

NEBRASKA CPA



RESOLVING NEBRASKA TAX CASES: BEST PRACTICES AFTER A STATE TAX AUDIT ASSESSMENT

page 10

PACE HELPS NONPROFITS FINANCE ENERGY IMPROVEMENTS

page 18

thinking ahead

An aerial photograph of a winding asphalt road that curves through a dense, lush green forest. The road has yellow and white lane markings. The perspective is from directly above, showing the road's path as it snakes through the trees.

■ With one of the largest teams of attorneys in the region dedicated exclusively to **estate and succession planning**, Koley Jessen has years of experience with the most complex and technical aspects of estate planning and tax law. We know how to communicate those aspects in a way our clients understand to ensure their objectives are being met. **If you are looking for a multi-discipline group of forward-thinking legal counselors, contact us.**

- ▶ Estate Planning
- ▶ Estate & Trust Administration
- ▶ Estate & Trust Disputes
- ▶ Charitable Planning & Nonprofit Organizations
- ▶ Business Succession Planning

KOLEY ■ JESSEN

BOARD OF DIRECTORS

OFFICERS

RYAN L. BURGER
NESCPA CHAIRMAN
 (402) 643-4557
 Gabriel, Burger & Else, CPA, PC
 Seward

LORRAINE A. EGGER
SECRETARY
 (402) 506-9900
 CynchHealth
 Omaha

ERICA R. PARKS
NESCPA CHAIRMAN-ELECT
 (402) 392-1040
 BKD CPAs & Advisors
 Omaha

DAVID E. SWAN
NESCPA TREASURER
 (402) 420-7758
 SP Group, PC
 Lincoln

BOARD MEMBERS

MEGAN C. HOLT
NESCPA DIRECTOR
 (402) 342-7600
 Mutual of Omaha Insurance Co.
 Omaha

KRISTIAN H. RUTFORD
NESCPA DIRECTOR
 (402) 437-8393
 Labenz & Associates, LLC
 Lincoln

NEAL D. LYONS
NESCPA DIRECTOR
 (402) 434-7203
 UNICO Group Inc.
 Lincoln

LINDA M. SCHOLTING
NESCPA DIRECTOR
 (402) 826-6777
 Doane University
 Crete

PATRICK A. MEYER
PAST CHAIRMAN & AICPA
ELECTED REPRESENTATIVE
 (402) 261-9622
 HBE, LLP
 Lincoln

JESSICA L. WATTS
NESCPA DIRECTOR
 (402) 330-2660
 Seim Johnson, LLP
 Elkhorn

SHARI A. MUNRO
IMMEDIATE PAST CHAIRMAN
 (402) 963-4316
 Frankel Zacharia, LLC
 Omaha

DANA J. WEBER
WEST NEBRASKA CHAPTER
PRESIDENT
 (308) 635-3008
 Dana J. Weber, CPA
 Scottsbluff

NESCPA STAFF

JONI SUNDQUIST
NESCPA PRESIDENT &
EXECUTIVE DIRECTOR
 joni@nescpa.org

MICHELLE LYONS
STAFF ACCOUNTANT &
OFFICE MANAGER
 michelle@nescpa.org

KELLY EBERT
VICE PRESIDENT
 kelly@nescpa.org

LORI VODICKA
EXECUTIVE ASSISTANT
 lori@nescpa.org

INCREMENTAL MATURITY BY NITIN BHOURAJ, CPA, CFE



"AT YOUR AGES, MAYBE WE CAN WRITE OFF YOUR CAR PAYMENTS AS A GAMBLING EXPENSE..."

SECTION 1031 EXCHANGE



THE PREMIER SPECIALIST FOR
 SECTION 1031 EXCHANGES

EXPERTISE

From a Respected Industry Leader



IPE 1031 | 888.226.0400 |
 WWW.IPE1031.COM | INFO@IPE1031.COM



6

NEBRASKA CPA

JULY/AUGUST 2021

CONTENTS



10



12

- 6 PRESIDENT’S MESSAGE: FULL SPEED AHEAD!**
BY JONI SUNDQUIST, NEBRASKA SOCIETY OF CPAs
- 8 STATE BOARD REPORT: CELEBRATING A SUCCESSFUL PERMIT RENEWAL SEASON**
BY KRISTEN VANWINKLE, NEBRASKA BOARD OF PUBLIC ACCOUNTANCY

