

CHAPTER NEWSLETTERS

FROM A CPA'S LIPS TO PRESIDENTIAL EARS

By MELISSA HOFFMANN LAJARA, Trusted Professional Staff

You are chosen to be new President Barack Obama's trusted advisor, but only on a single issue. You can ask him to change one policy, pass one law or push for one project. This is your chance to change something. You have the hypothetical ear of the most powerful person in the developed world, and he has promised to give ample thought to your recommendation.

What would you ask for?

The *Trusted Professional* recently put a handful of NYSSCPA members into this hypothetical situation, and the answers ranged from the very specific to the broad, both within and outside the realm of accountancy. One thing was clear: If Obama finds himself in want of some ideas, he need look no further than the New York State Society of CPAs.

Get Rid of the AMT

The Alternative Minimum Tax (AMT) has for decades been a thorn in the sides of taxpayers and practitioners alike. It may seem an obvious choice for eradication, yet it remains. Never indexed for inflation, each year the AMT has the potential to net an increasing number of middle-income taxpayers, and Congress must act annually to pass a preventative patch.

"I think the president and Congress need to work out a permanent AMT fix," said **Eileen Hamlin**, president of the Society's Utica Chapter. "Too many people who were not the original targets of this tax system are being hit with this annually ... and it makes planning for them difficult since these annual, temporary 'fixes' do not usually come out until late in the year."

Hamlin also noted that the AMT hits New Yorkers particularly hard because of

higher state and local taxes.

Barbara E. Bel, president-elect of the Society's Westchester Chapter, agreed.

"The AMT is onerous and draws too many of the population ... into its net," Bel said. "I believe we would generate positive tax changes if all our lawmakers prepared their own tax returns manually, using [only] a pencil, a calculator and the IRS instructions."

Staten Island Chapter President **Frank J. Aquilino** would ask Obama to simplify the tax law for individuals, not just eliminate the AMT, "and make it more equitable for everyone."

Tighten Tax Preparer Rules

The past year offered some major changes for those in the non-CPA tax preparation arena. Legislation was introduced and approved to restrict the marketing of controversial refund anticipation loans, including a requirement that they not be sold as "instant refunds." In addition, there should be a clear explanation of loan terms, and non-CPAs must now provide each client with a Consumer Bill of Rights Regarding Tax Preparers.

But according to Adirondack Chapter President **Carlos Dishman**, more can—and should be—done.

"Individuals who rely on services such as H&R Block are in large part not getting the value that is associated with the services," he said. "Accountants, bookkeepers and other tax professionals that are under the constriction of little or no regulation are performing a disservice to not only their clients but to society as a whole."

"People who prepare government documents should have the duty and responsibility to adhere to not only competency regulations but also to ethical and community standards. Do I ascertain that all preparers of tax returns be CPAs? No. However, the review and submission of tax returns should be done by a responsible individual ... with continuing professional education so as to be aware of new laws and regulations [regarding] tax preparation."

Apply Tax Credits More Fairly

"Allowable living expenses" is a number that helps the IRS to determine the number of installments in a taxpayer's incremental payment plan. A New York City resident would have a higher cost of living and a

Upcoming Events

Date	Chapter	Event	Location
Feb. 19	Suffolk	NYSSCPA Night—New York Coliseum Islanders Game	Nassau Veterans Memorial
Mar. 11	Syracuse	Aligning Business Strategy with Performance	Bryant & Stratton College
Mar. 26	Nassau	Networking with Bankers	Crest Hollow Country Club
May 8	Nassau	Installation Dinner	Crest Hollow Country Club

Contact your chapter officers for more information on the above events.

lower installment payment than a taxpayer living further upstate or, say, in Arkansas. Rockland Chapter President **Mitchell Gusler** pointed out in *The Trusted Professional* recently that while the IRS factors cost of living into its payment arrangements, it does not do the same for modified adjusted gross income amounts and related phase-outs—what he said would be a fairer application of tax credits.

"There are numerous tax credits and deductions, such as a tax credit for children, tuition credits for college students and a tax deduction for interest on student loans. These and many other items in the tax law have limitations and phase-outs based on income," Gusler said. "I would love a law passed that would take into account the cost of living when determining modified adjusted gross income for the many credits and deductions that phase out or are limited by it."

More Suggestions

The community of Akwesasne is a slice of Mohawk territory which straddles New York state and the Canadian provinces of Ontario and Quebec. **Barbara Montour**, secretary of the NYSSCPA's Adirondack Chapter, operates her CPA practice there and has come up against a consistently troubling issue of ethnic classification.

"Throughout my CPA training, I have learned that when it comes to taxation, Native American Indians are only Native American Indians in the state of their home tribe," she said. "The states determining when and where your ethnicity applies is a contentious issue for any person of ethnicity."

Montour said she would ask the new president to push for legislation that would allow all 50 states to treat Native Americans as such for taxation purposes, regardless of their home state.

Stephen Wood, treasurer of the Adirondack Chapter, said he would like to see some tweaking of accounting reforms,

including Sarbanes-Oxley, "to more accurately account for the differences in the size of the entity being evaluated."

"The one-size-fits-all rules are long overdue to be modified," he said.

Not all of the ideas offered were those of an accounting or technical nature. For example, Syracuse Chapter President-elect **Thomas J. Giufre Jr.** would use his sitting with the president to address another pressing issue: "I would ask President Obama how he plans to fix a healthcare system that puts an enormous financial strain on working families in this country."

Rochester President-elect **Thomas C. Zuber** wants to see the "broken" unemployment system repaired with incentives to return to work.

Westchester Chapter Vice President **Howard P. Klein** said he would like to see serious public sector budget reforms. He said the government should require that the plans start at zero-based spending.

"This would ensure that we don't simply create a budget based on the prior year's spending, but on what should be spent for the current year, taking into consideration projected revenues," he said.

And for **Janeen F. Sutryk**, president of the Southern Tier Chapter, the opportunity elicited a less tangible, but no less important, wish: "That everyone would have a deep passion for ownership and accountability for their actions, words and deeds."

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