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The President's Message

I am writing this final president's message for the 2013 year. It is just hard to believe that the year is almost over. I am also writing this message as my last one as president of the Kansas Chapter of National Association of Tax Professionals. I will not be the president for the 2014 year because other commitments are going to be taking up most of my time.

These commitments have already started to take a lot more of my time than I was planning and they are not fully in my control yet. The commitment is the purchase of the tax practice I have been working at for the last 13 years. This is something I've talked about at the education seminars that I help teach for the Kansas Chapter of NATP, which I will continue to do on a regular basis with and for the Kansas Chapter.

Also, I am in shock of how fast this year has gone by because we are already gearing up for the upcoming tax season. It seems like that last tax sea-

son never ended in our office. We have been very busy all year working on trying to resolve Internal Revenue Service and Kansas Department of Revenue cases. These cases have continued to flow into the office and kept us working all year round. Plus, with the rough season we had last year, I'm hoping that the coming tax season goes off with out a problem.

As for this next tax season we already know that the IRS is ready to start receiving business tax returns and excise tax returns on January 13th, 2014 and then we get into the individual returns on January 31st. From most of the reports I am hearing, they are not expecting any delays for certain forms like there was last year. This is a great sign for us in the tax business because we are getting somewhat back on track for getting returns completed and being able to send them in a timely manner.

I hope that everybody has a better tax sea-



From the Sunflower State.

son than the 2013 season was, and you enjoy your holiday season with your family and friends. I would like to let everyone know that I am going to continue to be active in volunteering for the KS Chapter of NATP. This is something that I enjoy and get great satisfaction from helping other tax professionals learn and grow in the tax preparation industry.

Tim Graham

KS Chapter NATP
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MEET YOUR KS-NATP BOARD OF DIRECTORS

Tim Cain grew up in the small town of Cunningham, KS (on US 54 between Pratt & Kingman). He graduated from Pratt Junior College and from Wichita State University with a BA degree in Business Administration-Accounting. After college, Tim was employed as an Accountant in the Controller's Office for the City of Wichita and after a couple of years, transferred to the Department of Public Works and worked in the Administrative Division, Director's Office, Sanitation Division and Engineering Division for about 35 years.

In 1982 Tim began working with his brother Jim (also a NATP member who has served on the Kansas Chapter Board of Directors) doing income tax preparation in the Kansas City area. With this tax experience, in 1986, Tim also became a seasonal employee of Tax Wise, Inc. of



Wichita, KS and continued doing mostly seasonal tax preparation work with Jim and Tax Wise, Inc. until retiring from employment with the City of Wichita, March 2005. Since then Tim has worked full time as a Tax Wise employee and preparing tax returns for his own clients, some of which originated as some of Jim's clients.

Since beginning full time tax work, Tim took his brother's advice to join NATP for additional education opportunities and being so pleased with all that NATP offered, let some on the Board of Directors know he was interested in serving with the Kansas Chapter. This led to serving as Regional Committee Chair to help make arrangements with hotels, etc. for Kansas Chapter Seminars. In addition, Tim has also served as Secretary and Vice President of the Kansas Chapter. Tim also coordinates training for Tax Wise staff.

Tim is married to Mela Dee Cain and they have one son, Brian who they enjoy traveling to see in Pleasanton, California (about an hour outside of San Francisco). Tim & Mela Dee both enjoy traveling to various tax conferences and working in some vacation sightseeing along the way. They also enjoy flower & tree gardening.

Important Dates to Remember for 2014:

EDUCATIONAL
SEMINARS
&
MEETINGS

WHAT

DATES

WHERE

TO BE ANNOUNCED



NEW KS CHAPTER OFFICERS FOR 2014

From the left: Vice President: Leahann Snow, President: Tim Cain,
Treasurer: Terri Ryman, Secretary: Jan Cowick



Missouri Update

Submitted by: Leahann Snow

We may be Kansas tax professionals but depending on which part of the state we live in we may prepare quite a few returns for neighboring states. Living 25 miles west of Kansas City I prepare quite a few Missouri returns every year, including one for myself (my husband works in Missouri). So Missouri updates are important to me, just as Kansas updates are.