- 10 STATE TAX BRIEFING: RESOLVING NEBRASKA TAX CASES: BEST PRACTICES AFTER A STATE TAX AUDIT ASSESSMENT**
BY NICK NIEMANN AND MATT OTTEMANN, MCGRATH NORTH

- 12 COUNSELOR’S CORNER: THE FAUX STRETCH IRA WITH A CHARITABLE TWIST – CONTRIBUTIONS OF RETIREMENT BENEFITS TO THE CHARITABLE REMAINDER TRUST**
BY CRAIG BENSON AND NICK O’BRIEN, KOLEY JESSEN

- 14 CPA INSIDER: ADVANCED CHILD TAX CREDIT PAYMENTS: OPT-OUT DATES, PAYMENT SCHEDULE & FAQs**
BY SHARON KREIDER, CPA

- 17 2021 REVISED SCHOOL DISTRICTS AUDITING & REPORTING REFERENCE MANUAL AVAILABLE**

- 18 PACE HELPS NONPROFITS FINANCE ENERGY IMPROVEMENTS**
BY BOB DAILEY, MCGRATH NORTH

- 20 21ST ANNUAL FALL CPE CONFERENCE AGENDA**

- 22 2021 NESCPA COURSE CALENDAR**

- 25 NEBRASKA SOCIETY OF CPAS LEADERSHIP ACADEMY**

- 26 CLASSIFIED ADS**

- 28 MEMBERS IN THE NEWS**

- 30 WELCOME NEW SOCIETY MEMBERS!**

EDITORIAL: The Nebraska Society of CPAs seeks to reflect news and relevant information to Nebraska and other news and information of direct interest to members of the Nebraska Society of CPAs. Statement of fact and opinion are made on the responsibility of the authors alone and do not represent the opinion or endorsement of the Nebraska Society of CPAs. Articles may be reproduced with written permission only.

ADVERTISEMENTS: The publication of advertisements does not necessarily represent endorsement of those products or services by the Nebraska Society of CPAs. The editor reserves the right to refuse any advertisement.

SUBSCRIPTION: Subscription to the magazine, a bi-monthly publication, is included in membership fees to the Nebraska Society of CPAs.

©2021 Nebraska Society of Certified Public Accountants | The newsLINK Group, LLC. All rights reserved. The Nebraska CPA is published six times each year by The newsLINK Group, LLC for the Nebraska Society of Certified Public Accountants and is the official publication for this society. The information contained in this publication is intended to provide general information for review, consideration and education. The contents do not constitute legal advice and should not be relied on as such. If you need legal advice or assistance, it is strongly recommended that you contact an attorney as to your circumstances. The statements and opinions expressed in this publication are those of the individual authors and do not necessarily represent the views of the Nebraska Society of Certified Public Accountants, its board of directors, or the publisher. Likewise, the appearance of advertisements within this publication does not constitute an endorsement or recommendation of any product or service advertised. Nebraska CPA is a collective work and as such some articles are submitted by authors who are independent of the Nebraska Society of Certified Public Accountants. While the Nebraska CPA encourages a first-print policy, in cases where this is not possible, every effort has been made to comply with any known reprint guidelines or restrictions. Content may not be reproduced or reprinted without prior written permission. For further information, please contact the publisher at: 855.747.4003.

McGrath | North

ATTORNEYS

Inspired By Excellence. Committed To Your Success.

For over 60 years we have been working with our nation's food companies, restaurants, farmers and ranchers to feed people better. We have been working with contractors and companies to build better and more affordable homes and new business facilities.

We have been working with technology companies to develop new ideas that improve lives. We have been working with inventors, startup companies and health care providers to develop patented medical devices, leadership teams and joint ventures that save lives. We have been working with energy companies to help fuel our homes and the businesses we all rely on.

We have been working with bankers, key partners, manufacturers, distributors, retailers and transportation companies to finance, produce and deliver better products and services to communities around the world. We have been working with family business pioneers and their other trusted advisors to transform, grow, carry on and transition the family business dream, the backbone of our great country.

We have been working with our community leaders to improve our cities and our schools. We have been working with our elected leaders to improve the business climate to create and attract new and better jobs for families.

For over 60 years, this has been the McGrath North Law Firm.

Working quietly behind the scenes closely with the talented leaders of great organizations around the world to make lives better.

Working together. Working stronger. Working faster. Working better. Overcoming Roadblocks. Avoiding Train Wrecks.

