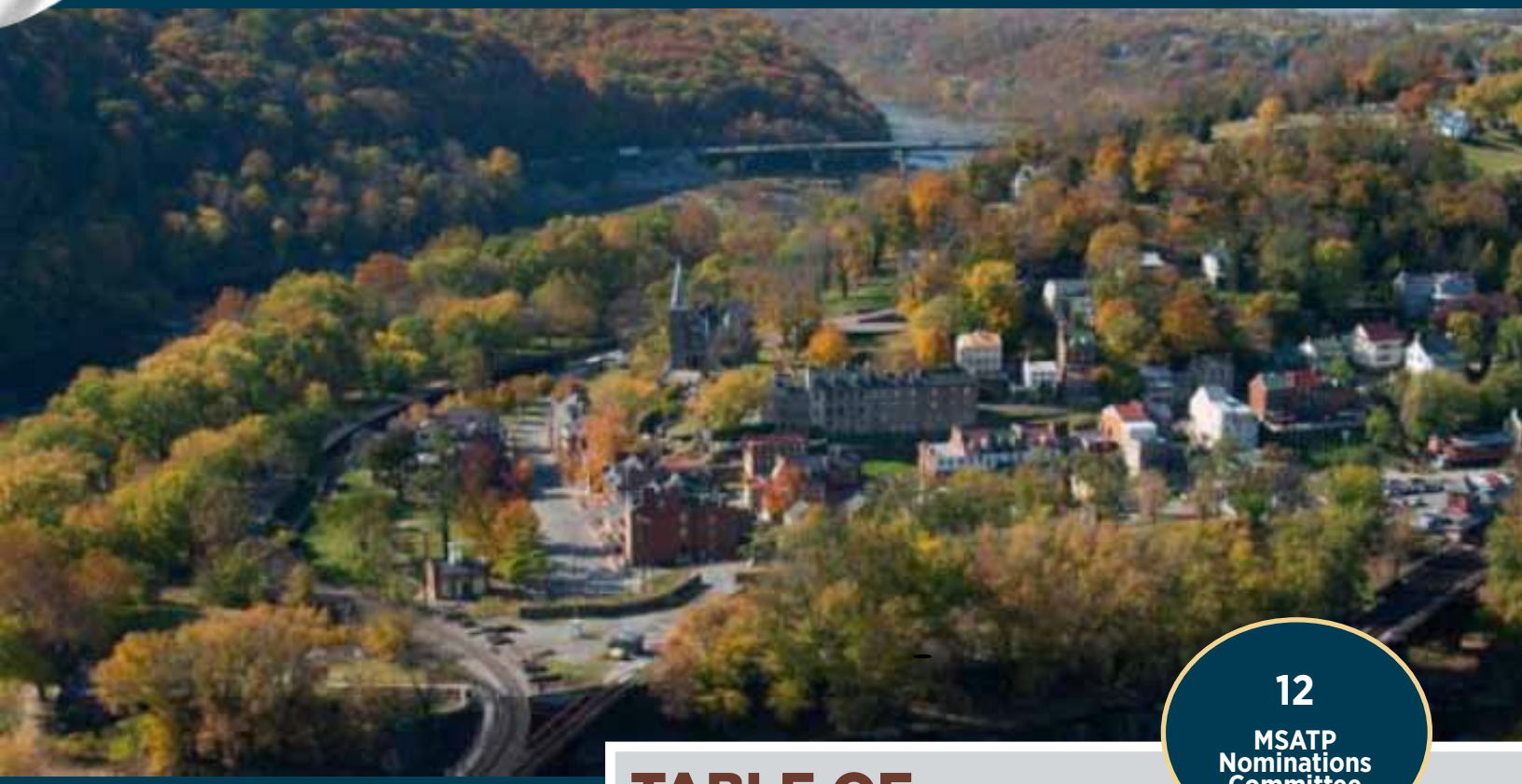
FALL 2016

The FREE STATE

A Publication of the Maryland Society of Accounting & Tax Professionals



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CONTRIBUTORS

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William M. Feehley is a graduate of the University of Baltimore with a B.S. degree in accounting and finance. He has worked in public accounting for nearly 33 years. Bill and his wife Donna, are the owners of Accurate Business Services, LLC and have been serving their clients' needs for the past 25 years. Bill was the last elected Treasurer of Cecil County, Maryland. In that position, he oversaw the accounting and financial reporting of the local government. Accurate Business Services, with offices in Baltimore, Cecil and Harford counties, provides services such as bookkeeping, payroll preparation, tax planning, tax preparations, financial statement preparation, consulting, tax resolution services and other accounting needs for small businesses and individuals. Bill currently serves as Treasurer of the Knights of Columbus Elkton Council and as President of the Becker Home Corporation for the Knights of Columbus. He has served on the Citizens Budget Advisory Committee for Cecil County and has served as a board member and Treasurer for the Harford County Farm Fair for 8 years. He is also Past President of Patriots Glen Homeowners Association, Inc. He is predominately working with Harford, Baltimore and Cecil County businesses, but his clientele is nationwide. He has attended numerous seminars in the accounting field and has worked with state legislators regarding law affecting CPA's. Additionally, he has provided expert testimony in accounting related court proceedings. He is currently serving as First Vice President of the Maryland Society of Accounting & Tax Professionals and as a member of the following committees; Finance, Education, Legislative, Seminar Planning, Long Range Planning and Human Resources Committees. Bill resides in Elkton, Maryland with his wife Donna.

Jeremy Friedman started his professional career in web development in 1997, working on some of the earliest web-based software frameworks ever released to developers. While pursuing his education at University of Delaware he contracted for dozens of small-medium size companies as a freelance developer. After completing his education he started as a software engineer at a local web development firm. Jeremy gained valuable software development experience and was introduced to the procurement world. Upon leaving the web development firm Jeremy helped start both Greenwing Solutions and Greenwing Technology in 2009 and Websites For Tax Pros in 2014, all being software companies with specific niches of expertise.

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The **Internal Revenue Service (IRS)** is a bureau of the Department of the Treasury and one of the world's most efficient tax administrators. The IRS Mission is to provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities and enforce the law with integrity and fairness to all.