HB 253, a bill that was to include substantial changes to the sales tax and income tax laws was vetoed in June of 2013. Governor Jay Nixon thought the financial impact would be too great for the state to endure. Consequently, there are not many changes to report. But our Fall Seminar in Overland Park did feature a speaker from Missouri and for those members who could not attend, highlights follow, as well as some helpful links to additional information or resources that you may find helpful this coming tax season.

HB128 added a single sales factor apportionment option for eligible corporations. More information can be found here: <http://www.house.mo.gov/billtracking/bills131/billpdf/truly/HB0128T.PDF>.

Governor Nixon has directed MDOR to accept the jointly-filed state tax returns of all legally married couples, including same-sex couples legally married in other states, who file joint federal tax returns as required under Missouri law. http://governor.mo.gov/newsroom/2013/DOR_to_accept_jointly_filed_tax_returns_from_all_legally_married_couples.

The Department of Labor has released its final list of FUTA credit reduction states for 2013 and Missouri is on the list. This will affect year-end FUTA calculations on wages paid in Missouri. The credit reduction rate for Missouri is 0.9%. <http://www.irs.gov/Businesses/Small-Businesses-%26-Self-Employed/FUTA-Credit-Reduction>.

Electronic filing of fiduciary and partnership returns will be accepted starting January 2014, with accompanying forms and .pdf attachments. Amended returns are excluded however.

Additional Resources:

Department website: <http://dor.mo.gov> (check refund & 1099-G inquires; change address)

Resolve Delinquent Accounts: 573-751-7200

General income tax questions/Refunds: 573-751-3505

Mailing addresses and phone numbers: <http://dor.mo.gov/contact.htm>

Electronic filing: 573-751-8150, elecfile@dor.mo.gov.

Other Interesting Links:

<http://www.whoisnotpaying.mo.gov/> (search for revoked sales tax licenses)

<http://dor.mo.gov/business/sales/notaxdue/> (check business state compliance)

<https://sa.dor.mo.gov/tax/LIENSearch/Lienlookup.aspx> (Lien search)

<http://dor.mo.gov/pros/> (tax professionals)

<http://twitter.com/MoRevenue> (Twitter)

<http://dor.mo.gov/bulletins> (for businesses and tax pros)

<http://www.youtube.com/morevenue> (YouTube videos)

<http://smallbiztax.mo.gov/> (small business information)

<http://dors.mo.gov.tax/taxing/welcome.jsp> (return inquiry)

<https://sa.dor.mo.gov/fraud/> (report fraud)

MEET YOUR KS-NATP BOARD MEMBERS

Starting in 1995, Sara Wright was introduced to the accounting industry by her grandmother right out of high school. Sara started by doing basic data entry and learning the proper accounting procedures as they related to the different industries of their clients. Quickly, she began to realize the importance of having a proper set of financial records to use as a management tool. Having seen the benefits, Sara began to visit with small businesses to assist them with getting their financial books in order. To this day, she is still working with many of those same clients. Sara's knowledge grew over the years by educational courses and hands on work experience supervised by her grandmother.

Sara and her husband Jason have a small accounting practice on the west side of Wichita. Their family owned firm has four fulltime employees and hires additional staff during filing season. Professional Tax & Accounting Services, LLC is a full service practice with approximately 80 monthly/quarterly write-up clients and 400 tax clients – this includes individual and business returns.

Sara and Jason have been married for 20 years and have 4 children ranging from the age of 20 to the age of 4. Their oldest daughter works at Professional Tax as well, and is exploring the possibility of a career as a forensic accountant



Sales Tax Myths

Submitted by Terri Ryman

Myth #1: If I buy a car in a sales tax-free state, I don't have to pay sales tax. False. You will have to pay use tax (usually the same rate as sales tax) in your home state when you register the car.