Inspired by excellence. Committed to your success.

Our diverse team isn't waiting for the future. We are helping to produce new, incredible, sustainable results right now.

We invite you to join us as we move quickly ahead towards the next 60 years.



Results Realized

Collaborating with Companies and
CPA Firms on:

- State Tax Audits
- State Tax Appeals
- State Tax Planning
- State Tax Incentives
- State Business Incentives
- Site Development Incentives
- Property Tax Appeals

McGrath | North

ATTORNEYS



Nick Niemann, JD
State & Local Tax
& Incentives Attorney
Partner, McGrath North
402-633-1489
nniemann@mcgrathnorth.com



Matt Ottemann, JD, LLM
State & Local Tax
& Incentives Attorney
Partner, McGrath North
402-633-9571
mottemann@mcgrathnorth.com

McGrath North | First National Tower, Suite 3700 | 1601 Dodge Street | Omaha, NE 68102
www.mcgrathnorth.com | www.nebraskastatetax.com

PRESIDENT'S MESSAGE

BY JONI SUNDQUIST, NEBRASKA SOCIETY OF CPAS

FULL SPEED AHEAD!

Now is the perfect time to step up your engagement with the Nebraska Society of CPAs. Our education events are scheduled to be live and in-person in September, and our advocacy efforts are moving forward as we prepare for the start of the next legislative session in January 2022.

CPE To Go Live & In-Person

Many of you have asked about the Nebraska Society of CPAs' plans to deliver Continuing Professional Education (CPE) amid the ongoing pandemic. In leveraging what the last year and a half has taught us, your Society continues to explore ways to make quality learning opportunities safe and easily accessible. We are monitoring the ever-changing environment and evaluating our in-person and virtual options for the remainder of 2021 and 2022. As we plan the best path forward, we examine elements such as safety protocols; speaker risk tolerance; venue availability and capacity; and costs. As part of this assessment, we have been consulting with our member-volunteers, partners, speakers, and venue contacts to review the factors affecting our scheduled return to in-person learning.

At this time, in-person CPE is scheduled to begin in September. In all, we have 40 in-person courses planned between now and the end of the year! This includes one of our biggest events of the year, the Society's 21st Annual Fall Conference & Annual Meeting, which will be back at the Embassy Suites Conference Center in La Vista on Oct. 28-29. Be sure to check out the great line-up of speakers and topics on pages 20-21 of this issue and register today! Of course, should Directed Health Measures change, Society courses will move to webcast.

In addition to our in-person events, virtual learning is here to stay and the Nebraska Society will continue to include it as a valuable and viable delivery channel because of the many benefits it offers our members. Members' familiarity with the virtual environment has steadily increased and we are pleased to bring you a wide variety of online learning opportunities in the months to come.

Make the Most of the NESCPA Website

As a reminder, our redesigned website at www.nescpa.org features an easier-to-navigate CPE Catalog, streamlined online renewal, and faster access to news and information.

Click **My NESCPA** to put your membership at your fingertips.

- Manage your profile and contact information.
- Access your committees and find new ones to join.
- Pay your dues.
- Search for a job or post an opening for free.

Easily track your registrations for education events with **My CPE Tracker**.

- See your upcoming events.
- Access eMaterials.
- Download transcripts, attendance certificates, and eMaterials from past courses.
- Add other courses you've taken to keep your records all in one place.

Designate a **firm administrator** to manage registrations and membership for everyone in your organization.

- Register multiple individuals for programs.
- Access eMaterials, course transcripts, and attendance certificates.
- Update your company's roster, manage employees at multiple office locations, and renew multiple memberships at one time.
- Ensure your firm is listed in the **Find a CPA** directory.

Stay on top of the **Latest News** and information of special interest to Nebraska CPAs.

- Scroll down the home page to find daily news briefs, with links to full-length articles from reputable sources.
- Access the digital version of the **Nebraska CPA** journal under **News & Resources**.
- Search the **NESCPA Knowledge Hub** for white papers, case studies, and industry analysis.
- Discover links to a variety of state and federal resources.

Government Relations Remains a Priority

The Society's advocacy efforts are already kicking into high gear in preparation for the Second Session of the 107th Legislature, which begins Jan. 5, 2022.