Dave Kile is co-founder of Ease Technologies and a former Apple employee with over 25 years' experience in the IT industry. He provides an invaluable expertise working with clients in all aspects of IT support. Mr. Kile has lead teams implementing projects ranging from healthcare patient portals, the creation of public safety IT help desks to the relocation of financial trading firms. Additionally, he is actively involved in providing education seminars, webinars and blogs sharing ways that businesses can improve security and productivity.

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Maryland Business for Responsive Government (MBRG) is a statewide, nonpartisan political research and education organization supported by corporations, trade associations, chambers of commerce, and individuals.

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Marion Thompson is a long time resident of Montgomery County, MD and a graduate of VA Tech (1980), Marion joined Thompson Tax Associates full time in 1983. After additional study and more accounting classes, she earned her CPA designation in 1989. She has been involved in many community and professional organizations. She was President of the Maryland Society of Accountants from 2007 – 2008 and is past chair of their Education Committee. She is a member of the National Association of Tax Professionals.

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Solo and Small Firm Principals Conference

by Marion Thompson

With the reporting dates behind you, are you ready to relax and enjoy the Autumn colors?

Come join us at the Solo and Small Firm Principals Conference in beautiful Shepherdstown, WV on November 4-6, 2016. This **all-inclusive weekend event** is a celebrated practice management weekend that addresses issues facing small to mid-size practices. **For one price you get**: 15 Hours of CPE, Two Nights Accommodations, Lunch and Dinner on Friday, Breakfast, Lunch and Dinner at Charles Town on Saturday, Breakfast on Sunday, and Unlimited Networking. **WHAT A GREAT VALUE!**

The Society continues to increase the value of this event. We have added a FREE two-hour seminar on **Windows 10** on Friday from 11:30 am – 1:30 pm at Shepherd University. You can enjoy this seminar at the college or livestream it to your hotel room. In addition, Steve Deming of Microsoft will be hosting an open forum on Friday evening to discuss the NEW Microsoft Accounting software. The software, tentatively named, **Project Medeira** will be unveiled and you will have the opportunity to provide input on the product.

The event will address many great topics and important issues that accountants and taxpayers are currently facing, such as: Human Resource Issues, Value Billing, Multi-State Issues and Accounting in the Marijuana Industry.

The Committee will be closing out the event with a presentation by radio personality, Allan Hirsh. Allan will help you understand your personal and professional vision, discover why you are in business, work with your visions to align them with your "why", give you feedback on what is important, and hold you accountable for your decisions. This will help you improve your life and improve the lives of people around you. You will learn how to thrive!

We are not all work and no play. For those who are bringing their spouse or guest, they can enjoy tours at the Black Draft Distillery, Black Dog Coffee Shop, and O'Hurley's Antique Shop. Since the event ends on Sunday morning, you will have time to stroll along the C & O Canal Path, visit Antietam Battlefield or stop by Harpers Ferry.

