

MISSISSIPPI ASSOCIATION



OF PUBLIC ACCOUNTANTS

ACCOUNTANTS' REGISTER

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JANUARY- APRIL 2005

MAPA
can
POSITIVELY
Do anything

FROM THE DESK OF THE PRESIDENT

SUSAN W. BEARD, EA, ABA

I hope everyone had a very enjoyable holiday season and that Santa was good to each of you. Luckily ours was very quiet. Kelly and Rafael were able to come over from France and spend about 3 weeks during Christmas and New Years, so that made it a very good holiday for us.

Hopefully you are having a productive and uneventful (if there is such a thing) tax season.

This is my first tax season to go "paperless". So far things are going very smoothly. The dual monitors, scanner and electronic file cabinet have really proved to be a **BIG** time saver. I only print the client's copy of the return, so my paper cost and printer cost have dropped.

What is really wonderful is not having to go look for a tax file when a client calls with questions. I simply open the electronic file cabinet and the return and documentation are right there on my computer screen. Talk about saving time and easing nerves!

Since this is our "Busy Time" I am keeping this short.

Happy Filing!

Susan W. Beard

MAPA CPE CALENDAR

Annual Accounting Forums

June 1, 2005

Holiday Inn - Hattiesburg, MS

May 26, 2005

Millsaps College - Jackson, MS

MAPA 58th Annual Convention

June 25 - 29, 2005

Clarion Hotel

Branson, MO

Gear Up Technology Seminar

August 2-3, 2005

MS e-Center @ JSU

Jackson, MS

Gear Up Business Entities

September 29 - 30, 2005

MS e-Center @ JSU

Jackson, MS

Gear Up 1040 Seminars

November 2-3, 2005

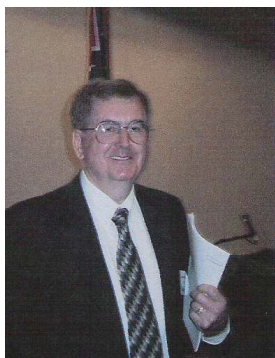
Grand Casino Hotel

Gulfport, MS

November 30 - December 1, 2005

Marriott Hotel

Jackson, MS



FROM THE MAPA EXECUTIVE DIRECTOR

Sanford D. Warren, CPA

In both the accounting field and the tax field we have many new rules which will affect a number of areas. Most of these apply to firms with stock traded on the exchanges. However, there are some which will apply to everyone.

In the tax arena there are rules which affect tax planning as well as the end result. The 50% bonus first year depreciation has expired. The first year depreciation for autos is lower for 2005 - \$2,960, down from \$10,610. The ceiling for light trucks and vans falls to \$3,260. The Section 179 deduction for equipment purchased for use in the business is \$105,000 for 2005. The standard mileage rate for business miles goes up to 40 ½ cents for 2005 and medical travel moves up to 15 cents per mile. The standard per diem rates are also higher. For high-cost areas this is \$204. For everywhere else it is \$129.

The dependency rules are changed for 2005. Claiming a child as a dependent no longer requires paying half of the child's support as long as the child doesn't provide more than 50% of his or her own support. The other tests for dependents still apply, i.e. age, living in the same home and being closely related. The standard deduction for 2005 is \$10,000 plus \$1,000 for each spouse 65 or older. Singles get \$5,000. Those singles 65 and up get \$6,250. The personal exemption increases to \$3,200. These changes will remove some of the Schedules A.

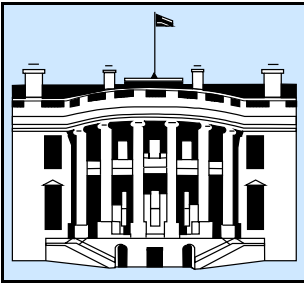
Elective deferrals to 401(k), 403(b) and 457 plans increase to \$14,000 for 2005. For those 50 and over an additional \$4,000 is available. For SIMPLE plans the amount increases to \$10,000. Those 50 and over can contribute up to \$12,000. Contributions to traditional and Roth IRAs are up to \$4,000. Those 50 and over can add an additional \$500.

