

# Arkansas Public Accountant

*A Publication of the Arkansas Society of Accountants*



**July 2005**

• **FROM YOUR  
PRESIDENT'S PEN** •



Dear Members:

Most of you chose to skip the technology seminar held earlier with Bob Jennings. If you missed it you certainly missed some new information. He had some ideas that would save us a lot of money and help us to secure our computers. If you missed this seminar because you could not afford two days out of the office, it is my understanding that you can order the manual that will still help you with new offerings. This will not benefit the society any but will get you the information that you need to improve your practice. Give Bob an email @[www.taxspeaker.com](http://www.taxspeaker.com) to get order information.

## Topics Covered in this Newsletter

- **News from your NSA District Governor**
- **SUV Tax Break**
- **IRS Tax Information**

As you are aware, we have the accounting seminar on July 28 & 29. If you haven't registered by the time you are reading this it will be too late to get the discounts but there should still be time for you to sign up. All of us need these hours and I can't think of anyone who will make the subject matter any more interesting than Bob Jennings. So take care of this today!!

It is amazing how fast time goes by. At the annual tri-board meeting, Robin Clatworthy chaired the meeting as he is set to go off the state board of accountancy in a couple of months. It only seems like yesterday that Homer was getting off the board and Robin was starting his term. Hopefully, our society will have a representative on this important board in the coming years. We are working on this now.

Your board is working on projects that will change our appearance on all of the publications that you receive. We are shooting for convention time to have all of this work completed. The name change is only a part of the change: we need to change our appearance as well as how we market our society in the future. It is up to all of us to talk up the advantages to our peers that have not taken advantage of the great things that our society offers.

We are now tracking the cpe that each of you is taking for this calendar year. At the end of the year we will be sending each of you a summary of the hours that you have taken this year. Hopefully, this will help you keep up with your education.

If you have suggestions for the board, let us know. We will try to accommodate you if possible. Enjoy the rest of your summer! Hope to see you soon!

Sincerely,

Tom Simmons, President  
Arkansas Society of Accountants

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**NEWS FROM YOUR NSA  
DISTRICT GOVERNOR**

June 2, 2005

**From Jim's Desk:**

Well, I trust that everyone has had a chance to rest up after tax season, and maybe even take a short vacation to rejuvenate your enthusiasm. I took a bit of time off to relax around the house right after tax season and then had an absolutely wonderful time traveling with my daughter to Boston to attend the NSA Board of Governors meeting in May. I can tell you that the Board meeting was very productive in that a couple of issues facing NSA were clarified and positive courses decided upon.

Speaking of NSA, it is my sad duty to pass on to you that Doyle Morris of New Mexico has passed

on. Doyle has been the backbone of the New Mexico Society for 30+ years and has been a loyal member of NSA since 1974. His passing leaves mighty big shoes for New Mexico EVP Mike Moyer to fill.

To me, the most important issue discussed and basically resolved at the May Board of Governors meeting was that of the future of the NSA Scholarship Foundation. President Clingan has worked more than tirelessly, given up travel expense money allocated to him to fund activities supporting the Foundation and mapped out a plan for this year and the next to adequately fund the Foundation. In my opinion, he should give himself the "Accountant of the Year" award for his efforts.

I cannot stress strongly enough on this letter the need for more (hopefully all) ASOs to actively and annually participate in donating to the Foundation Circle of Support.

Why an annual contribution? It simply boils down to it takes money to run a foundation. Office space, access to office equipment and staff support are all necessary expenses of running a foundation. Interaction with colleges, handling of applications, notification of recipients, fund raising efforts, the

cost of monthly accounting services, cost of the annual audit, all take money and someone, somewhere along the line is going to have to pay for all of this. It doesn't just "happen" by itself. When money is given to the restricted fund for scholarships, that money and the income from that money can't be used to pay for the overhead of the Foundation. Only unrestricted donations can be used for overhead.

In years past when NSA was flush with cash, this wasn't a problem. But in today's world, NSA simply can't afford to "eat" these costs any longer. The Board of Governors, led by President Clingan and Secretary-Treasurer Donny Woods (and supported by my vote as well) feel that the time has come for NSA to stop spending dues dollars, income from seminars or income from affinity programs to pay for the cost of running the Foundation.

I am therefore specifically asking that all of the states Board of Governors in every state in District VIII consider at a board meeting prior to the NSA Convention giving a minimum of \$1,000 to the Circle of Support this year and that this become a regular agenda item on their Boards Agenda in future years as well.

But let's not forget appropriating some money for a gift item or two for the NSA Scholarship live auction and the NSA PAC silent auction at the convention as well!

Another most important issue discussed at the May Board of Governors meeting was the budget for next year. I was very privileged to be allowed to attend the budget committee meeting in Alexandria April 21 and 22. For a freshman governor, this was quite an honor and I can't begin to tell you what insight it has given me about NSA finances and the budget process in general. As I stated in my Governors report to the NSA Board of Governors, I stand in awe of the incredible amount of detailed work Secretary-Treasurer Donny Woods put into this budget process. Realistic, sound facts down to the smallest of detail are the basis of all projections. Past attendance at meetings, seminars, not wishful fluff are used to estimate future participation at upcoming events. My own personal and business budgets have far more padding in them than the NSA budget. It is sound. We will not be adversely surprised. We will be right on target or end up ahead of projections. While no real new programs are planned, several are going to be somewhat different and or expanded to include more

members. I am looking forward to 2005-2006!

