



The Accountant

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January 2014



A Message From The President

M. Louise Pistole



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January

I had the honor to personally meet Rosena Grott, our newest member, at the Greenville NC State Tax School. Welcome Rosena!

Many of you attended PTI and heard our own Paul Bumgarner speak on the *Affordable Care Act* (ACA). Paul told us that things are changing almost daily; 90% of what you read on the internet is incorrect, and you should not depend on your software to make the calculations. Following is a summary of some of the major points that Paul made. There are 4 focus areas:

- 1) Net Investment Income tax (NIIT)—effective 1/1/13.
- 2) Additional Medicare Tax—effective 1/1/13.
- 3) Individual mandate—effective 3/31/14.
- 4) Employer mandate—enforcement delayed until 1/1/15.

NIIT will be calculated on Form 8960. The tax applies to certain types of investment income and affects individuals, trusts, and estates.

The Additional Medicare Tax is calculated on Form 8959. Half of this tax is not deductible as an adjustment on page one of the Form 1040, and there is no employer match. There is a new line on Form 941 (5D) to report the tax.

There are four levels of coverage for the individual mandate—bronze (lowest level), silver, gold, and platinum. NC has not implemented a state-run health insurance exchange, but the Federal exchange can be accessed at healthcare.gov. The Kaiser Family Foundation has a website at kff.org that will calculate estimated insurance costs and the value of a subsidy. It is a good tool to assist your clients when they are trying to determine what their out-of-pocket premium cost will be.

Individuals who receive a subsidy for their insurance this year will need to reconcile that amount when they file their 2014 tax return. If their income is more than expected, they may have to pay back part of the subsidy.

The Employer Mandate has been delayed one year to provide time to adopt health insurance and reporting systems.

Randy Carlson, also with PTI, mentioned that he receives his most up-to-date information via Twitter. Whatever your source is, just be sure to stay in touch with changes as they are happening.

Wishing each of you all the best as you journey into what will be a most interesting tax season!

Chapter News

As one year ends and another begins, I want to take time to thank all of the chapters and chapter members for the great support they have shown to the Society over the last year. As the person who compiles your reports each month, I enjoy seeing what activities are taking place across our chapters. Our chapters are as diverse as we all are, and each one is unique and different. Some are more formal, others more casual. Some chapters have CPE and meet monthly; others less frequently. But the fact remains that you all are committed to this organization that protects your livelihood and right to practice. Take a moment to give yourself a pat on the back chapter officers, members, and faithful attendees; your society appreciates you! Now lets all turn our attention to making it through another tax season. Good luck to all!

Burlington

The Burlington chapter will meet on Thursday, January 23rd at Kimbers in Gibsonville. For more information about the Burlington chapter contact Jim Holmes at jholmes.acct@yahoo.com

Cape Fear

The Cape Fear chapter met for their annual Christmas Social at Luigi's in Fayetteville on December 7th. The next meeting will be on Monday, January 20th with location to be announced. For more information contact Yvette Horne at yvettehorne@ncrrbiz.com

Central

The Central chapter met on Monday, December 9 at David's Restaurant in downtown Asheboro. Chapter member Kevin Robinson shared reflections on his inspirational life journey both personally and as an accountant. January's meeting will feature NCDOR's Jeremy Coble discussing the new NC Law Changes. The meeting will be at 6pm on Monday, January 27th at Sagebrush in Asheboro. Central Chapter meets on the 4th Monday of each month. For more information contact James Upton at jamesupton@rtmc.net

Charlotte

The Charlotte chapter Christmas party was held at the home of George & Christine Caesar on Thursday, December 19th, and was enjoyed by all in attendance. The January meeting will be on Thursday, January 23rd at Captains Galley on US Hwy 74, with the NCDOR scheduled to present new NC Tax Law updates. For more information contact Louise Pistole at pistole9@windstream.net

