



# The Accountant

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February 2016



## A Message From The President

Ronald D. Powell



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### TEAMWORK – Relinquishment of Ego.

Teambuilders leave their ego at the door and are not afraid to accept help from others. A teambuilder will ask for help because they understand it is being inclusive and is a gift for the helper. A leader values team success over individual glory. Instead they will give the credit away to those that really make things happen.

Congratulations to Joyce Padmos (Burlington Chapter) who passed the final part of the Special Enrollment Exam; she is now an Enrolled Agent! Those who have taken the exam understand the effort she has endured to complete the requirements for this credential. She will now be able to represent any of her clients before the IRS, whether she prepared their return or not. Did you know the Enrolled Agent credential dates back to 1884? Which President signed the law? As was listed in the January *The Accountant*, the *Protecting Americans From Tax Hikes Act of 2015*, passed in December includes a provision for all Enrolled Agents to be able to use the designations of “Enrolled Agent, EA, or E.A.” for any related tax matters.

We welcome new members this month; Kimberly Myris (Pinehurst), and Toby Loggains Page (Asheboro). Look them up in the [Membership Directory](#), drop an email, and welcome them to NCSA!

Our long term relationship with Professional Tax Institutes led to outstanding seminars last fall in Greensboro, Charlotte, and Myrtle Beach. The entire team of instructors, including our own Paul Bumgarner, always provide the up-to-date education we need. The PTI team schedule takes them to several locations from North Carolina all the way to Hawaii! A special thanks to James Upton (Greensboro), LaTrice McRae (Charlotte), and Glenwood Crocker (Myrtle Beach) and their teams for providing assistance at these locations. They helped to make these events a success. Further kudos to those who supported NC State University seminars and represented NCSA by sharing membership information. Curtis B Lee, Jr, and James Holmes have been instructors for several years and impart their knowledge all across North Carolina.

Convention details are almost final, and we plan to have all the final information for you next month. However, you can go ahead and make your reservations at the Sheraton Greensboro Hotel, JS Koury Convention Center located just off Interstate 40 at Four Seasons Mall. This hotel had a complete renovation in late 2014 and is much different that the last time you were there. Deadline for our room block is May 16<sup>th</sup>. For reservations: 1-800-242-6556; the code for NCSA block of rooms – NCSA 69<sup>th</sup> Annual Conference; room rates are: King or two double beds is \$142 per night; or King or two double beds w/balcony is \$162 per night. All registered guests will enjoy free Wi-Fi in their rooms and in the convention meeting rooms. Also included is daily access to the Fitness Center.

## Chapter News

Is it really February? Are you in love with tax season yet? If not, you better cuddle up and hug those returns because we are not even halfway through it yet! Don't let Cupid's arrow hit you before you read what our chapters have been doing lately!

### Burlington

The Burlington Chapter met Wednesday, January 27<sup>th</sup> at Kimbers in Gibsonville. **Jim Holmes** gave a very informative presentation on the new tax law. Burlington chapter normally meets on the 4<sup>th</sup> Thursday of each month. For more information about the Burlington chapter contact Jim Holmes at [jholmes.acct@yahoo.com](mailto:jholmes.acct@yahoo.com)

### Cape Fear

The Cape Fear chapter met at Sammio's in Fayetteville on Monday, January 18<sup>th</sup>. **Bill Fischer** gave a wonderful NC Update. The chapter will meet again on February 22<sup>nd</sup> with place and topic to be announced. The chapter meets the 1<sup>st</sup> Monday after the 15<sup>th</sup> each month. For more information contact Merry Arnett at [mparnett@embarqmail.com](mailto:mparnett@embarqmail.com)

### Central

The Central Chapter did not meet in January due to winter weather conditions affecting the area. The chapter will meet on Monday, February 22<sup>nd</sup> at Sagebrush in Asheboro with IRS' **Eugenia Tabon** speaking to the group. Central Chapter meets on the 4<sup>th</sup> Monday of each month. For more information contact Kevin Robinson at [kevrob@triad.rr.com](mailto:kevrob@triad.rr.com)

### Charlotte

The Charlotte Chapter met at Captain Steve's on Monroe Rd. Thursday, January 28<sup>th</sup>. **Jim Holmes** presented a tax update on the 2015 changes. The Charlotte Chapter normally meets on the 4<sup>th</sup> Thursday of each month. For more information contact Louise Pistole at [pistole9@windstream.net](mailto:pistole9@windstream.net)

### Eastern

The Eastern Chapter met January 26, at H&R Block in Greenville. The meeting featured a roundtable Tax Updates discussion. The Eastern chapter meets on the 4<sup>th</sup> Tuesday each month at H&R Block in Greenville. For more information contact Karen Spruill at [karen.spruill@hrblock.com](mailto:karen.spruill@hrblock.com)

### Hickory

The Hickory Chapter met Wednesday, January 27<sup>th</sup> at Abingdon Glen Village in Hickory. NCDOR's **Karen Bargsley** presented an NC Tax Update. The Hickory Chapter normally meets the last Monday of each month. For more information contact Susan Dale Moore at [susan@dalesaccounting.com](mailto:susan@dalesaccounting.com)