Two of the programs I am looking forward to are the newly repackaged LSC and LNC meeting(s) for next year. This past year the Louisiana Society hosted a combined LSC/LNC meeting for the first time. This combined meeting was wonderfully received by those who participated and most all noted that by combining the meetings it saved their state society travel money by only sending folks to one meeting rather than two different meetings. Look to this next year for this overall same format but with a new twist via "President" Wanda that I think is going to make it even better.

The second expanded program will be the Accounting Symposium. Last year's Symposium in Baltimore met attendance projections and was very well received. NSA plans to expand this to three locations (at different times) in the coming year, Baltimore, New Orleans and Las Vegas will be the sites in 2005.

Some months ago the Pennsylvania Society of Public Accountants and then the New Jersey Society of Public Accountants secured through private efforts recognitions of PAs in those states by the Internal

Revenue Service that they qualify for Circular 230 recognition. In response to this, NSA has sent a letter to the Service asking that it grant Circular 230 privileges to public accountants in states that have practice rights similar to public accountants in Pennsylvania and New Jersey. NSA has asked specifically that IRS review 21 other states statutes as a beginning to this process of reviewing all state statutes regarding public accountants. The states listed by NSA are Alabama, Alaska, Arkansas, Connecticut, Delaware, Hawaii, Idaho, Indiana, Maine, Montana, New Hampshire, North Dakota, Ohio, Oklahoma, Rhode Island, South Carolina, South Dakota, Tennessee, Vermont and West Virginia.

NSA noted that licensed public accountants in these states, like their CPA counterparts, are subject to regulation and supervision by state boards of accountancy and must meet continuing education, professional standards and other requirements to maintain their practice privileges and that the public interest would be well served by having them receive recognition under Circular 230.

NSA is watching the "hill" closely, Senate Bill 832, regarding the registration of tax preparers in particular. This issue is not going

away from their perspective and we need to monitor it and affect language modification where possible to position and NSA members to be in the best possible position when this becomes law.

Incoming President Wanda Samek informs me that there are still a few openings on committees for next year, so if you are so inclined to serve on an NSA Committee please contact her ASAP.

The announced candidates for NSA office in August at the May Board of Governor's meeting were President , Wanda Samek (current 1<sup>st</sup> Vice President); 1<sup>st</sup> Vice President, Robert Fukuhara (current 2<sup>nd</sup> Vice President); 2<sup>nd</sup> Vice President, Andy Morehead (current District IX Governor); Governor District I, Milton R. "Sandy" Martin (State Director of New Hampshire) and Al Cordeiro (NSA member from Massachusetts – Chair of the Membership Committee; Governor District III, Christine Giovetti will be seeking a second term; Governor District V, Harlan Rose (NSA members from Wisconsin); Governor District VII – no announced candidate(s); Governor District IX, Rex Cruse (NSA members from Alaska); and Governor District XI, James Moo will be seeking a second term.

I trust each and every one of you that is reading this letter will make a serious effort to attend the NSA Annual Convention in August. This is YOUR organization. Be involved. All of us directly involved in one way or another, want all of you to come. There's educational opportunities, business sessions where important business of "where we're headed" is decided, and there's good, relaxing times as well to visit with old friends you might otherwise might not see this year and the opportunity to meet new friends in the "NSA Family."

See you in August-

*Jim Nolen*, NSA Governor  
District VIII

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**A LEXUS IS THE NEWEST MAKE OF CAR TO** qualify for the clean burning fuel deduction. The IRS has certified the model year 2006 Lexus RX 400h as eligible for the deduction. The RX 400h is a luxury hybrid SUV with a gas-electric engine. Taxpayers who purchase one new during the calendar year 2005 may claim a tax deduction of \$2,000. The 2006 model is available for purchase now. IRS News Release IR-2005-57.

**Tax Information from the  
IRS  
Provided by SB/SE Taxpayer  
Education and  
Communication  
Little Rock, AR**

**E-Services Unavailable During  
Software Upgrade**

The IRS will install a software upgrade for e-Services July 21 through August 4. During installation of the upgrade, e-Services will not be available. This is a scheduled outage and is needed to update the current e-Services software. Tax professionals and others who use e-Services products will notice minimal changes after the upgrade.

E-Services are Web-based products that allow tax professionals and payers to do business with the IRS electronically. These services are available 24 hours a day, 7 days a week from just about any computer with an Internet connection.