Hickory

The Hickory Chapter met on Monday, December 9th at Tripp's in Hickory for the annual Christmas party. The Hickory Chapter normally meets the last Monday of each month. For more information contact Susan Dale Moore at susan@dalesaccounting.com

Piedmont

The Piedmont Chapter met on Tuesday, December 3rd at the home of Nina Livengood in Winston Salem. The meeting featured a traditional holiday meal, caroling, and games including Dirty Santa, and was thoroughly enjoyed by all. Thanks to Nina for opening her home to the chapter. Piedmont Chapter meets on the last Thursday of each month. For more information contact Larry Matthews at larry@LKM1040.com

Raleigh

The Raleigh Chapter met for a Holiday Social on December 3rd at Manchesters. The Raleigh Chapter meets on the 4th Tuesday of each month. For more information contact Stephen Metelits at metelits@usa.net

Sandhills

The Sandhills Chapter met on Friday, December 6th at Ironwood Caf  for a Christmas Party, with members, guests, family, and friends in attendance. The Sandhills Chapter will meet in January with details to be announced. For more information contact Mark Bouchier at mbouchier@mabaccounting.net

Sanford

The Sanford Chapter meets monthly at Elizabeth Kelly's office on Steele Street in Sanford. For more information contact Elizabeth Kelly's office at (919) 774-9436.

Western

The Western Chapter met December 12th at the Happy Hill Restaurant in Asheville. Twenty members, family members, and office personnel enjoyed fellowship at the chapter's annual Christmas gathering. The chapter will meet on January 28th at 6pm at Happy Hill Restaurant with Kimberly Martin discussing the Affordable Care Act, and John McKinney & Carole Owenby giving an update on NC's new Tax Law. For more information contact John McKinney at johnm@accuraaccounting.com.

Wilmington

The Wilmington Chapter met December 4 at 6pm at Hops Supply Co, 5400 Oleander Dr. in Wilmington. Jeremy Coble with NC Department of Revenue discussed NC Tax Law Updates with the 14 in attendance. The group asked lots of questions and were excited about the meeting and their chapter. Upcoming in January: Paul Bumgarner will make a presentation on the Affordable Care Act. The meeting is scheduled for January 23 at 6pm.

Did you know that your chapter has a webpage on www.ncsa1947.org? This page can be a place for your chapter to give meeting information or post information that is helpful and useful to your members. Each chapter has a webpage administrator designated already with access just a few clicks away. Contact Web Master David Rollins to learn more about getting the word out about your chapter using NCSA's website.

Share news of your chapter with *The Accountant*, contact James Upton at jamesupton@rtmc.net or by fax to (336) 873-7650. We can only report what we have been told, so get those tongues wagging!

FIRE Starts January 20

The Filing Information Reports Electronically (FIRE) system will be off-line for yearly updates until January 20 according to the IRS. The IRS said that individuals who want to file the yearly updates while the system is off-line at any time can file the paper Form 8955-SSA, *Annual Registration Statement Identifying Separated participants with Deferred Vested Benefits*. Alternately, filers of Form 8955-SSA can file an extension to avoid missing the filing deadline and then electronically file after January 20.

Filing Starts January 31

In IR-2013-100, the IRS announced plans to open the 2014 filing season on January 31. The new opening date for individuals to file their 2013 tax returns will allow the IRS adequate time to program and test its tax processing systems.

The government closure meant the IRS had to change the original opening date from January 21 to the 31. The 2014 date is one day later than the 2013 filing season opening, which started on January 30, 2013, following the January retroactive tax law changes made by Congress.

The IRS cautioned that it will *not* process any tax returns before January 31, so there is no advantage to filing on paper before the opening date. Taxpayers will receive their tax refunds much faster by using e-file with the direct deposit option. Preparers who prepare returns before that date will not be subject to the "stockpiling" restriction.

