

MESSAGE from the PRESIDENT

Dear Members,



AS WE WRAP UP THE YEAR, I would like to thank each one of you for your membership with NATP and our Chapter. We all have different wants and needs in our profession, but all find ourselves a member of this organization, and for good reason. NATP in partnership with state chapters like ours offers creates a strong community of professionals, some of the best and timely education you can find, in-person and online, and much more. If you ever have any questions, comments, or concerns please reach out to myself or anyone else on the board.

The board has already begun planning a full education line-up for the 2023 year. We will be sure to announce dates as soon as possible, so keep an eye out on our website and Chapter News email communications from National. Now is a great time to review your email preferences with National, and make sure your opted in to receive chapter communications. If you have not yet registered, but sure to join us for our **Famous NJ State Tax Seminar** on **Saturday, January 14, 2023**. I hope to see you there!

I would like to congratulate our newly elected board members, **Dennis O'Brien** and **Pasquale (Pat) DeSanto, Jr.** Their 3yr terms begin January 1, 2023. I look forward to working with you both.

I'm sure many of you are already making preparations for the upcoming season but be sure to take the time and enjoy the Holiday Season with your family and loved ones. On behalf of the board and myself,

HAPPY
holidays

Sincerely,

Joshua C. Melum, EA

Josh has been a member of NATP since 2012 and is the owner of JCM Tax Service, located in Cream Ridge, NJ. He received his EA designation in 2014 and joined the NJ Board of Directors in 2015. When not working, Josh will be found spending time with his wife and three children, Charlotte, Mason, and Freya. He can be reached at josh@jcmtaxservice.com.

save the DATE

**FAMOUS NJNATP
STATE TAX SEMINAR**
SATURDAY, JANUARY 14, 2023

APA Hotel in Woodbridge

Flyer inside newsletter

**INHERITANCE TAX WITH
STATE BREAKOUTS**

THURSDAY, JUNE 1, 2023

Location: TBA as well as details

NATIONAL TAXPOSIUM

JULY 24-26, 2023

San Antonio, TX

WEBINAR

AUGUST, 2023

Details TBA

NATP TAX FORUM

SEPTEMBER 18-19, 2023

Location: Baltimore, MD

**NJNATP ANNUAL MEETING
AND SEMINAR**

THURSDAY, SEPTEMBER 28, 2023

Location & Topics: TBA

HALF DAY SEMINAR

TUESDAY, DECEMBER 5, 2023

Location & Topic: TBA

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From the Editor

BY JEAN MILLERCHIP, EA



HOW DID 2022 GO SO FAST? Holiday preparations are keeping us busy right now, but, before we know it, January will be here, and, with it, a new tax season! But, has the previous one ended yet?

Don't forget to register for the **Famous State Tax Seminar on January 14, 2023!** This year, it will be an in-person event, at the APA Hotel on Wood Avenue in Iselin. It's exciting to be able to meet in person again, and catch up with some of our colleagues that we haven't seen in 2 years! Flyer and details are included in this newsletter. **Taxation University** will have a timely presentation, on many current topics to take us into New Jersey laws for the upcoming season. And, of course, **Kathryn Keane** will take over in the afternoon, to bring us **NY State Updates** and any late breaking tax updates.

Hopefully, you have been able to take advantage of the **NATP Tax Updates**, whether in person or virtual. This year, the timing of the virtual worked better for me – and I thought the instructors were excellent, and gave us pertinent information.

A reminder to you if you haven't yet renewed your PTIN – please do so immediately; those of you who need to renew your EA – again, do so. I still remember the year I forgot to do it, and vowed to NEVER allow that to happen again! Fortunately, NATP keeps excellent track of all the CE's that we take with them, but it takes a lot of time to go through 3 years of education events, making sure you have Ethics each year, and getting all this sent to the IRS. If you take credits from other sources, you have to locate those too. It was not fun! As I said, NEVER again; this year, as soon as I got the notification that EA renewal was available, I got it done.

My very best wishes to all of you for a very happy holiday season. I hope you all are able to spend time with families, as that time is priceless. My 5 grandkids range in age from 11- 23, some from NJ and some from VA, and they all love to be together, whenever possible. Even in the winter, they all love to be at the Jersey Shore.

Stay safe, and I hope to see many of you on January 14th. Happy and Healthy 2023.

Until next time.....

Jean Millerchip, EA has been in the tax business since 1976, and is in private practice in Lavallette, New Jersey. She earned her EA license in 1985. Jean has been a member of NATP since 1988, and served on the NJ Board of Directors from 1991 until 2009, in various positions, including Treasurer, Secretary, Vice President and President. In 2008, Jean was elected to the National Board of Directors, and served a full 9 year term, during which she served as the National Vice president for 5 years and the National President for 2 years. Jean can be reached at jean.millerchip@gmail.com.