E-Services products include the following:

- Preparer Tax Identification Number (PTIN) Application
- Online e-file Application
- Taxpayer Identification Number (TIN) Matching

In addition, tax professionals who e-file five or more accepted business or individual tax returns in a season are also eligible to use three additional e-Services products:

- Disclosure Authorization (DA)
- Electronic Account Resolution (EAR)
- Transcript Delivery System (TDS)

For more information about e-Services, including upgrade updates during the outage, please visit the [IRS.gov](http://www.irs.gov) Web site and type the Keyword "eservices" into the IRS Keyword search box in the upper right-hand corner.

**Package X -- Soon to be Obsolete**

Package X (PKG X), which is a compilation of Federal tax forms and instructions, was created as a reference set for tax professionals. In the past tax professionals ordered and received one free copy from the IRS. To reduce mailing costs, IRS allowed each tax professional firm to order multiple copies of Package X to provide one for each employee within the firm.

To reduce costs (\$1.8 million in printing and mailing) and to support the IRS transition to electronic media and communications, PKG X will be obsolete in the summer of 2005. In calendar year 2006, IRS plans to eliminate the Tax Professional Mailing List (TPML) because with the obsolescence of PKG X, IRS will no longer have a need to maintain a mailing list.

Individual tax products are available on-line at [www.irs.gov](http://www.irs.gov) and from other commercial and government sources. Publication 1796, IRS Tax Products (a CD-ROM equivalent to PKG X), is sold by both the Superintendent of Documents under the Government Printing Office (GPO) and the National Technical Information System (NTIS) under the US Department of Commerce. In late summer 2005, IRS will mail one final copy of Publication 1045, Tax Professionals Guide to Federal Tax Products. This last version will contain order blanks from the two government agencies cited above, as well as communications from various IRS stakeholders and a listing of current web site addresses. Through the early summer of 2006, IRS will collect and update mailing list data (including email addresses) and provide the TPML to GPO and NTIS one last time for future communications and marketing regarding published products.

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If you need additional information related to the above topics, please contact the local Taxpayer Education and Communication office at 501-324-5328 ext. 276.



**APPLICATION FOR MEMBERSHIP IN  
THE ARKANSAS SOCIETY OF  
ACCOUNTANTS**

P.O. Box 725  
Newport, Arkansas 72112  
longaspa@cox-internet.com  
www.arspa.org

\_\_\_\_\_  
Last Name First Name Middle Initial Business Phone Home Phone

Business Address \_\_\_\_\_

How many years of accounting have you had? \_\_\_\_\_ Date of Birth \_\_\_\_\_

Sole Practitioner [ ] Partner [ ] Employee [ ] Corporate Officer [ ]

Name of Firm \_\_\_\_\_ Number of Employees \_\_\_\_\_

Name of Partner(s) \_\_\_\_\_

Are you a Licensed, Registered or Certified Public Accountant? \_\_\_\_\_ If yes, give License# \_\_\_\_\_

Are you an Accredited Public Accountant? \_\_\_\_\_ If yes, give Accreditation # \_\_\_\_\_

Are you an Enrolled Agent \_\_\_\_\_ If yes, give EA # \_\_\_\_\_

Do you hold an Associate or Baccalaureate degree with a minimum of 24 semester hours in Accounting? Yes \_\_\_\_\_ No \_\_\_\_\_

Are you engaged in any other trade or profession? \_\_\_\_\_ If yes, please describe \_\_\_\_\_

Please list other accounting organizations in which you hold membership: \_\_\_\_\_

I hereby state that the accompanying statements are correct to the best of my knowledge and belief. I further state that I will abide by the Constitution and By-Laws of the Society and will practice in strict conformity with the Code of Ethics and Rules of Professional conduct adopted by the Society.

Date \_\_\_\_\_ Signature of applicant \_\_\_\_\_

Annual dues are payable IN FULL in advance and are prorated for credit by ASPA on a monthly basis to August 31 - the end of ASPA's fiscal year.

[ ] Membership Annual Dues \$85.00 [ ] Firm Annual Membership \$50.00 [ ] Diamond State Annual Dues \$15.00  
(Non-Residents only)

Do Not Write Below This Line

State Member Approving Membership

Signature Title Date

Sponsor, If Any Amount FOR ASPA OFFICE USE ONLY Date Received Control Number

[ ] [ ] [ ]

\*State Society dues payments may be deductible as an ordinary and necessary business expense. However, they are not deductible as charitable contributions for Federal income tax purposes.

## OFFICERS & GOVERNORS

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**Bryan Johnston ..... President Elect**  
**Ronny Woods ..... 1st Vice President**  
**Brad Crain..... 2nd Vice President**  
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**Donna Gowan ..... Governor District II**  
**Lonnie Taylor ..... Governor District III**  
**Alma Strozyk ..... Governor District IV**  
**Carl Dalrymple, Jr. .... Governor District V**  
**Tom E. Simmons..... Governor District VI**

## FOR YOUR INFORMATION

The ARKANSAS PUBLIC ACCOUNTANT is the monthly publication of the ARKANSAS SOCIETY OF ACCOUNTANTS. We are a professional organization dedicated to the promotion of accountants and tax preparers in the State of Arkansas. We accept newsworthy articles and advertising. If you have either of these for publication, please contact the editor.

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