Mileage Rates

In IR-2013-95, the IRS announced the 2014 standard mileage rates. Beginning on January 1, 2014, the standard mileage rates for the use of a car, van, pickup, or panel trucks are:

- 56¢/mile for business miles driven
- 23.5¢/mile driven for medical or moving expenses
- 14¢/mile driven in service of charitable organizations

NC Tax Update

According to the NC DOR, effective January 1, 2014, sales of newspapers at retail by street vendors and by newspaper carriers making door-to-door deliveries are subject to the 4.75% general state and applicable local and transit rates of sales and use taxes. It is another manifestation of what the Legislature has wrought.

User Fees

In the *Federal Register*, Volume 78, No. 231, the IRS announced user fees for 2014:

- Installment agreement fee is \$120.
- Restructuring or reinstatement agreement fee is \$50.
- Offer to compromise fee is \$186.



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Business Returns Starts January 13

Business returns, including a variety of income tax and information returns such as Form 1120 filed by corporations, Form 1120S filed by S corporations, Form 1065 filed by partnerships, and Form 1041 filed by estates and trusts processing is delayed. The IRS also includes various excise and payroll tax returns such as Form 720, 940, 941, and 2290. The IRS expects to begin processing any of these business returns on January 13.

NC Tax Not Up-To-Date

The following is from our attorney, Jon Carr, who quotes from the December 19 issue of *The Insider*.

As the state prepares to go into another tax season, the DOR will do so without the scheduled changeover to its tax-form processing system. The TIMS (Tax Information Management System) software has been dogged by problems. DOR officials have not yet turned over processing of primary tax forms and receipts to the new system and say they will not do so until they are confident that it can handle them.

That means, though, that the department and the primary contractor of the TIMS, CGI Group, Inc., have missed the October 31 deadline for the project. The department's so-called legacy system, ITAS (Integrated Tax Administration System), "will remain the central processing system for the 2014 tax filing and refund season," according to department spokesman Trevor Johnson. If the primary contractor, CGI Group, sounds familiar, it should. It is the Montreal-based firm that is the main contractor that put together the troubled healthcare.gov site.

Deadlines have come and gone. Provisions that legislators included in the latest state budget appear to involve some skepticism regarding claims. The provisions continue to allow a "public-private partnership" in which CGI Group can claim additional revenue—up to \$16 million—with changes that can be shown to increase tax collections. But lawmakers also have created a 7 member committee to monitor the means used to show additional tax collections. The latest provisions call on the department to hire an outside lawyer with expertise in IT and computer law to review new parts of any partial contingency-based contract. Another provision calls for additional reporting to legislators.

NCSA Schedule of Events

2014

June 25—**Board of Directors meeting**, Embassy Suites, Concord

June 26—**Accounting Seminar**, Embassy Suites, Concord

June 27—**NCSA Convention**, Embassy Suites, Concord

August 18-22—**NSA Convention**

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Fellow NCSA members,

I want to personally invite each of you to join me at the 67th Annual NCSA Convention in Concord, NC. The hotel is closely

located to lots of shopping, including Concord Mills, and many restaurants.

I especially want to invite all of our members who have never attended one of our conventions. I hope this will be the year you attend and take advantage of your \$50 first timer discount.

This has been a grand year and many exciting things have happened for NCSA! Now, it's time to relax and reflect on our accomplishments of the year.

Looking forward to seeing each of you at Convention!

M Louise Pistole

NCSA President 2013-2014

PRACTICE MANAGEMENT
Register for Summer PAS
(See separate registration form)

NCSA is honored to provide 8 hours of accounting CPE on Practice Management. We have a professional group of speakers with in-depth knowledge on an array of topics to assist you with achieving top performance in your accounting practice. You don't want to miss this informative seminar on Practice Management.