You do not want to miss this amazing event – **We would like to have everyone registered by October 25. Click Here** to download the registration form.

We look forward to seeing you!•

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TWO PRINCIPALS $450 EACH
PRINCIPAL & SPOUSE $760

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Shepherdstown, WV
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- Comprehensive Manual
- Dinner and Fun on Friday Night
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- Lunch on Friday and Saturday
- Hotel Accommodations on Friday & Saturday

Apple Watch 2, iPhone 7 and 7 Plus Announced on September 7, 2016

by Al Giovetti

Apple announced the release of both the Apple Watch 2 and iPhone 7 and 7 Plus on same day – Wednesday, September 7, 2016. Advance orders started on the same day, with deliveries scheduled to start on September 16, 2016.

Colors

New colors available for the iPhone 7 and 7 Plus are a shiny black (glossy black) and matte black will be sharing the stage with the old standards rose gold, gold, and silver. The black iPhone 7 colors do not have the unsightly antenna lines on the case, making the black phones sleeker and trimmer than the metallic colored iPhones. On the minus side, the glossy black color scratches easily, and will develop a unique patina with time for those who do not choose to protect their iPhone with a drop resistant case, such as an Otterbox. The dark blue and silver blue colors hinted by Apple leaks right up until the announcement in San Francisco will not be introduced at this time. The space grey color is no longer available.

Headphones

Gone is the 3.5 mm headphone jack. The new iPhone comes with new corded EarPods headphones with a lightning connector. Users will not be able to charge the phone when using the corded Ear Pods on the same jack that charges and powers the phone.

One journalist has already reported a "jack in the box." A lightning-to-3.5 mm jack comes with the new iPhone so that users can use earphones with the 3.5 mm connector which is standard on many corded headsets and ear pods. For an additional cost of $159, cordless AirPods provide sound for 5 hours with a single charge of its rechargeable batteries. The AirPods come with a special charging case that extends the AirPods' battery life to 24 hours.

This writer feels that Apple's attitude about the 3.5 mm headphone jack is uninspired. Apple feels that the 3.5 mm jack is old fashioned. I think that many users will miss having a dedicated standard sized (3.5 mm) wired headphone jack. These same users will find the lightning to 3.5 mm jack patch cord annoying to use.

The iPhone 7 uses its own proprietary wireless technology (not Bluetooth compliant) to power the AirPods. The iPhone 7 will still support Bluetooth for other wireless headphones and keyboards.

The AirPods will not be available until late October. Perhaps we will also see the IPad Pro 2 in late October. The iPad Pro 2 is rumored to be more like a laptop. The iPhone 7 comes with iOS 10. There is no longer any doubt that the iPad Pro 2 will also come with iOS 10.

Stereo sound

The new iPad comes with two speakers – one at the top of the phone and the other at the bottom of the phone. When the iPhone is turned sideways, with the long axis of the phone horizontal, the speakers become the traditional stereo left and right speakers. This sideways use is good for playing games and watching movies and videos.

The new iPhone is louder than the 6 and 6s by two times. Many users have purchased external "boom box" speakers to enhance the sound and Apple has responded by making the iPhone speakers louder. Apple feels that this will eliminate the need to have external speakers or volume-assisted headphones.

More efficient batteries and processor

The new iPhone uses the four-core A10 Fusion chip with a new architecture with a cantilevered shelf design (designed by a Frank Lloyd Wright?). The A10 chip is the most powerful smartphone chip on the market. The two high-efficiency dual cores are integrated into four cores that run up to two times faster and draw one-fifth the power of the iPhone 6 processor. Graphics run up to three times faster than iPhone 6 at as little as half the power.

The battery life is only extended by four hours over the iPhone 6, which means that the battery could last as long as the 40 hours Apple claims or as little as less than 24 hours. This means you either get a battery case to enhance the battery power or you will still be charging the iPhone twice a day, depending upon how much you use the phone.

Water and Dust Resistant

The new iPhone is water and dust resistant, with iP67 technology that blows water and dust out of the speaker holes in the case. Apple was careful not to give a standard water proof rating for the phone.

Cameras

Not only is the A10 chip the most powerful on the market – the new 12 megapixel (MP) cameras on the front and back of the iPhone 7 Plus are also the most powerful on the market. The iPhone 7 plus cameras have the same number of MP on the rear-facing cameras as on the iPhone 6s Plus. The unsightly camera bump from the iPhone 6 remains, but is now part of the metal or ceramic case. ("Camera bump" means that the cameras stick out several millimeters (mm) from the case in the back.)