NJ TAX TIP OF THE QUARTER

WINTER, 2022

BY MARILYN H. AYERS, CPA



WISHING ALL OF YOU VERY HAPPY HOLIDAYS AS ANOTHER YEAR DRAWS

TO A CLOSE. It is hard to believe that tax season will be here in just a few weeks. There are many changes this year for both federal returns and NJ. I hope you will join us for our annual NJ Famous Tax Seminar on Saturday, January 14, 2023 for NJ updates, NY updates and last minute Federal updates presented by Kathryn Keane, EA. Unlike the past two years, it will be a live event held at the APA Hotel in Iselin. I hope to see you all there!

2019 ANCHOR PROGRAM – The Governor announced on Friday, November 18, 2022, that the deadline for filing the Anchor application has been extended until January 31, 2023. The revised program is for both homeowners and tenants. We will learn more about the program at our January seminar.

CHILD TAX CREDIT – Starting with the 2022 tax year, NJ residents who file a NJ Resident 1040 return may be eligible for up to a \$500 refundable credit for each dependent age 5 or younger. There are several eligibility requirements:

- Taxpayers must be a resident for all or part of 2022.
- They must have a valid social security number or ID number
- They must be claimed as a child for federal tax purposes as well as NJ.
- They must have taxable income of \$80,000 or less and
- They cannot have a filing status of married filing separately.

VIRTUAL OR DIGITAL CURRENCY – NJ has had many updates, TAMS and other memorandums during the year referencing the treatment of digital or virtual currency. It is treated as property that is included in business income, on inheritance tax returns, and the same as cash or other property in all cases. Sales tax is imposed on the receipts of virtual currency related to retail sales like any other form of payment – cash, credit cards, etc. Refer to the website for more information.

TAX PROFESSIONALS – The NJ Division of Taxation Website has been updated to include a Tax Professionals tab. Under that tab you will find a list of helpful resources including the Tax Practitioner hotline phone numbers, a link to the NJ Health insurance mandate, a link to abatement request forms, and many other resources including how to close a business in New Jersey. Please refer to that page for many important updates and options.

Marilyn graduated from Rider University in June 1978 with a degree of Bachelor of Science in Accounting and earned her CPA license in 1990. Marilyn's practice, established in 1988, provides tax and accounting services to approximately 900 individual clients and businesses, where service is the number one priority. Marilyn has been a member of NATP since 2000 and served on the New Jersey Board of Directors from 2004 through 2016, including secretary, vice president and past president of the New Jersey Chapter. Marilyn is also a member of the AICPA and the New Jersey Society of CPAs.

ANGELS COMMUNITY OUTREACH

PROVIDING A HAND UP AND SPREADING KINDNESS

BY JEAN MILLERCHIP, EA

ANGELS COMMUNITY OUTREACH was founded in June, 2009 by a then 12-year old named Katelyn Darrow. It was originally named Angels of God and started out as a clothing closet. Clients can come into the storefront and “shop” for free; nothing is sold at the clothing closet, but is given to families and individuals in need.

Now, in addition to the clothing closet, Angels Community Outreach also has a small food and toiletry bank where those in need can receive those items for free.

Throughout the year, they hold seasonal events:

A BACK TO SCHOOL DRIVE, where children receive a backpack filled with school supplies, as well as socks and underwear.

CHRISTMAS TOY DRIVE – again for needy families who need some extra help during the holiday season. Thanksgiving Basket, so that families in need can celebrate a traditional Thanksgiving meal.

PET FOOD PANTRY, so families can receive pet food for their furry family members! Once a month they deliver to the elderly or disabled.

VETERANS ANNUAL LUNCHEON – every year, a community luncheon is held for veterans; lunch is served, live music for entertainment, and goodie bags to go, as a thank you for their service.

EASTER BASKETS, for needy children, many of whom are in domestic violence shelters or other county shelters. They receive a traditional Easter basket filled with goodies.

HALLOWEEN COSTUMES, PROM DRESSES FOR TEENS, ANNUAL HOLIDAY PARTIES, such as Easter and Christmas, for children living in homeless shelters and low income families who can enjoy a fun filled day.

These are only a few of the programs given by this amazing organization, started by one 12 year old girl, who, with her mother and siblings had to escape a domestic violence situation. So many generous people helped them along the way, so this became her way of giving back.

An amazing undertaking and one the NJ Chapter is proud to support. I invite you to go to their website (<https://angelsoutreach.org/>) to read about all the inspiring programs.