Over the summer, the Nebraska Society of CPAs along with the Nebraska Board of Public Accountancy have been working together to review current requirements of Nebraska law and State Board regulations that impact CPA firm ownership. Presently, Nebraska law requires an equity ownership interest of 51% and a physical requirement of at least two CPAs within a CPA firm. A meeting was held earlier this year that included Society leadership and the State Board's Legislative Committee to gauge the desire to further examine these requirements and to potentially seek a new path forward on the matter. After some discussion, the group determined that the subject warranted the creation of a task force to review the issue and make recommendations.

Over the years, it has worked well in our state for the Nebraska Society and State Board to work together when issues such as this arise. Several examples include requirements that have impacted education, experience, and firm ownership within the Nebraska Public Accountancy Act (PAA) and Board regulations.

The members of the joint Society/State Board task force met in May and agreed that a legislative change to the PAA should be considered to address concerns regarding the total number of owners of a CPA firm who are not CPAs. The group concluded that a CPA(s) should still hold the majority equity capital of a CPA firm. Following the meeting of the task force, members of the full Society Board as well as the full State Board voted to approve proceeding with the recommended legislative change.

Together, State Board Executive Director Dan Sweetwood and I met with Bill Marienau, senior legal counsel for the Nebraska Legislature's Banking, Commerce & Insurance Committee, to discuss a potential draft bill. As a side note, the year 2021 marked Marienau's 35th session as committee counsel, so to say he knows his way around the Legislature and the law-making process is an understatement! Following discussions, phone calls, and emails to flesh out the proposed changes to the Public Accountancy Act, specifically Sec. 1-162.01, Marienau placed a draft of the agreed-upon changes in the hands of the Legislature's bill drafters.

We are grateful that Sen. John Stinner from Scottsbluff, who is a retired CPA and Society member, has agreed to carry the bill when the Legislature convenes in January.

State Senators' Reception & Dinner 2022

The Society's time-honored tradition of hosting Nebraska State Senators the evening prior to the start of the Nebraska Legislature has been officially scheduled. Please mark your calendars and plan to attend this important, long-standing legislative event on Jan. 4, 2022, at The Cornhusker Marriott in downtown Lincoln.

Legislative Review Meeting Scheduled

In related news, the Society will be holding a Legislative Review Meeting on Jan. 24, 2022, led by our lobbying team at Radcliffe, Gilbertson & Brady with members of the Society's Legislation Committee, Taxation Committee, and Board of Directors. Most bills in the Nebraska Legislature are introduced during the first 10 days of the session. This meeting will provide Society members the opportunity to become more legislatively proactive by discussing

and determining positions on state legislative bills affecting the CPA profession.

Prepare for the 2022 Elections, Contribute to PEC

The Nebraska Society of CPAs' Political Education Committee (PEC) is a critical part of the Society's government relations efforts at the state level. Your contributions to PEC help elect state legislative candidates who support the CPA profession and a strong business environment. Now is the time to start preparing for the 2022 elections! If you have not been an annual contributor to the Society's PEC, we hope you will consider joining the growing number of members who consistently support our government relations efforts. Learn more and contribute today at www.nescpa.org/advocacy/contribute.

Federal Outreach on STEM

At the federal level, the Nebraska Society of CPAs has asked Nebraska Congressmen Jeff Fortenberry (R-Dist.1), Don Bacon (R-Dist.2), and Adrian Smith (R-Dist.3) to cosponsor H.R. 3855, the Accounting STEM Pursuit Act. The bill establishes the accounting profession as a Science, Technology, Engineering, and Math (STEM) career pathway and supports the profession's work to create more diversity in the future accounting workforce.

Introduced by Reps. Haley Stevens (D-MI) and Victoria Spartz (R-IN), the bill specifically allows federal funding to be used to strengthen accounting education in K-12 schools, particularly by providing high-quality accounting programs and courses for students who are members of groups that are underrepresented in the accounting profession. H.R. 3855 also would recognize accounting as a STEM field under Technology, which reinforces the future of the workforce and job trends.

You will find the Society's letters urging Nebraska Representatives to cosponsor H.R. 3855 at www.nescpa.org/advocacy/feedback.

This issue will likely be on the advocacy agenda when we visit Capitol Hill during the AICPA Fall Council Meeting in Washington, D.C., Oct. 17-21.