The iPhone 7 has a 7 MP front-facing camera, while the iPhone 7 plus has a 12 MP front-facing camera. The iPhone 7 camera has two more megapixels than the iPhone 6 front-facing camera.

The difference in the cameras is that they now let in two times more light than the previous rear-facing cameras, with the larger f/1.8 aperture and 6-element lens. The rear-facing lenses provide brighter, more-detailed photos and videos in daytime and nighttime lighting.

The two rear-facing cameras have both wide angle and telephoto lenses. The telephoto and wide angle cameras work together to support a 2X optical zoom and a 10X digital zoom for photos.

Later (no timetable specified) this year, the dual 12 MP cameras enable a new depth of field effect on the iPhone 7 Plus. Machine Learning will separate background from foreground to provide portrait pictures only possible before on DSLR cameras.

More brilliant flash

A new quad-LED flash is twice as bright as the old 6S and 6S plus dual-LED flash. A brighter flash supports more natural tones without "blow out" or "white out," which destroys detail. Live photos with a 3-second video clip from prior iPhones will remain in the new iPhone. The iOS 10 and the A10 chip support RAW image support.

More brilliant and colorful display

The Retina HD display is "the brightest, most colorful" display on the market. The display is 25 percent brighter, making the image easier to see. The colors have been improved with a "wider gamut of cinema-standard colors, greater color saturation and the best color management in the smartphone industry." The display is brighter, with more color definition than the iPhone 6. That is the hype.

The facts are that the number of pixels have not changed. The screen is comparable with a 720-pixel HD display that has been on the iPhone for the last several years. You would think that Apple would have upgraded the phone to 1080 pixels HHD, or even 4K, now that we have televisions that come in 4K.

Users can take pictures more quickly due to the new processor's increased computing and graphics processing power. Optical image stabilization (OIS) from the iPhone 6S is continued in the new iPhones. Crisper images result, even when your hands shake. The iPhone

6S was the only phone on the market to have OIS.

More memory for a higher price

The iPhone 7 with 256 GB of memory is now available for $849 ($969 for the iPhone 7 plus). The smallest amount of memory available is 32 GB ($649 and $769 respectively). The 128 GB models cost $749 and $869 respectively. If you use a lot of applications, or take a lot of pictures or videos, you will want to buy one of the 256 GB models. Otherwise, as the memory on your iPhone starts filling up, you will have to start deleting photos, videos, and applications, or many applications will simply not run. I do not believe that Apple has fixed the problem that videos and photos must remain on the phone memory while being mirrored in the Apple iCloud.

Size and Weight

The new iPhone 7 and 7 Plus are the same size as the iPhone 6s and 6s plus – both are 138.3 x 67.1 x 7.1 mm. The phones are not thinner, as the leaked rumors from Apple implied prior to the release. (It was postulated that the 3.5 mm jack was being removed due to a predicted thinner case.) The weight of the iPhone 7, at 138 grams (g), is 5g lighter than the iPhone 6S, at 143g. Users will not be able to tell that the phone is actually lighter.

Should you upgrade?

Certainly Apple needs to sell the iPhone 7, since a large portion of Apple revenue comes from the sales of these smartphones. The long overdue increase in memory to 256 GB comes at a price, and other features are limited by the poor definition on the display and the minor upgrades to the cameras. Perhaps the iPhone 7 and 7 Plus show too little increase in features at too great a price. It may be worth it to upgrade, however, if you're still using an iPhone 5/5s.

Apple Watch Series 2

On the same day, September 7th 2016, in San Francisco, Apple also introduced the Apple Watch Series 2 (AWS2), "packed with incredible fitness and health capabilities including water resistance 50-meter rating for swimming, and built-in GPS so users can now run without an iPhone or fitness band." Of course, the AWS2 could be called an expensive fitness band when compared to the approximately $100 fitness bands, such as the Fitbit.

Swimming supported

The AWS2 supports swimming exercise monitoring, with special algorithms for pool and open water. "The Apple Watch 2 can count laps, track average lap pace and auto-detect stroke type to accurately measure active calorie burn."

Faster processor

The AWS2 uses a second generation dual core S2 chip, making the watch up to 50 percent faster. A new GPU was added, which gives more than two times faster graphics processing. AW2 has a two times brighter display at 1,000 nits. (We thought a nit was an annoying person. In the UK these people are actually called gits.)

The AW2 for the first time can come with a Minnie Mouse watch face. New watch faces can be changed as easily as swiping the face of the watch from horizontally from edge to edge.

