

# MAINE CHAPTER NEWS BULLETIN



October 1, 2013

<p>Message from the President</p> <p>Typically, this is the time of year where my office is inundated with requests to process Property Tax and Rent Rebate forms. This year, the rebate has been done away with and a credit has been added to the Maine tax return (see the article below). Now what do we do? Sure there have been partnership and corporate extensions due, and individual extensions will be due soon, but then what? How about taking the time to grease the gears of your machine with refined office protocols?</p> <p>The “offseason” should not be viewed as a vacation, but as time to review and improve office procedures. The Small Business Association (<a href="http://www.SBA.gov">www.SBA.gov</a>) has some fantastic tools available for this purpose. From hiring your first employee, to effective job descriptions, to employee handbooks, there is enough information to keep you reading for hours. Even if you run an office that doesn’t have additional employees, spending a little time to create a job description and an employee handbook is a great way to remind yourself of your own expectations and produce an atmosphere of professionalism. Also, these documents are considered prerequisites if you decide to apply for a small business loan. If you have them done already, that’s one less thing to worry about when the time comes. Not only will these documents and manuals give you and your employees the knowledge necessary for success, but you are protecting yourself and</p>	<p>your clients as well.</p> <p>Employee Handbooks:</p> <ul style="list-style-type: none"> <li>· Although not legally required, Non-Disclosure Agreements (NDAs) and Conflict of Interest Statements will protect any proprietary information or trade secrets held by your company.</li> <li>· Anti-Discrimination Policies should be included in your Employee Handbook, as part of complying with equal employment opportunity laws prohibiting discrimination and harassment.</li> <li>· Compensation should be explained, outlining legal obligations regarding overtime pay, pay schedules, performance reviews, salary increases, time keeping records, and breaks and bonuses. These are important factors for employees and should be spelled out precisely.</li> <li>· A Standard of Conduct is a great document to convey your expectations to your employees and even to yourself. Addressing dress codes, legal obligations (in an industry that is regulated by the government) and ethics are key points.</li> <li>· General employment information covers employment eligibility, job classifications, employee records, probationary periods, and termination and resignation procedures.</li> </ul> <p>This is the area to include transfers, relocation and union information is applicable.</p> <ul style="list-style-type: none"> <li>· In order to comply with the Occupational Safety and Health Administration (OSHA) laws, a policy should be described that requires all employees to report all accidents, injuries, potential safety hazards, safety suggestions and health and safety related issues to management. This is also the place to mention bad weather policies and hazardous</li> </ul>	<p>community conditions.</p> <ul style="list-style-type: none"> <li>· Outline procedures regarding computers and technology in the office. Do you monitor employee computers? This needs to be explained in detail whether or not you restrict personal time on company computers.</li> <li>· Employee benefits are often one of the most exciting aspects of a new job. Make sure everything is detailed, including benefits required by law and any optional benefits such as health insurance, retirement plans, and wellness programs.</li> <li>· Leave policies need to be carefully documented, especially those required by law (i.e. Family medical leave, jury duty, military leave). Also explain policies for vacations, holidays, and bereavement and sick leave.</li> </ul> <p>Compiling all of this information into handbooks can be overwhelming, but the SBA offers great tips and many links to other sources. Make sure to check the Maine SBA for state specific laws!</p> <p>Rebekah Roy President Maine Chapter NATP</p>
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## OPPORTUNITY MAINE

Maine offers a program called Educational Opportunity Tax Credit with a goal of increasing degree holders in the Maine workforce. While the program was originally conceived in 2006 with students requiring to file an Opportunity Maine contract, as of July 2010 graduates no longer are required to file the contract with the Secretary of State's Office.

Instead graduates who are working toward degrees in science, technology, engineering or mathematics (STEM) both an associate and bachelor's degree with a STEM major can apply for the Maine income tax credit for educational opportunity.

The credit allowed to a participant is refundable if the degree is in the STEM list of degrees. A complete list of degrees is found at [www.maine.gov](http://www.maine.gov)

Qualifying graduates are as follows:

- Attended a Maine college or university in pursuit of an associate's or bachelor's degree
- Lived in Maine while pursuing the degree
- Obtained the degree from a Maine college or university and
  - After graduation, is a Maine resident, individual working for an employer in Maine.

Employers may seek to claim the credit if they have made loan payments for an employee meeting all of the requirements as laid forth by the State of Maine. A complete description can be found on the [maine.gov](http://maine.gov) website.