No Slowing Down

This past year and a half has been a wild ride, full of ups and downs, twists and turns, and loop-de-loops, as the pandemic has forced all of us to make changes to workflow, services, and processes. While the journey has been (and continues to be) extremely unpredictable and uncomfortable, you've stayed the course—shifting your business models and technology strategies, giving clients deeper insight and solutions to problems, and using your knowledge and skills to become their most trusted advisor. Please know that what you do makes a difference and be proud of your profession! ◀



Joni Sundquist is president and executive director of the Nebraska Society of CPAs. You may contact her at (402) 476-8482 or joni@nescpa.org.

CELEBRATING A SUCCESSFUL PERMIT RENEWAL SEASON

BY KRISTEN VANWINKLE, NEBRASKA BOARD OF PUBLIC ACCOUNTANCY



The State Board thanks each of you for a successful permit renewal season! We know this is just one more thing on your mile-long to-do list, so we appreciate your attention and cooperation during this time of year. Our goal has always been to make this process as quick and easy as possible, so we hope we have achieved that for you.

Our online renewal system continues to be a timesaver for both CPAs and the State Board staff. When applications are submitted online much of the process is automated, which results in you receiving your renewed permit faster. Of the renewal applications received this year, more than 94% were submitted using the online renewal system. That is simply incredible!

After many years of feedback, we were excited to offer American Express as a payment option for the first time this year. We are looking at adding electronic check as a payment option for next year. In regard to those pesky passwords, we are exploring a solution for that in the coming year as well.

Throughout the renewal season, many of you reach out to us with similar questions. I'd like to take this opportunity to provide advice on some of those themes.

Q: I'm not planning on practicing public accountancy next year, do I need to do anything?

A: You have several options but doing nothing is not one of them. If you are under the age of 60 and/or might practice public accountancy again in the future, applying for an inactive registration would be the best option for you. If you are over the age of 60 and not planning to practice public accountancy again, you can apply for an inactive-retired status. If neither of those suit your situation, surrendering your certificate



When applications are submitted online much of the process is automated, which results in you receiving your renewed permit faster.

could be an option. In any case, please contact the State Board office to discuss which option is best for you.

Q: I work in private industry and don't practice public accountancy, can I still have an active permit to practice?

A: Yes, having an active permit to practice is not dependent on where you work. As long as you complete the required CPE and pay the permit fee, you can continue as an active permit holder.

Q: If I am doing tax returns for my friends and family and signing the returns as a CPA, do I need to register as a CPA firm?

A: Yes, it is recommended that you at least register as a Sole Proprietor.

One final theme I'd like to address is the difference between a firm permit to practice and a certificate of registration for professional corporations and limited liability companies. For some firms, renewal of both occurs at the same time and can be confusing.

- The firm's permit to practice expires every year on June 30 and requires renewal with the State Board. This permit allows the firm to practice public accountancy in Nebraska.
- A certificate of registration is a requirement of the Nebraska Secretary of State and needs to be sent to the Secretary of State's office within 30 days of the expiration date in which the firm's Articles of Incorporation were filed. This certificate, which the firm will need to request from the State Board, tells the Secretary of State that the firm meets the requirements for licensure to practice public accountancy in Nebraska. The State Board sends a reminder to firms to request a certificate of registration one month prior to when it is due to the Secretary of State. ◀

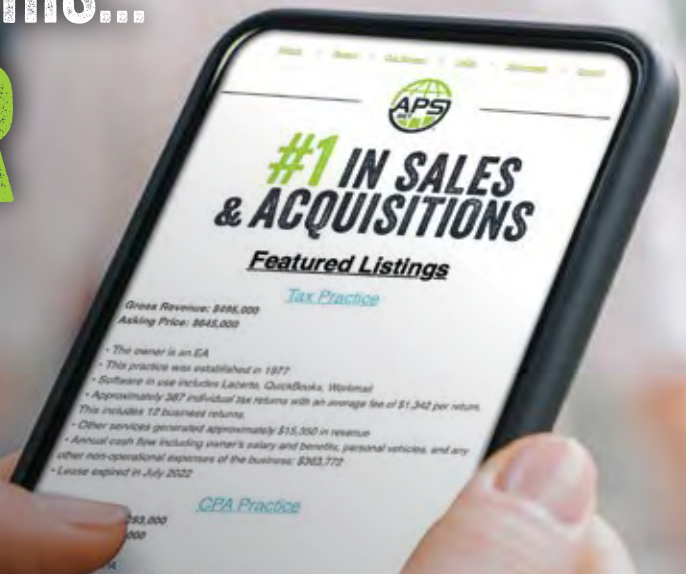


If you have questions about the permit renewal process or certificates of registration, contact Kristen VanWinkle, administrator for the Nebraska Board of Public Accountancy, at (402) 471-3595 or kristen.vanwinkle@nebraska.gov.