Watch OS3

Watch OS3 (WOS3) features "significantly improved performance" (whatever that means). A new Dock displays background information. A new Breathe app encourages deep breathing breaks for stress reduction. AW2 can share, compare, and compete with workouts to keep family and friends motivated. Wheel chair users can use activity rings to workout.

Cases, Colors and Pricing

Lightweight aluminum and ceramic cases are available. The ceramic cases are four times stronger than stainless steel. The ceramic case comes in a white pearl-like finish, which is extremely scratch resistant.

There are two different case sizes – 38 mm and 42 mm. Apple Watch series 1 (AWS1) space grey aluminum cases with a sport band are priced at $269. Gold, rose gold, silver, space grey aluminum or silver, or space black stainless steel AWS2 start at $369. The new ceramic AWS2 is priced at $1249. There are also Apple Watch Nike + editions at $369 and Apple Watch Hermes edition at $1149.•

IRS Open Season

by Internal Revenue Service

The PTIN renewal season is set to begin the week of October 17. The IRS will be emailing all PTIN holders advising that their PTINs expire on December 31, 2016 and that open season is underway for renewing for 2017.

The IRS is transitioning to a new vendor for their CPE reporting. Any seminars offered from September 13, 2016 to date cannot be reported during the transition. The IRS thought the process would take a week; however, it is taking longer than estimated.

There is no guarantee that the CPE system will be back online and functioning before October 17. That means when you log into your PTIN account, potentially your credits will only be current as of early September.

You can still renew your PTIN, even if your credit count is not current. There is no CPE requirement when renewing your PTIN. However, if you are participant in the AFSP, it may prohibit you from opting into that program and you'll need to check back later.

Once the system is active, MSATP will submit your CPE credits within five days. We continue to report your credits to the CFP Board on a timely basis.•

TASC Sound Off

by Dana Brunn

Continuing Education season has begun, and there will be lots of questions and plenty of answers. How do you filter all the information into concise bullet points that will help you survive yet another tax season?

TASC's role as a 16-year Strategic Corporate Sponsor for MSATP has been to help provide solutions and uncomplicated methods to complicated tax saving situations. Compliance has now become another key concern for tax professionals. Companies with two or more employees with group benefits MUST be ERISA and HIPAA compliant. After spending time with Bob Jennings at the seminar in Pikesville, we know there is a lot of information that accountants MUST be aware of for this upcoming tax season. For starters, there is IRS Form 8928 https://www.irs.gov/instructions/i8928/ch01.html#d0e114,which will be a requirement to prove compliance with parts of the ACA.

TASC can get your business clients compliant. There are several seminars coming up on ERISA and ACA Compliance. Carolyn McNairy, the Head of TASC Compliance and a Compliance Guru, will be doing a full ACA/ERISA Compliance Seminar in Frederick, MD on November 10th at the Frederick Holiday Inn, and Bob Jennings will be doing many more in the next few weeks as well. We encourage you to become informed in this most important practice area!•

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How to Prepare Before Updating to iOS 10 for Your iPhone and iPad

by Dave Kile

Apple released the new iOS 10 for iPhones and iPads on September 13th. Like previous software updates, iOS 10 offers many new compelling features and improved security for your Apple devices. Take a little time preparing before rushing into a new major operating system (OS) update. Often, there are a few incompatibility and technical issues that are only uncovered after the final release to the public. When it is time to upgrade your iOS device, there are a few steps to take before you get started.

Can you upgrade your device?

Before upgrading, you need to know if your device is compatible with iOS 10. Apple has identified these devices as upgradable to iOS 10:

- iPhones 5, 5s, 5c, SE, 6, Plus, 6s, 6s Plus, 7, 7 Plus
- iPad Pro, Air, Air 2, 4th Gen, mini 2, mini 3, mini 4
- iPod 6 Gen

Do you have enough room?

It's a good time to look at your device to see if you have enough space and clean up some storage. Check under Settings>General>Storage & iCloud Usage to uncover how much storage space is being used and available. If there's anything less than about 1 GB, it's time to remove some older items. A full list of apps and storage demands by those apps are listed under Manage Storage. Apps that are using GB's and hundreds of MB's of data should be further examined. You can delete songs and some files from this setting. Go through your apps list and delete those unused games and never used apps.

Clean up media

The biggest storage hogs are your photos and videos. After a year of birthday parties and vacations, there will be plenty of videos and photos you no longer may need. Save the good ones, but there is no need to keep everything. You can use Dropbox or iCloud as a way to regularly store those photos and then permanently delete that media off your iPhone.

