from gross income and are not subject to the early withdrawal penalty. The amount contributed to the HSA through a qualified HSA funding distribution is not allowed a deduction and counts against the taxpayer's maximum annual HSA contribution for the tax year of the distribution.

Cancelled Debts, Foreclosures, Repossessions and Abandonments

[Publication 4681](#): IRS released a new Publication 4681 in response to complaints from the IRS Taxpayers Advocate's Office and others that homeowners caught in the immediate "mortgage meltdown" crisis had no one place to turn to learn about the tax implications of their situation.

Recourse Mortgage Debt

New principal residence exclusion for recourse mortgage debt is introduced in the Mortgage Tax Relief Act of 2007 for, for the 2007-2009.

CONGRATULATIONS TO ALL

The Buxmont Chapter will hold a drawing at the September Business meeting to award 5 tax services valued at up to \$400.00 each to five members who had perfect attendance at business meetings held from September 2007 through June 2008 and qualify for a free business QuickFinder worth \$40. This is an annual drawing held to encourage member participation. The business meetings are held immediately following the CPE program and last approximately 15 minutes. All prizes will be awarded at the January meeting.

Members with Perfect Attendance Receive

- | | | |
|----------------------|--------------------------|-----------------------|
| ◆ Anderson, Lamont | ◆ Graham, Barbara | ◆ Poppel, Mark |
| ◆ Behal, Richard | ◆ Grasic, George | ◆ Ramage, Robert |
| ◆ Birett, Robert | ◆ Katz, Alan | ◆ Reiff, Philip |
| ◆ Braunstein, Irving | ◆ Komarnicki, John | ◆ Severns, Toni |
| ◆ Bryner, Ruth Ann | ◆ Krassenstein, Michael | ◆ Shaw, Clare |
| ◆ Cohen, Robert | ◆ Landgreen, Richard | ◆ Sierchio, Daniel |
| ◆ Corso, Frank | ◆ Lobron, Stanley | ◆ Storti, Eric |
| ◆ Detweiler, Trudy | ◆ Mclaughlin, Patrick | ◆ Storti, John |
| ◆ Donley, Ann | ◆ Nurney, J. Christopher | ◆ Thomas, Barbara |
| ◆ Forman, William | ◆ Pannullo, Vincent | ◆ Vish, George |
| ◆ Freeman, Robert | ◆ Pinkenson, Lana | ◆ Vishabazoon, Philip |

Members Receiving A Free Business QuickFinder

- | | |
|---------------------|-----------------------|
| ◆ Banyai, Marilyn | ◆ Getzow, Steven |
| ◆ Berman, David | ◆ Klinger, Neil |
| ◆ Brasch, Richard | ◆ Polichetti, Tamatha |
| ◆ DelMoore, Michael | ◆ Slavin, Marc |

Buxmont Chapter to offer reduced prices in October 2008 for Individual and Business TaxBooks. Order forms will be included with the next month mailing.

PA TAXES

Treatment of Federal Economic Stimulus Payments

On April 28, the U.S. Treasury Department began issuing federal economic stimulus payments to qualifying taxpayers.

The Pennsylvania Department of Revenue has determined that the 2008 federal stimulus payments are **not** to be included as a taxable source of income for personal income tax or Property Tax/Rent Rebate program purposes. In addition, these payments should **not** be included in eligibility income for personal income tax, tax forgiveness purposes.

However, federal economic stimulus payments **are** subject to PA Inheritance Tax. If a decedent filed a 2007 personal income tax return, or one was filed on his/her behalf after his/her death, the decedent was eligible

for and due the payment. Even if the decedent died prior to receiving the payment, it was obligated to him/her during their lifetime. Consequently, the payment becomes a part of their taxable estate upon payment and ultimately distributed to the beneficiary.

Property Tax/Rent Rebate Program Extended to Dec. 31

The deadline for seniors and disabled residents to apply for rebates for property taxes or rent paid in 2007 has been extended from June 30 to Dec. 31. The Property Tax/Rent Rebate Program benefits eligible Pennsylvanians age 65 and older; widows and widowers age 50 and older; and people with disabilities age 18 and older.

Property Tax/Rent Rebate forms (PA-1000) are available at www.PaPropertyTaxRelief.com and by calling 1-888-222-9190.

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Serving the Public Accounting Profession for over 50 years

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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

- ◆ Fundamentals of Annuities & Life Insurance Planning - 2 HR CPE
Stephen Peterson, Brokers International
Tuesday, September 23, 2008
- ◆ Local Tax Panel - 4 HR CPE Tax
Tuesday, October 28, 2008
- ◆ Annual Ethics and IRS Update - 2 HR CPE
Richard Furlong, IRS
Tuesday, November 25, 2008
- ◆ Fraud - 2 HR CPE A&A
Martin Moran, PNC Bank
Tuesday, December 16, 2008
- ◆ Federal Reserve - 2 HR CPE Tax
Herb Taylor
Tuesday, January 27, 2009