

Dean Zerbe to Speak at Whalen’s Nov. 20 Seminar for Clients



The former senior counsel to the U.S. Senate Committee on Finance, and current managing director of a national group providing counsel and support to CPA firms and their clients, will be the featured speaker at a half-day seminar held for Whalen clients on Thursday, Nov. 20.

The seminar is designed to help Whalen clients gain insight into how political changes in the nation’s capital might affect them and their businesses, and learn how to take advantage of some existing tax provisions. The seminar will be held at the Worthington Hills Country Club, 920 Clubview Blvd. S., from 7:30 a.m. to 11:55 a.m. The event is offered at no cost to clients and includes a continental breakfast.

Our keynote speaker, Dean Zerbe, will share his view on the new President and congressional leadership, the outlook for short-term and long-term changes in tax policy and the prospect for tax reform measures. He will also address the recent actions taken by national leaders to address the country’s economic crisis.

Zerbe, who serves as national managing director of alliantgroup, and works in the organization’s Washington D.C. office, was intimately involved with almost every major piece of tax legislation enacted by Congress from 2001 through 2007.

Also included in our seminar will be presentations on year-end tax planning, the benefits of pre-tax employee benefit programs and the tax advantages of cost segregation studies and energy-efficiency improvements for building owners. ♦

CAT Ruling Under Appeal— Important tax issue for our food retailers, wholesalers, manufacturers and restaurateurs

The Commercial Activity Tax (CAT) is a tax imposed on gross receipts from sales of tangible personal property received by purchasers in Ohio. The *Ohio Grocers Association* challenged the constitutionality of the tax insofar as it applied to certain wholesale and retail food sales.

The state, on the other hand, claims that CAT is not an excise tax on individual sales but rather a franchise tax imposed on the privilege of doing business in Ohio. The court, however, has sided with the OGA and maintained that the Commercial Activity Tax, in its application to the sale of food, is in fact operating as an excise tax. Therefore, the CAT is prohibited by Sections 3 and 13 of Article XII of the Ohio Constitution.

In response to the lower court’s ruling, the state has asked the Ohio Supreme Court to review the case and make the final decision on the lawfulness of the CAT.

In the meantime, the Department of Taxation advises commercial activity taxpayers to continue to file all applicable returns and to make all applicable payments of their CAT liability. ♦

Whalen Sponsors Smash with Love—Benefiting Stephanie Spielman Cancer Fund

Whalen & Company was a corporate sponsor for Smash with Love’s “Escape to Paradise” fundraiser—benefiting the Stephanie Spielman Cancer Fund for Breast Cancer Research at the James Cancer Hospital and Solove Research Institute at The Ohio State University. Nearly 200 people attended the Saturday, Sept. 29, 2008 event, which took place at Wickertree Tennis and Fitness club.

Attendees of the fundraiser feasted on great food, bid on items at a silent auction, and participated in a tennis clinic and program.

The event was a huge success and plans are already in the works for next year’s event.

For additional information on Smash with Love, contact the organizations cofounder and Whalen client, Laura Pisciotta at vpisciotta@aol.com. ♦



We’re on the web!
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Historic Bailout Bill Passes

With the economy on the brink of a total meltdown and November elections looming, Congress reluctantly agreed to approve the \$700 billion government bailout bill.

The vote came after nearly two weeks of disagreement. Ultimately, the bill passed due to the addition of \$110 billion in tax breaks, mandates on broader mental health coverage and a raise in the cap on government bank deposit insurance.

Now comes the unenviable task of putting the plan into action in order to restore confidence in the American marketplace. According to reports, here is how the bill is supposed to help:

- Provides the government with warrants to obtain an equity stake in companies. This helps ensure that taxpayers share in future gains in companies that are bailed out.
- Limits excessive executive compensation for some companies. Any firm that sells more than \$300 million in troubled assets to the government is also subject to higher taxes.
- Establishes an oversight board and special inspector general to act as watchdog.
- Requires the Treasury secretary to regularly report to Congress the details of all financial transactions under the bailout.
- Allows federal agencies to modify troubled mortgage loans.
- Expands the amount of government insurance on individual bank deposits from \$100,000 to \$250,000.
- Gives chairman of Securities and Exchange Commission the authority to suspend mark-to-market accounting and requires the agency to complete a study on the effectiveness of this accounting method.

- Requires the President to devise a plan to recoup net losses, if any, over five years.
- Gives companies the opportunity to insure their troubled assets rather than selling them—this is at the discretion of the Treasury secretary.

This bill also includes tax breaks, disaster relief, clean energy tax incentives and a fix to prevent the alternative minimum tax from hitting more than 20 million additional people in 2008. ♦

New Form 990 Instructions

On Aug. 19, the IRS issued instructions for the redesigned Form 990, “Return of Organization Exempt from Income Tax”, which it had released in December 2007. The new form is designed to enhance transparency and promote tax compliance, so completing this form requires greater public disclosure and more time to prepare.

Exempt organizations are required to use the new Form 990 for all fiscal years that end on or after Dec. 31, 2008. Smaller organizations are able to phase into using the new form over a one to three year period, depending on gross receipts and total assets.

Whalen Client Founder of Walk! Magazines “Best Event for Walkers 2008”

Walk! Magazine named the New Albany Walking Classic the “Best Event for Walkers 2008”; and Whalen client, Phil Heit, is the one who started it all.

Heit, professor emeritus of physical activity and education at The Ohio State University, is the founder and director of the New Albany Walking Club and the New Albany Walking Classic. The event, which began in 2005, features a half marathon distance and a 10k distance—open to all walkers.

Whalen staff and their family members participated in the event, which was attended by approximately 3,500 participants. ♦

Whalen

Insider News

Whalen & Company, CPAs has added the following staff to its growing firm:

- Amy Chandler, Staff Auditor
- Christy Eichel, Tax Specialist
- John Maike, Staff Accountant
- John Butterfield, Director of Business Development
- Angela Grooms, Marketing & Business Development
- Joan Deever, Staff Accountant
- Richard Vogt, Tax Specialist
- Tracy Ceritelli, Director of First Impressions

The following staff member is celebrating an anniversary with Whalen & Company:

- Bruce Berry, CPA—15 years



If you have any questions or concerns about the new form, we are happy to help—contact our office at 614-396-4200. ♦