Update Your Apps

Update you current applications before upgrading the OS. Most all App developers update their applications with a major OS update, and you will likely need that update in combination with the OS upgrade. It can take time to update a dozen or more apps on your device, so do it ahead of time. This can be accomplished by going to the App Store on your iPhone and selecting Updates.

Backup everything in iTunes

A non-negotiable element is backing up your device before you start the upgrade to iOS 10. Many things can go wrong and having a fall back option is critical. I like to do the backup in iTunes with the Encrypted iPhone backup option using a USB cable connection. This way, most all the passwords I have installed on that device are backed up in the process. This is also the process I would take before transferring my old iPhone to a new iPhone 7.

Getting started

Finally, make sure your device is fully charged and you can start your upgrade. Often, it's best to wait a day or so to upgrade after the release date. With millions of people trying to update, there can be real slow-downs in getting the update. Very rarely, there can be an issue with a major update and waiting a day or so is a safe bet.

The update can be found under Settings>General>Software Update. The process can take up to an hour or more, depending on demand.•

Take Control of Your Digital World

by Jeremy Friedman

In a digital world with a cloud meaning more than an indication of rain, the question often comes up, "Who owns my online content?" The answer is not always so simple. Being in the website design world we very frequently run into this issue.

Intellectual property issues can impact your website content, your client portal, and your social media profiles such as Facebook, LinkedIn, and Twitter. Content ownership depends on your provider. Some providers hold the rights to your content (you'll want to check the fine print on your agreement), and may hold that content hostage if you ever wish to cancel their services.

Websites for Tax Pros belongs to a growing list of forward thinking web developers who believe that our clients deserve the full rights over their own content. When your contract is up, you are free to transfer your content to another provider or use it in any manner you see fit, commercially or otherwise. Websites for Tax Pros supports content rights and data portability for the end user, not the web developer.

Facebook privacy is always a concern and as of 2016 the person posting the content is the copyright holder, however you do give Facebook rights to use any of your content simply by clicking the "Sign Up" button when you registered.

Twitter is a bit different in that copyright protections do not extent to short phrases or URLs, which is most of what is posted on Twitter.

LinkedIn's user agreement does indicate that the user owns the content provided to LinkedIn.

Sharefile (our client portal partner) lists you (the customer) as the owner of the "uploaded data", meaning your client information is all yours, not owned by Sharefile.

If there is every a question of who owns your data, always read the end user license agreement (EULA) and terms of the agreement to ensure you always retain control of your data.

Nexus and What It Means for Today's Economy

by William M. Feehley

Since the early 1990's when the Quill case was decided by the US Supreme Court this case has been the deciding factor when states try to impose nexus on a company which the state believes is doing business in their state. The reason this is so important is that states are trying to collect both income tax as well as sales and use tax for the goods and services sold in their state.

Let's first start with some background on the Quill case. Back in the 1980s quill was an office supply company that sold primarily through the use of catalogs and the customers would place an order usually by telephone with the company. These orders where then filled and shipped via common carrier to the customers' location. After several years of doing business like this Quill became the second largest supplier of office supplies in North Dakota. North Dakota presumed Quill stating that it business had nexus in North Dakota and that the company owed income tax as well was responsible for the collection of sales tax. This issue went as far as the Supreme Court who citing the Commerce Clause and the Due Process Clause ruled in favor of Quill. The Due Process Clause protects citizens and companies from the over reaching arm of the state laws that only those citizens and companies with jurisdiction in that particular area are subject to tax in that area. The Commerce Clause was enacted to allow the free flow of commerce between the states without the Federal government interfering with such commerce. Quill submitted that nexus did not exist in North Dakota since it had no physical presence and no employees and for all extents did not physically touch North Dakota soil to do business. The Supreme Court agreed and this has been the law of the land ever since. In order to have nexus you must have some physical presence in the state attempting to tax you.

When these cases were ruled upon the Internet was just in the beginning phases and no one thought about what effect this would have on how business would be conducted in the future. With online sales growing and the brick and mortar business shrinking the states are being hit hard on their tax revenue. Many states have pushed congress to change the rules for nexus and overturn the Quill decision but have not been able to gain any traction with this.