The Agenda

Wednesday, June 25th

4:30 p.m. Officers Meeting
5:00 p.m. Board of Directors Meeting
Free Evening

Thursday, June 26th

7:00 a.m. CPE & Convention Registration
(CPE Registration & Payment is on a separate registration form)
8:00 a.m. 4 Hours CPE
12:00 p.m. Lunch Provided
1:00 p.m. 4 Hours CPE
6:30 p.m. **President's Reception**
7:30 p.m. **President's Dinner**
9:00 p.m. Nominating Committee Meeting
9:00 p.m. Scholarship Bingo

Friday, June 27th

67th Annual Convention
8:30 a.m. Devotional
9:00 a.m. Business Session
12:00 p.m. **Past President's Luncheon**
1:30 p.m. Business Session
Resumes
6:00 p.m. Cocktail Hour
7:00 p.m. Installation Banquet

Saturday, June 28th

9:00 a.m. Board of Directors Meeting

Your full registration includes, **President's Reception, President's Dinner on Thursday, Past President's Luncheon, General Business Session, and Installation Banquet on Friday.**

Call the hotel Directly at 704-455-8200 or go online to www.embassysuitesconcord.com to make your reservations. The group code is SOA and the group rate is \$145.00 per night. The room block expires **May 25th**. Reservations made after May 25th will be charged a higher rate and are not guaranteed to be available.



For additional information or questions contact:

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NC Society of Accountants, Inc.
P.O. Box 1126, Conover, NC 28613
866-755-6272 or candace@ncsa1947.org

North Carolina Society of Accountants, Inc.

67th Annual Convention



EMBASSY SUITES®

Charlotte - Concord/Golf Resort & Spa

June 26-27, 2014

Embassy Suites

5400 John Q. Hammons Dr., NW
Concord, NC 28027

Reservations

(704)455-8200

or

www.embassysuitesconcord.com

Group Code: SOA



NCSA 2014 CONVENTION REGISTRATION FORM

PLEASE PRINT LEGIBLY TO AVOID ERRORS AND DELAYS ON-SITE

Name (To appear on Badge) _____

Spouse/Guest Name _____

Children's Names _____

Street Address _____

Address should be the billing address of your credit card, if you decide to pay by credit card.

City/State/ZIP _____

Phone _____ **Fax** _____

E-mail _____

Cancellation Policy: Registration fees are non-refundable after May 25th. Refunds approved by the NCSA Board prior to issue. All refunds subject to a \$50 service charge.

****Registration Fees Include ONLY Convention Events.
CPE registration and hotel reservation must be made separately****

Registration Fees*	Number Attending	Registration (Prior to May 25th)	Registration (After May 25th)	Total
Members	_____	\$200.00	\$250.00	_____
First Timer Discount	_____	<Deduct \$50.00>	<Deduct \$50.00>	_____
Spouse/Guest/Children (16 & older)	_____	\$150.00	\$175.00	_____

INDIVIDUAL SESSION REGISTRATION: FOR THOSE WHO ARE UNABLE TO ATTEND THE ENTIRE CONVENTION

Separately Paid Items

Presidents' Reception & Dinner	_____	\$ 70.00	\$ 75.00	_____
Business Session	_____	\$ 50.00	\$ 75.00	_____
Luncheon Honoring Past Presidents	_____	\$ 50.00	\$ 60.00	_____
Installation Banquet	_____	\$ 75.00	\$ 85.00	_____

TOTAL REGISTRATION FEES SUBMITTED: \$ _____

Special Meal Requests

Menus including beef, pork and chicken are planned for convention meals. If you or your guest have special dietary needs please advise the NCSA office at the time of registration for meal substitutions.

Dress Code

President's Reception & Dinner—Casual
Business Sessions—Business
Installation Banquet—Business

TOTAL AMOUNT SUBMITTED:

\$ _____

(SEPARATE REGISTRATION REQUIRED FOR CPE)

PAYMENT METHODS:

Online at : www.ncsa1947.org

Check # _____

Make checks payable to NCSA:

Post Office Box 1126, Conover, NC 28613

Or for your convenience credit cards are accepted **(indicate your preference below)**

Visa _____ MC _____ Disc _____

Credit Card

Exp. Date _____ Security Code _____

Signature