### Piedmont

The Piedmont Chapter met on Thursday, January 28, 2016 at Sagebrush in Kernersville. NCDOR's **Jonetta Appling** was on hand to discuss changes to NC-3 filings and also to Sales & Use tax as it relates to repair services. The chapter will meet again on February 25<sup>th</sup>. Piedmont Chapter normally meets on the last Thursday of each month. For more information contact Carol Smith at [clstaxes@bellsouth.net](mailto:clstaxes@bellsouth.net)

### Raleigh

The Raleigh Chapter met on Tuesday, January 26<sup>th</sup> at Manchesters. **Stephen Metelits** discussed the 2015 tax law changes contained in the PATH Act. Next month **Bob Pia** will speak on Partnership K-1 issues at the meeting on February 23<sup>rd</sup>. The Raleigh Chapter meets on the 4<sup>th</sup> Tuesday of each month. For more information contact Stephen Metelits at [metelits@usa.net](mailto:metelits@usa.net)

### Sandhills-Sanford

The Sandhills-Sanford Chapter met on Thursday, January 28<sup>th</sup> at Hickory Tavern in Pinehurst. **Marsha Wheeler** spoke on chapter promotions and NCSA member benefits. Next month the chapter will meet in Sanford at Bay Breeze Seafood on February 25<sup>th</sup> with **Jim Holmes** giving an NC Update. Details of the next meeting will be announced. For more information contact Gaye Saunders at [gaye@saundersaccounting.org](mailto:gaye@saundersaccounting.org)

### Western

The Western chapter met Tuesday, January 26<sup>th</sup> at Gondolier Italian Restaurant in Asheville. The chapter welcomed **Karen Bargsley** with NCDOR who presented an update on the NC tax provisions that have changed, their extensions and sunsets through 2017. Western Chapter normally meets the 4<sup>th</sup> Tuesday of each month. For more information contact Beth Evans at [Beth.evans@precisionacct.com](mailto:Beth.evans@precisionacct.com)

### Wilmington

The Wilmington Chapter met on Monday, January 25<sup>th</sup> at McAllisters Deli. **Rhonda High** of NCDOR presented an NC Tax Law Update. Contact Chapter President Marie Izzo for more information at [marie@mpwcpas.com](mailto:marie@mpwcpas.com)

**We cannot compile this report without your information. If you have news of your chapter or its members including photos or interesting things that happened at your chapter meeting please email James Upton at [jamesupton@rtmc.net](mailto:jamesupton@rtmc.net) or call (336) 873-7690.**

### Inside NCSA

Inside NCSA will return in May. **Julie McNeill** is hard at work keeping **James Upton** in line and focused on tax season instead of some other activities (you figure that out, lol), but she will be listening for all your news and give us updates after tax season. So keep emailing tidbits to her at [jawmceill@gmail.com](mailto:jawmceill@gmail.com). NCSA members are a lively bunch so here are a few final personal notes to tide you over:

A late Christmas tale: **Nina Livengood** who has been deemed a Christmas maven by her NCSA friends, shared some of her holiday traditions. Maybe you can add these to your family celebration. Nina has 9 trees in her home (some are left up all year) each with a different theme, such as Angels, Santa's, Lennox, or Spode. On Christmas Eve she places money of different denominations into hinged ornaments and places them on the trees, the family then has to study the trees carefully to see the odd ornament that doesn't fit the theme to find the ones with money inside. Now Nina makes this hard because her trees are so heavily decorated, she says this is the best part of her family's Christmas.

In Mourning: NCSA Board Member and Central Chapter President **Kevin Robinson** is mourning the loss of his mother **Betty Robinson**. Mrs. Robinson had been a tax preparer and past NCSA member in Colfax. She has suffered from Alzheimer's disease for many years. Professional Tax Institutes founder **Jack Williamson** is mourning the loss of his wife **Meg**. Jack and Meg traveled for many years on the PTI circuit and she was an integral part of Jack's success. Like Mrs. Robinson Meg suffered from Alzheimer's disease. The Williamson's resided in Winter Park, FL, at a retirement community and have a son and daughter, a grandson and two great granddaughters.

## Form 1099-Q

Notice 2016-13 provides relief for §529 qualified tuition programs that timely file a 2015 Form 1099-Q that does not reflect the repeal of the aggregation requirement under §529(c)(3)(D) that was repealed under the *Protecting Americans from Tax Hikes Act of 2015*. The IRS will not impose penalties solely because a reported earnings computation that does not reflect the repeal.

## Applicable Large Employer

In HCTT-2016-02, the IRS provided steps to determine your client is an applicable large employer:

- Determine how many full-time employees (at least 30 hours/week) there were each month of the prior year.
- Determine how many full-time equivalent employees there were each month of the prior year. Combine the number of hours of all non-full-time employees for the month (but no more than 120 hours/employee) and divide by 120.
- For each calendar month, add the full-time and full-time equivalent; add each monthly total; divide by 12.

If the result is 50 or more, the client is an applicable large employer and subject to information reporting and the employer shared responsibility provision of the health care law.