Alabama has recently testified before a congressional committee that is looking in to expanding the states taxing authority. The Marketplace Fairness Act was a bill that would expand the states taxing authority. Most taxing authorities believe that the online retailers have a significant advantage in luring customers since many can sell without the added burden of a sales tax. These state taxing authorities have been asking congress to look at the economy and change the commerce clause since it limits the states taxing authority and the Supreme Court has not been willing to revisit the Quill Case. One of the problems that the states have run into is a lack of unification each only asking for what will benefit them rather than the whole taxing system. When the States banded together the Streamlined Sales Tax Project began to look at these issues but was only partially successful. As the economy has changed and more and more transactions occur over the internet and it really is not critical where someone's business is located. Some states have seen a dramatic drop in their tax revenue. This does not mean that their citizens have stopped shopping or purchasing it means that they are doing it online. Well in order to get the packages delivered to the customer common carrier delivery services this keeps the company from having nexus is that state. The problem is the states are questioning if the carbon footprint for the added delivery constitutes nexus. Also the packages arrive in shipping cartons and these must be disposed of thus placing a burden on the landfills of the various states. Does this also create nexus?

These are questions that we must be prepared to assist our clients in answering and in order to do so we will need to become experts in the nexus issues.

Be prepared for this issue to take on a greater life in the future and maybe congress will finally get something heading in the right direction.•

The Results Are In!

by MBRG

Maryland Business for Responsive Government (MBRG) just released the 31st edition of Roll Call, an annual publication scoring state legislators based on their voting records on pro- or anti-business legislation.

This year, 14 Senators and 29 Delegates received perfect scores of 100%, whereas 2 Senators and 31 Delegates scored below 30%. Many Maryland voters will reference Roll Call scores when deciding who to vote for during election season.•

Click here to View the 2016 Roll Call Results!

NSA Opposes Koskinen Impeachment

by John Ams

Leaders of the National Society of Accountants have sent a letter to leaders of the U.S. House of Representatives opposing any resolution to impeach or censure IRS Commissioner John Koskinen.

The letter, co-authored by NSA president Al Giovetti and executive vice president John Ams, went to House Speaker Paul Ryan, R-Wis., House Democratic Leader Nancy Pelosi, D-Calif., Ways and Means Committee Chairman Kevin Brady, R-Texas, and Ways and Means Committee Ranking Member Sander Levin, D-Mich.

At the same time, Speaker Ryan announced that the house will vote on whether to impeach Koskinen.

"We are concerned that the effort to censure or impeach Commissioner Koskinen will hasten the deterioration of the voluntary compliance system that is the cornerstone of our taxing structure," the letter reads. "The lack of respect for the IRS shown by such an effort, especially when coupled with the significant budget cuts enacted over the last several years, is already apparent as evidenced by the numerous taxpayers who ask NSA members why they should pay their taxes when the IRS does not have the ability to audit them."

"We are also concerned that impeachment or censure will further disrupt the functioning of the IRS which already suffers from low morale as a result of inadequate budgets and the inability to hire sufficient staff to deal with an ever-increasing workload," the letter reads.

Giovetti and Ams conclude, "The effort to impeach or censure Commissioner Koskinen will inevitably take up time the Congress could better spend enacting tax reform that the taxpaying public, tax professionals, Congress and the Administration all agree is long overdue."•

DONATE

MSATP Political Action Committee (PAC)

A Political Action Committee provides an organized way for a group to support political candidates, causes, legislation, regulations, or initiatives that promote its cause.

A Political Action Committee collects contributions from individuals and aggregates them into a fund that is used to support its cause.

Your contribution supports the candidates and legislators who support your right to practice. The MSATP PAC has been involved in issues including: sales taxes on services, the 20% tax increase, right to compile financial statement, mandatory peer reviews, and MD inheritance tax exemption. Support the committee today and get involved!

Click here to donate!

Working with a Financial Advisor

by Jon Parks

Would you trust your medical diagnosis to a casual acquaintance? Do you cut your own hair or dry clean your own clothes? For some services, it makes more sense to pay a professional who has the expertise to deliver the appropriate results. A professional financial advisor can help you build a sound estate plan, designed to help you toward your long-term financial planning goals. These six steps can help you locate and get the most out of this important relationship.

1. Choosing Your Financial Advisor - One of the best ways to find a financial advisor is through a referral of a friend or relative. Your accountant or lawyer may also be able to provide you with a referral. Since they come with a recommendation from someone you trust, referrals can help you feel more confident about your choice of a financial advisor. You can also find a financial advisor by attending an investment seminar or reading the business section of your local newspaper.

2. Set Up a Consultation - Your first meeting is an opportunity to become acquainted with the advisor and find out if you feel comfortable working together. You should make sure a prospective advisor is a good match for your financial outlook and personality. Ask the advisor about the types of clients he or she is currently working with and try to evaluate if your financial objectives are well matched to their areas of expertise. Follow up with questions about education, experience, and qualifications. Before selecting an advisor, you should feel confident that a prospective advisor can accurately explain the financial arena and the benefits of different financial planning tools.