## IRS FORM 1099 REPORTING –

What you need to know

**Saturday, October 12, 2013**

Fireside Inns & Suites  
81 Riverside St  
Portland, Maine

REGISTER: 1-866-352-9539  
[www.lorman.com/ID391526](http://www.lorman.com/ID391526)  
[customerservice@lorman.com](mailto:customerservice@lorman.com)

*PRESENTED BY:*  
*Stuart D. Lyons, CPA*  
*David A. Marines, CPA*  
*Elizabeth A. Olivier, Esq.*

## 17<sup>th</sup> Annual Maine Tax Forum 2013

**Wednesday, November 6, 2013**  
**Thursday, November 7, 2013**  
**7:30 am to 4:30 pm**

Augusta Civic Center  
76 Community Drive  
Augusta, Maine

***REGISTER EARLY!***  
**2 ETHIC HOURS**

\$90.00 PER DAY  
\$160.00 FOR BOTH DAYS  
PER REGISTRANT

*Hosted by SCORE*

## Navigating Obama Care, a view from a Maine Insurance Agent

**Tuesday, November 12, 2013**  
**10 am to 11 am + questions**

Jack Skehan & Associates  
30 Bridge St  
Gardiner Maine 04345  
(207) 582-1040

### PLEASE RSVP

Regina Longyear  
(207) 778-6739  
(207) 578-0851

**SPACE IS LIMITED!**

*Speaker:*  
*Terry Gunzinger, Kyes Insurance*

**NO CHARGE**  
**NO CE CREDITS**

## GEAR – UP 2013

**Monday, December 9, 2013**  
**Tuesday, December 10, 2013**

FOR MORE INFO CALL:  
**207-892-2234**

*Hosted by:*  
**Maine Association of Professional Accountants**



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Central Region

## 1040 Workshops - Freeport, ME

Monday, November 18, 2013  
Tuesday, November 19, 2013

[Hilton Garden Inn Freeport Downtown](#)  
5 Park Street  
Freeport, ME 04032  
207.865.1433

Instructor:  
[Marilyn Meredith, EA](#)



**A writer from Holland was chatting with his American friend and was jokingly explaining about the red, white and blue in the Dutch Flag. "Our Flag symbolizes our taxes", he said. "We get red when we talk about them, white when we get our tax bill and blue after we pay them" "That's the same with us," the American said, "only we see stars, too."**

*- The Post Pigeon Website*  
and continuing education regime for tax preparers who are not otherwise regulated.

The IRS has appealed this decision. Oral arguments will be heard September 24, 2013." (1)

Current:

So where does that leave us as professionals? We're back to the same place we were at before RTRP and the Loving case came along. If you are an EA or a CPA or an attorney nothing has

## NATP BOARD OF DIRECTORS 2014 OFFICIAL BALLOT For MAINE CHAPTER

In accordance with the By-Laws of the Maine Chapter of NATP every voting member of our chapter shall Have the opportunity to vote for the **National NATP Board of Directors**. After the member votes are tallied, the Chapter President shall cast the Chapter's vote for the candidates that received the highest number of votes. Please return only ONE BALLOT.

Here is your ballot. There are four vacancies on the National Board for 2014. The elected candidates shall serve a three year term.

[NATP BOARD OF DIRECTORS BALLOT.pdf](#)

## MAINE CHAPTER BOARD OF DIRECTORS NOMINATIONS

In June of 2014, we will need to elect 4 new members to the Board of Directors. Our by-laws say that the State of Maine must be represented by 3 regions:  
**Region 1** = Northern – Counties of Aroostook, Hancock, Penobscot, Piscataquis, Waldo and Washington  
**Region 2** = Central – Counties of Androscoggin, Franklin, Kennebec, Knox, Lincoln, Oxford, Sagadahoc, and Somerset  
**Region 3** = Southern – Counties of Cumberland and York

We need more Directors to represent the **Central Region**. Please consider serving on the board. Terms run for 3 years.

Most Board of Director meetings are by teleconference. The Annual Meeting is held during our summer seminars, usually in Hallowell, in June.

Please contact Nancy Gonska at 207-892-8944 or [nancygonsk@aol.com](mailto:nancygonsk@aol.com) to volunteer your services.

## RTRP COURT INJUNCTION

### History:

In 2010 after having held public hearings and received comments from tax professionals, associations such as NATP and consumer advocates the IRS announced new increased standards for all preparers as well as educational requirements and licensure for all preparers. Up to that point in time anyone could call themselves a tax preparer regardless of education or experience and there was no competency requirement. The new IRS requirements mandated registration with the IRS, obtaining of a Preparer Tax Identification Number (PTIN), continuing educational requirements and the passing of a competency exam. EA's, CPA's and attorneys were exempted from these requirements since they already had to meet more rigorous requirements for their credentials

### Loving:

“Three paid tax return preparers (plaintiffs), filed a lawsuit (Loving et al., 2013-1 USTC ¶150,156) challenging the authority of the IRS to issue the new Circular 230 regulations authorizing the IRS to license paid tax return preparers who are not otherwise regulated by their respective professions.

The case was assigned to Judge James Boasberg, United States District Court for the District of Columbia, on March 13, 2012. On January 18, 2013, the judge granted the plaintiffs' motion for declaratory and injunctive relief. The Court granted a declaratory judgment that the IRS lacked the statutory authority to “promulgate or enforce the new regulatory scheme for registered tax return preparers brought under Circular 230 by 76 Fed. Reg. 32,386.” Further, the Court granted permanent injunctive relief as well, thus enjoining the IRS from enforcing its licensing, testing

changed; you still need to meet the requirements of CPE and Circular 230 ethics. If you are not an EA, CPA or attorney things have gone back to the way they were before this whole debacle occurred; that is to say that you are unregulated and have no requirements to earn any CPE's or follow Circ. 230.

