

WICPA FEDERAL TAXATION COMMITTEE

Minutes of Meeting Held on Monday, September 21, 2009

The 2009 September meeting of the Federal Taxation Committee (“the Committee”) was held in the WICPA offices in Brookfield, Wisconsin on September 21 and was called to order by Debbie Kossow at 12 Noon.

The following members attended the meeting in person: Debbie Kossow (Chair); Dennis Tomorsky; Randy Wichinski; Jim Brandenburg; Ron Frea; Gary Hollman; Sherry Watson; Arthur Lee; Jeff Dvorachek; Ron Berman; and, Lucien Beaudry.

The following members attended virtually by telephone: Gordon Adler; Bob Cottingham; Sandra Chapman; Mike Donahue; and, Rebecca Jungwirth.

The minutes from our previous meeting on May 26, 2009 were reviewed and a motion to approve the minutes was made by Ron Frea, seconded by Gary Hollman, and unanimously approved.

WICPA Executive Director’s Report – Dennis Tomorsky provided an update on numerous WICPA legislative and membership activities, which included the following:

1. The Wisconsin legislature defeated the proposal for joint and several liability
2. WICPA provided comments on the Wisconsin proposal to impose sales tax on services; the coalition of service providers is still together but not active
3. Dennis provided testimony on Assembly Bill 290 regarding tax preparer licensing, which has been postponed due to proposed federal legislation; Dennis believes the Wisconsin Bill is dead
4. Wisconsin State Bar petition to define the unauthorized practice of law; no developments since the October 28, 2008 Supreme Court hearing; it appears that other approaches are being considered
5. WICPA membership activities: 90% of the budgeted dues have been collected
6. WICPA Strategic Planning Retreat held in June was very well attended; a number of ideas were identified to encourage active members to demonstrate the value of their WICPA membership
7. WICPA is establishing proactive steps to effectively develop and retain members:
 - a. There are approximately 13,000 licensed CPAs in Wisconsin
 - b. Approximately 11,000 CPAs live in Wisconsin
 - c. There are approximately 8,000 WICPA members
8. WICPA is developing a campaign to identify a branding plan for Wisconsin CPAs
9. Focus on leveraging technology, including Twitter, Linked-in, etc.; a strategic planning group for technology has been developed with participation by the Board and a cross-section of members
10. The first of four 2009 Fall focus meetings will be held on September 22 in Eau Claire, with subsequent meetings in Mosinee, Madison, and Brookfield to introduce the WICPA strategic plan and other activities
11. The WICPA Education Foundation is celebrating its 50th Anniversary, please make a donation
12. There was also discussion with Dennis regarding emails sent to members by the WICPA on several Wisconsin legislative proposals; the WICPA will remain on the sidelines for various reasons, including differing member opinions and concern that opposition could result in a search for alternative revenue sources
13. Ron Frea asked Dennis about the selection of instructors for WICPA sponsored CPE courses, and Dennis stated the CPE coordinator selects all instructors; Ron suggested that more consideration should be given to selecting local WICPA members who are well qualified to serve as instructors

IRS/WDR Liaison Committee – Ron Berman and Rebecca Jungwirth provided their report, stating that not much has happened since their report during our last meeting in May. Ron stated the IRS/WDR meetings are becoming less interactive, with the IRS lecturing rather than discussing issues. The next meeting with the IRS/WDR is scheduled for November. Specific topics expected to be discussed during the November meeting include the following systemic issues: foreign bank account reporting; cash transaction reports; and, joint IRS/WDR audit coordination. It was also noted that Arthur Lee is a member of the WICPA Wisconsin Taxation Committee as well as the Committee.

Randy Wichinski informed the group that he will be attending the AICPA 2009 Fall Tax Division Meeting and the AICPA/IRS meeting on October 28 and 29 in Washington, DC as a representative of the WICPA. He will provide a brief report on both meetings at the next Committee meeting.

WICPA Annual Tax Conference Report – Gary Hollman reported that the 2009 Tax Conference will be held on November 5 and 6 at the Italian Community Center. Gary stated that conference brochures will be mailed within the next several weeks. Also, in planning for the 2010 conference, it was noted that generally all topics and speakers are finalized by April so we will discuss recommendations for possible topics and speakers for the 2010 conference during our next Committee meeting.

Committee Member Goals & Objectives – Ron Frea stated that based upon his review of the Committee information on the WICPA website he would like to suggest several updates regarding the stated goals, objectives, and activities. In addition to updating and redrafting the information already presented, Ron suggested that we consider the following activities: provide a link or other access to AICPA briefings for state CPA societies; provide the committee with a method to send email alerts to WICPA members regarding certain “red flag” tax items; and, revitalize methods used by the WICPA to disseminate information to members. The ensuing discussion was very good and it was decided that the Committee would discuss this topic at the next meeting, as well as seek input and guidance from Dennis Tomorsky.

General Discussion – Other Tax Related Items

- a. Foreign Bank Account Reporting – Bob Cottingham stated the deadline for reporting was extended from September 23 to October 15, with no further extensions expected. All taxpayers will be required to disclose hidden bank accounts and offshore income. Ron Berman added that at this time taxpayers only need to make the IRS aware of the accounts; more detailed reporting rules and guidance will be provided.
- b. Others Topics – Arthur Lee asked about the Wisconsin rules regarding Roth IRA conversions, and Ron Berman stated that WDR does not follow the federal tax rules, and as a result, there will be annual adjustments to properly report Wisconsin income. Jim Brandenburg briefly mentioned certain income tax provisions under the proposed Health Care Bill, including expanded Form 1099 filing requirements for all corporations and IRS matching concerns.

The members of the Committee agreed that the next meeting will be held on Thursday, January 7 at the WICPA offices with lunch scheduled for 11:30 a.m. and the meeting commencing at 12 Noon.

There being no further business to discuss, the meeting was adjourned at 2:07 p.m.

The foregoing minutes have been prepared and respectfully submitted by Randy Wichinski.