3. Discuss Your Goals and Obligations - In order to help you clarify your financial goals, your financial advisor will need detailed information about you and your financial situation, philosophy and risk tolerance. Be candid about your income, debts, future obligations, current assets and anything else that may impact your financial situation.

4. Ask Plenty of Questions - The more you know about financial planning, the more control you have over your financial future. Use your financial advisor as a resource. Financial advisors have access to current information that can help you better understand their recommendations and the performance of your plan. And if you don't understand something, make sure to ask.

5. Meet or Speak Regularly -Your financial advisor has the expertise and knowledge about financial planning, but won't be able to fully understand the details of your financial situation unless you share them. In order to keep your estate plan moving in the right direction your advisor needs up-to-date information on life changes that may have financial implications, including:

- Marriage or divorce
- The birth or adoption of a child
- The purchase of a home
- A change in your work status, or that of your spouse
- Additional current financial responsibilities, such as college payments or care for aging relatives
- An inheritance or other financial windfall

6. Listen - Professional advisors can draw from years of experience and help you maintain a long-term perspective on your investment plan through good markets and bad. You'll get more out of your relationship if you are open-minded about your advisor's recommendations. While you may not agree with every idea your advisor presents, being a good listener can help increase your investment knowledge.

Following these six steps can help you locate and have a successful relationship with a financial advisor.•

myRA Can Help Your Clients Start Saving at Tax Time and Throughout the Year

by Angela Lingle

This tax season, help your clients start saving for their futures with myRA®, a simple, safe, and affordable starter retirement savings account created by the U.S. Department of the Treasury. myRA makes it easy to start saving. And since it's a Roth IRA, eligible tax filers may be able to claim the Saver's Tax Credit, which may lower their tax bills or increase their refunds for years they save.

myRA cost nothing to open, there are no fees or minimums, and there's no risk of losing money. Plus, tax filers can withdraw the money they put into their myRA accounts at any time without tax or penalty, so they can access their money if they need it.

Help your clients take steps toward more secure futures this tax season. Encourage them to open myRA accounts and start saving. They can even save in myRA directly from their federal tax refunds.

Visit myra.gov/tax for more information.•

myRA

MSATP News

Nominations Committee

by Ron Grafman

MSATP Candidates for Elected Office

All persons holding the membership status of Principal member who would like to present themselves as a candidate for an elected office of President, First Vice President, Second Vice President, Secretary or Treasurer for the fiscal year beginning July 1, 2017 need to follow the three (3) steps outlined below.

All persons holding the membership status of Principal or Associate member who would like to present themselves as a candidate for an elected office of Delegate for the fiscal year beginning July 1, 2017 need to follow the three (3) steps outlined below.

1. Submit the application* to the Nominating Committee prior to Friday, November 11, 2016 by fax, mail to address below, or email to rongrafman@peoplepc.com:

Ron Grafman
Nominating Committee Chair
PO Box 1360
Germantown, MD 20875

Phone: (301) 428-7998
Fax: (301) 428-3659

2. Accept an invitation from the Nominating Committee for an interview to be scheduled during the months of December, 2016 or January, 2017.

3. At the time of the interview, submit a biography and photograph for publication.

*Click here to print the Candidates for Elected Office application.

Committee on Professional Reguation

by Tom Bray

Highlights from the Maryland State Board of Public Accountancy meeting held on September 13, 2016:

- Raymond Vicks, Jr, CPA, attended his first meeting as a new board member.
- Effective October 1, 2016, the fee to verify CPA licenses will be repealed.
- The Maryland Board will be responding to the AICPA position paper to consolidate 41 Peer Review Administering Entities to 8 to 10 Administering Entities.
- A practitioner letter regarding compliance with Maryland regulations on outsourcing stimulated an interesting conversation. Topics discussed included outsourcing work to companies in India and tax scanning software. This is an interesting topic for further discussion, as the issue of outsourcing may be more relevant than we realize.•

Membership Committee

by Donya Oneto

MSATP strives to offer the best services and education to our members. To achieve this goal it is important that we understand the needs of our members. To that end, we have prepared a twenty question survey about you, our current benefits, and your educational needs.

Please CLICK HERE to start the survey.

Thank you for your continued support of the Society.•

MSATP 2016-2017 Board of Directors

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Robert Medbery

First Vice President:
William Feehley

Second Vice President:
Ellen Silverstein

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Richard Messenger

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Barbara Smith

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Richard Gottfried

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