Start up expenses of \$5,000 can be written off immediately under the new law. The balance is amortized over 15 years.

The Social Security base for 2005 is \$90,000. This is up \$2,100 from last year. I think we will see more of this as the pressure mounts to keep Social Security alive and well. One area that affects many of our clients is the earnings cutoff for Social Security. Those individuals between 62 and 65 and six months can make \$12,000 in 2005 without a pay back feature. For each \$2 over that \$1 is lost. Those who will be age 65 and six months in 2005 can earn \$31,800 until they reach that age. For each \$3 over that benefits drop by \$1. People who turn 62 in 2005 will have to wait until they reach age 66 to get full benefits.

The deduction for long-term-care premiums has increased. Taxpayers who are age 71 and older the maximum deduction is \$3,400 per person. For those age 61 to 70 the maximum deduction is \$2,720. For those age 51 to 60 the maximum deduction is \$1,020, and for those age 41 to 50 the maximum deduction is \$510.

New rules apply to donated vehicles, boats and planes. If the donor claims such an item's value exceeds \$500 no deduction is allowed without a contemporaneous written acknowledgment. If the charity sells the auto, boat or plane without renovating it or using it the donor's tax deduction is limited to the selling price. The charitable organization must notify the donor of the sales price.



CENTRAL OFFICE NEWS
By: Jo M. Allen, EA, ABA, ATA
MAPA Executive Sec./Treasurer/Editor

2005 Joint Annual Convention

Alabama has chosen the site for our next joint convention. Reserve June 25-29, 2005 for your family vacation as we will certainly be in a vacation site - Branson, Missouri. CPE has been scheduled for Monday, Tuesday and Wednesday mornings and will include two hours in ethics and ten hours in accounting. The hotel is the Clarion Hotel, 1-800-725-2236. Rates are: King Leisure \$99.00, King with Jacuzzi \$103.00, and family suites \$174.99. **The room block is listed under Alabama Association of Accountants. Cut off date for making room reservations is May 15, 2005.** A complete schedule of events is given below.

The registration fee is \$175.00 for members who will attend CPE and \$200.00 for non-members who would like to join us and attend CPE classes. For spouses and other guests who will not be attending CPE classes the registration fee is \$50.00 and \$30.00 for children 12 and under. These registration fees include the cost of the Tuesday night banquet - \$27.00 each. Alabama has scheduled the Shoji Tabuchi show for Monday night. Shoji Tabuchi, his beautiful wife Dorothy and delightful daughter, Christina, are considered Branson USA's first family of extraordinary musical entertainment. The family that plays, sings and dances encompasses all the wholesome values of truly great family entertainment. Yet the show rivals the pure excitement of Las Vegas or New York. If you are going early there is an opportunity to attend another evening show on Saturday, June 25th.

Agenda for Convention June 25 - 29, 2005

Saturday, June 25	Evening Show
Sunday, June 26	2:00 PM Board Meeting 6:30 PM President's Reception
Monday, June 27	8:00 AM to 12:00 Noon CPE 12:05 PM Business Meeting and election of officers
7:30 PM	Tabuchi Show
Tuesday, June 28	8:00 AM to 12:00 Noon CPE 6:30 PM Installation of officers and Banquet with entertainment
Wednesday, June 29	8:00 AM to 12:00 Noon CPE

GOODBYE FOR ANOTHER YEAR

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CONVENTION INFORMATION ENCLOSED - OPEN IMMEDIATELY

CALL TO ANNUAL MEETING

In accordance with Article IX, Section 3, By-Laws of the Mississippi Association of Public Accountants, you are hereby called to attend the 58th Annual Meeting of the association to be held on Sunday, June 26, 2005, at the Clarion Hotel At the Palace, Branson, Missouri at 3:30 PM (room to be announced). Each of you is urged to attend this important business meeting and actively participate in planning the future of MAPA.

A slate of officers has not yet been received but will be presented by the nominating committee at the meeting. Nominations will be taken from the floor at the election.

Paula J. Pixler, Secretary