Please Support ANGELS COMMUNITY OUTREACH

IN PAST YEARS, the NJ Chapter has supported **Angels Community Outreach** (formerly known as *Angels of God*), in Pitman, NJ.

For the past 2 years, our **Famous NJ State Seminar** has been held virtually, due to the COVID pandemic, but we are scheduled for **January 14, 2023** at the **APA Hotel** in Woodbridge in person!!!

We are asking for you to bring with you warm clothing items, such as hats, coats, scarves, mittens, gloves, heavy socks, blankets, etc, for both adults and children. If you are a knitter or a

crocheter, please see what you can make to donate to this worthy cause.

Joe Wisniewski, current NJNATP secretary, has volunteered to deliver all donated items to Angels Community Outreach.

Included is their website, in case you would like to send a monetary donation:
<https://angelsoutreach.org/>

Please read the article above that gives you more background into the founding of this organization and how it has grown.

\$80 Billion to the IRS: What It Means for You

You may have noticed that the IRS is in a bad way.

It has a backlog of millions of unprocessed paper tax returns, and taxpayers can't get through to the agency on the phone. Congress noticed and took action by passing a massive funding of the IRS in the recently enacted Inflation Reduction Act.

The IRS will get an additional \$80 billion over the next decade. This includes \$35 billion for taxpayer services, operations support, and business systems. Among other things, the IRS plans to use these funds to update its antiquated IT systems (some of which date back to the 1960s), improve phone service, and speed up the processing of paper tax returns.

Despite what you may have heard in the media, the IRS will not expand by 87,000 new employees. It will still be smaller than it was 30 years ago. It may grow by 20,000 to 30,000 workers over the next decade, and the number of revenue agents could increase to 17,000 by 2031—over twice as many as today.

The IRS will have an additional \$45 billion to spend on enforcement. Treasury Secretary Janet Yellen has promised that IRS audit rates will remain at “historical levels” for taxpayers earning less than \$400,000 annually.

Audit rates will rise for taxpayers earning \$400,000 or more per year. If you're in this group, it's wise to plan ahead to avoid trouble with a beefed-up IRS.

You should keep complete and accurate records and file a timely tax return. Of course, this is something you should be doing anyway.

Here are a few special areas of concern:

- **Cryptocurrency.** You can expect increased IRS audits dealing with cryptocurrency transactions. If you're one of the millions of Americans who engage in such transactions, make sure you keep good records and report any income you earn.
- **S Corporations.** If you're an S corporation shareholder-employee, you should have your S corporation pay you an arguably reasonable salary and benefits, and document how you arrived at the amount.
- **Syndicated Conservation Easements.** Be aware that the IRS is auditing all of these deals, and its scrutiny of them will likely grow.
- **Offshore Accounts.** You're supposed to report these to the U.S. Treasury. Failure to do so subjects you to substantial penalties. In recent years, the IRS has gone after banks and bank account holders who hide assets in offshore accounts. In future years, we can expect the IRS to place even greater emphasis on identifying and tracking such offshore assets.
- **Partnerships.** Partnerships and multi-member LLCs taxed as partnerships (this describes most of them) are already the subject of the Large Partnership Compliance program, which uses data analytics to select large partnership returns for audit. The IRS will likely devote more resources to this program in the future.



Holiday To-Do List

- ~~Buy presents~~ *BE*
- ~~Wrap gifts~~ *Someone in a VIRTUAL HUG*
- ~~Send cards~~ *LOVE*
- ~~Shop for food~~ *DONATE*
- ~~See the lights~~ *BE*
- ~~Make cookies~~ *PEACE*

NEW JERSEY CAN BE PROUD:

Congratulations Jaimee!!

At the recently held National Board meeting, our own **Jaimee Hammer, EA** was elected as the National President for 2023!



Jaimee served as the NJ Chapter President during her years on the NJ Board. She has already served for 6 years on the National Board, and has served as the Vice President.

In the 43 years that NATP has been an organization, there have been many National Presidents, but only 4 of them have been women- and 2 of those have been from New Jersey. It is truly an honor to be elected as the National President.

We know that Jaimee's leadership skills, as well as her patience and decision making ability will contribute to her success.

Wishing Jaimee all the best!

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www.njnatp.com

or Call:

908.752.0707

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NJ PRACTITIONER HOTLINE

609-633-6657 for Personal Income Tax
609-633-6905 for Business Tax

IRS PRACTITIONER HOTLINE

For practitioners with POA on file to call about a specific client problem:
866-860-4259
Tax Law Questions: 800-829-1040

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