Myth # 2: Internet purchases are not subject to sales tax. False. Many times you won't be charged sales taxes when you purchase items online, but this doesn't mean that you don't owe tax on the purchase. Most online retailers only charge sales tax in certain states because of a concept called Nexus. This federal precedent only requires retailers to collect sales taxes in states where they have a physical presence; however, consumers are technically supposed to report these purchases on their state income tax return and pay the sales taxes at that time. There are several pending court cases and even a proposed federal regulation aimed at changing these Nexus laws, so tax-free online sales may soon be a thing of the past.

Myth # 3: Nonprofits are exempt from sales taxes False. Nonprofit status, if properly applied for and approved by the IRS, gives an organization an exemption from federal income taxes. Most states also recognize this exemption for state income taxes as well, but many states do not exempt nonprofits for sales taxes. In most states, nonprofits have to pay sales taxes on their purchases and charge sales taxes on items that they sell. Some states allow nonprofits, such as charities, to apply for a special exemption from sales taxes; however, these exemptions usually only cover purchases that the organization makes for use in their tax exempt purpose. Even with these exemptions, the nonprofit is usually still required to charge sales taxes on items it sells.

Myth # 4: If I run a business in a given state, I have to collect sales taxes on all sales I make in that state. It depends. Most states have a destination-based sales tax, which means that the sale is thought to take place in the jurisdiction where the product is ultimately used (where it's shipped to or picked up from). A few states have an origin-based sales tax, which means the sale is considered to take place at the location where the sale is completed (the seller's business location). If you are running a business in an origin state, all sales you make would be taxable in that state; however, if you are running a business in a destination state, you would not have to collect sales taxes on sales that are shipped out-of-state. You would also not have to collect sales taxes for the customer's state unless you have Nexus or a physical presence, in that state. The customer would simply pay those sales/use taxes on their own.

Myth # 5: Leases are not taxable sales. False. Most, if not all, states consider leases of tangible personal property to be taxable sales; however, real estate leases, such as apartment rentals, are usually not subject to sales taxes. Hotel rooms, on the other hand, are generally subject to sales taxes.

Myth # 6: I don't have to collect or pay sales taxes if I am running a small business online. False. You are required to collect and remit sales taxes for any state where you have Nexus or a physical presence. In the case of a small online business that is shipping items to customers all over the country, this would usually mean charging sales taxes on items that are delivered to customers within the state where the business is located.

Myth # 7: My business was subject to a sales tax audit and no errors were found. That means I'm doing everything right. False. A sales tax audit is only meant to ensure that a business is collecting and remitting taxes correctly for their state. The primary objective is to make sure you are not underpaying; however, you could be overpaying and overcharging your customers and the auditor may not find it because they're not looking for it, or they simply may not tell you. An auditor of one state will also not be able to tell you if you are subject to sales taxes in another state. That is beyond the scope of their audit.

Kansas



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**Please contribute articles. I
welcome all budding authors!**

Have you ever wondered about the history of your Kansas Chapter of the National Association of Tax Professionals (NATP)? Well wonder no more...

During the past 10 years, the KS Chapter of NATP has taken in \$162,074.14 in registration fees, membership fees, QuickFinder Commissions and the Rusty Chase Scholarship Fund.

The longest term on the Kansas Chapter Board of Directors is 17 years. Do you know who that chapter member is?

Member Get a Member

Do you know someone who might be interested in NATP and all the benefits for members?

You might want to check out National's "Member Get a Member" campaign. You could win a \$15 or \$30 gift card, a free membership, or even \$1,000 in cash!

Just put your name on NATP Membership Enrollment forms in the "Who recommended your to NATP?" line and hand them out to non-member tax professionals.

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Jim Cain– Convention

Timothy Cain– Regional

Nolin Christensen– Bylaws

Mary Giesler– Membership, Scholarship, Education

Susan Fesler– Nominating

“Here to Serve”