## Identity Theft

If someone uses your information to make purchases, open new accounts, or get a tax refund, that's identity theft. Recovering from identity theft often takes time and persistence. The Federal Trade Commission announced [identitytheft.gov](http://identitytheft.gov) to report a problem. You'll get a personal recovery plan that:

- walks you through each recovery step
- tracks your progress and adapts to your changing situation
- pre-fills letters and forms for you.

No matter what your specific identity theft situation is, it can help. The web-site has information---and recovery plans--for more than 30 types of identity theft, including child identity theft and tax-related identity theft. Tell your clients about it.

## Fuel Incentives

An IRS notice provides the procedure for claiming 2015 biodiesel and alternative fuel incentives. Claimants that filed "protective" or anticipatory claims during 2015 should refile their claims pursuant to the procedures below to a one-time claim for payment of credits and payments allowable under §§6426(c), 6426(d), and 6427(e):

- Claimants must submit claims for 2015 biodiesel and alternative fuel incentives on Form 8849, *Claim for Refund of Excise Taxes*.
- Claimants must include Schedule 3, "Certain Fuel Mixtures and the Alternative Fuel Credit," with their submission and enter amounts for 2015 biodiesel and alternative fuel incentives on Lines 2 and 3 of Schedule 3 as appropriate.
- Claimants must follow the instructions to Form 8849 and Schedule 3 when preparing their submission to the extent that those instructions do not conflict with this article.
- Each claimant must claim all 2015 biodiesel and alternative fuel incentives for which the claimant is eligible on a single Form 8849.
- Each claimant must mail its submission to the address listed for Schedule 3 in the instructions. Alternatively, claimants may electronically file Form 8849 and Schedule 3.
- Claimants are reminded that they must be registered by the IRS in order to make alternative fuel claims and to make alternate fuel claims. Claimants that are not registered already by the IRS may apply to the IRS for registration by filing Form 637, *Application for Registration (For Certain Excise Tax Activities)*.
- Claimants may not combine 2015 and 2016 claims for biodiesel and alternative fuel incentives. Claims for 2016 biodiesel and alternative fuel incentives must be made in accordance with the normal rules for filing such claims.

The 180-day claim period for 2015 incentives begins February 8, 2016, and ends on or before August 8, 2016. The IRS will not process claims filed after that date.

## Tax on Installation Charges

For sales prior to March 1, state law provides an exemption from sales and use tax for the portion of the sales purchase price for installation charges separately stated on an invoice or similar billing document given to the purchaser at the time of sale.

Effective March 1, "installation charges" by a retailer to a purchase as part of the retail sale of tangible personal property, certain digital property, and taxable services are subject to the applicable rate of sales and use tax, no matter that the installation charges may be separately stated by the retailer.

## Sales Tax

Effective March 1, 100% of the price of the gross receipts derived from charges for the following:

- shoe repair
- shoe polishing services
- tire recapping or retreading
- repair of watch, clock, or jewelry
- cleaning services
- engraving charges

on or after March 1 are subject to the state rate of 4.75% sales tax and applicable local and applicable transit rates of tax. The retailer should collect the tax on the amount charged to customers on or after March 1.

A person who solely provides shoe polishing services and does not have other sales transactions is *not* a retailer as of March 1 and is not required to collect and remit sales tax derived from shoe polishing services.

The sales of a motor vehicle service contract on or after March 1 is exempt from sales or use tax. Also, the sale at retail and the use, storage, or consumption in the State of an item or repair, maintenance, and installation services used to maintain or repair tangible personal property pursuant to a service contract is exempt from sales or use tax if the purchaser of the contract is not charged for the item or services. Other service contracts exempt from sales or use tax include tangible personal property that is covered in the service contract that becomes a part of or is affixed to real property; a transmission, distribution, or other network asset contained on utility-owned land, right-of-way, or easement, regardless of whether the tangible personal property covered in the service contract becomes a part of or is affixed to real property (applies to a sales or service contract on or after January 1, 2014); sale or renewal of a service contract for a qualified aircraft or jet engine (on or after October 1, 2015); and a security or similar monitoring contract for real property before or after March 1.

## 1099 Submissions to DOR

If 1099 returns you want to send to NC DOR include NC withholding, you must file directly with the NC DOR. If your 1099 returns do *not* include NC withholding, you may file *federal* returns using the IRS Combined Federal/State Filing Program. The DOR will receive your federal returns through the Combined Federal/State Filing Program.

# NCSA Schedule of Events

## 2016

June 15–**Board of Directors**,  
Sheraton Four Seasons, Greensboro, 5:30 pm

June 16–**Accounting Seminar**,  
Sheraton Four Seasons, Greensboro, 8 am-4:30 pm

June 17–**NCSA Convention**,  
Sheraton Four Seasons, Greensboro, 9 am-3 pm

June 18–**Board of Directors**,  
Sheraton Four Seasons, Greensboro, 9 am

July 22–**Leadership & Committee Day**

August 17-20–**NSA's 71st Annual Meeting**,  
Grand Hyatt Tampa, Tampa Bay, FL

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