The IRS has asked Congress to rectify the situation but as of the present Congress has been unable (or unwilling due to the IRS scandals that have occurred) to craft a law that would allow the IRS to resume RTRP and the IRS is not holding out much hope for a favorable court decision according to insiders at the IRS.

<http://www.natptax.com/TAXKNOWL/EDGECENTER/RTRPEXAM/Pages/RTRPCourtInjunction.asp>

**Bill to bolster new Maine tax credit plan introduced. The plan, which replaces the circuit breaker credit, is being criticized for cutting relief to low-income Mainers.**

*By Steve Mistler smistler@pressherald.com*

Staff Writer

AUGUSTA – Democratic House Speaker Mark Eves has introduced a bill to beef up a rent and property-tax credit program that has been criticized for providing significantly less relief to low- and middle-income residents than the program it replaced.

The Legislature this year repealed the Maine Residents Property Tax and Rent Refund Program, known as the circuit breaker, replacing it with a smaller property tax fairness credit

Lawmakers adopted the change as an alternative to Gov. Paul LePage's plan to limit the circuit breaker to people 65 or older and veterans. Both proposals were meant to help balance the two-year state budget that took effect July 1.

The program adopted by the Legislature is expected to save the state \$20 million to \$25 million, but lawmakers are hearing complaints from residents who came to rely on the circuit breaker, which provided tax refunds ranging from \$479 to \$1,600.

Mainers who qualify for the new program can receive a maximum tax credit of \$300 a year, or \$400 if they are 70 or older.

Residents who expected circuit breaker refunds in August won't get them, and the tax credit won't be available until .2014

Few details have been released about Eves' proposal, including how much it's expected to increase the property tax credit. A spokeswoman for Eves said Thursday that the bill would be funded by a portion of the general fund year-end surplus.

It also would direct lawmakers to find additional funding sources to increase the amount of the tax rebate.

Eves said in a written statement that the bill is a response to growing concerns about the new tax rebate program.

"Democrats were committed to preserving property tax credits for Maine families and this bill will help ensure the funds are there to do it going forward," Eves said.

The bill won't be considered until January, when the Legislature convenes for an abbreviated session.

Residents who got refunds from the circuit breaker began receiving notices in July that the program had ended. Bob Pelletier of Scarborough told the Portland Press Herald in July that the replacement program was a "pacifier." He used to receive a \$1,200 property tax refund.

"It's kind of a joke for someone on Social Security who is barely getting by," Pelletier said. "It's obviously going to be a huge difference for me."

Some commenters on the Press Herald story said they had adjusted their household budgets in anticipation of their circuit breaker refunds. A woman from Windham wrote that she used the refund check to buy heating oil.

The property tax fairness credit is refundable. However, a homeowner must file a state income tax return to receive the credit, even if the person receives only Social Security income.

Fewer than half the estimated 200,000 eligible households in Maine had applied for the circuit breaker program.

Michael Allen, the state's associate commissioner for tax policy, said in July that the program had about 89,000 recipients in fiscal year 2011-12. In 2011, the average yearly refund was \$479 and the maximum refund was \$1,600, according to Maine Revenue Services.

A study by AARP showed a 40 percent participation rate among similar programs in other states.

Under the new tax credit program, the state estimates that 125,000 people will qualify for credits totaling \$34 million to \$35 million.

Democrats have argued that the tax credit adopted in the state's two-year budget was a compromise struck with Republicans and alternative to LePage's proposal which would have limited circuit breaker to people aged 65 and older and veterans while providing no benefit to others.

Rep. Kathleen Chase, R-Wells, ranking minority member on the Appropriations Committee, recently said the circuit breaker was too complicated and confusing. She said the new program should attract more applicants because the forms will be easier to fill out.

Democrats have since said that Republicans were unwilling to give up tax breaks for high-income Mainers to fund programs for middle- and low-income Mainers.

The change in tax relief programs will save the state's general fund an estimated \$20 million to \$25 million. The circuit breaker program was budgeted at just over \$43 million in fiscal 2011-12.

Other tax-relief programs are available for homeowners, such as the homestead exemption, which subtracts \$10,000 from the assessed value of a Mainer's home for the purpose of assessing property taxes. Some exemptions also exist for certain veterans.

The new tax credit program aims to help Maine homeowners or renters who earn \$40,000 a year or less. To qualify, individuals must have paid property tax on a home in Maine that was more than 10 percent of their Maine adjusted gross income, or paid rent that was more than 40 percent of Maine adjusted gross income.

Social Security does not count as income. Sources of income include pensions and retirement pay, distributions from an IRA or 401(k) plan, rental income from real estate, interest from dividends from stocks or bonds unemployment benefits as well as damages paid under court judgments.

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# The MAINE CHAPTER

Of

NATP

Needs

YOU!

TO

**VOLUNTEER**