IF YOU ARE READING THIS...

SO IS YOUR BUYER!

CONNECTING MORE SELLERS AND BUYERS



ACCOUNTING PRACTICE SALES
THE GLOBAL LEADER IN PRACTICE SALES

Trent Holmes
Trent@APS.net

800-397-0249
www.APS.net



RESOLVING NEBRASKA TAX CASES: BEST PRACTICES AFTER A STATE TAX AUDIT ASSESSMENT

BY NICK NIEMANN AND MATT OTTEMANN, MCGRATH NORTH

In the first two articles in this series, we reviewed Nebraska tax-planning opportunities that state and local tax professionals are addressing during the life of a business or individual “before an audit” and “during an audit.”

In this article, we’ll examine certain best practices that can be deployed “after an audit” to work towards efficient and effective resolution and settlement of a Nebraska tax assessment. Before we review those practices, it is important to understand Nebraska’s procedure for handling a Nebraska tax or incentive assessment once issued.

Nebraska’s Procedure for Resolving Tax Assessments

The first step in the legal proceeding that is considered the appeal of an audit occurs when the Petition for Redetermination (often just called the “protest”) is filed in response to the Notice of Deficiency Determination (often just called the “60-day letter”) issued by the Nebraska Department of Revenue after a Sales/Use, Income, or Incentive Tax Audit that has not been resolved.

In either case, this petition, or protest, is the initial official legal “pleading” in the case. It needs to carefully lay out the factual and legal grounds for the appeal. This will impact the entire rest of the case, from the potential for settlement to the prospects for prevailing, either in a department hearing or upon further appeal to Nebraska courts.

The filing of the petition, or protest, with the Department of Revenue does not necessarily mean the case is destined to end up in the Nebraska courts.

Instead, in the usual Sales/Use, Income, or Incentive Tax Appeal, the case is assigned to a department attorney who will work with the taxpayer’s defense team. Both parties need to further develop the facts and the legal grounds and work towards possible settlement.

If the case cannot be resolved in this “informal” process, then either party may request that the case be set up for a formal hearing with a hearing officer appointed by the tax commissioner.

The purpose of this hearing is two-fold. The first purpose is to create the official “record” of the facts (in the form of documents and testimony). The second is for the hearing officer, after the case has been briefed and heard, to reach a recommended decision for the tax commissioner.

If this does not result in the taxpayer’s favor, the case can be further appealed to the Nebraska District Court.

The District Court will schedule a hearing, which will be based on the “record” of facts established at the department hearing. The District Court will render a judgment (after the case has been briefed and heard) based on the court’s own view of the proper result. From there, either party may appeal.

Certain best practices during this “after the audit” phase are reviewed below.

Issue: Meeting Regulatory Protest Requirements

Problem: In any Nebraska tax dispute (whether on appeal within the Department of Revenue or in court), certain procedural steps need to be taken to preserve the right to protest a tax assessment, file a refund claim, build the necessary factual record, have a formal hearing, and express and preserve all potential legal defenses.

What to Do: If a taxpayer wishes to protest an assessment, he or she must understand the procedural requirements associated with the desired filing, including the items that must be pled to constitute a valid appeal.

Issue: Filing Refund Claims

Problem: In Nebraska, the filing of a refund claim does not automatically entitle the taxpayer to an administrative hearing.

What to Do: If a taxpayer wishes to file a refund claim, the proper facts and legal grounds must be laid out in the claim. The taxpayer must also state whether he or she requests a backup hearing.

Issue: Settling at the Right Result

Problem: In our experience, the Department of Revenue will not agree to a fair resolution, unless the taxpayer’s defense team has first presented a strong defense that the department will recognize (as a matter of the record of facts, sound legal basis, and litigation risk). So, while the objective is to settle most cases, a number of steps must first be taken to lay in and position the proper groundwork for a successful settlement posture.

What to Do: To reach a favorable settlement, the strength of the taxpayer’s factual and legal position must first be demonstrated and then be moved ahead with the speed, clarity, and attitude consistent with a belief in that position.

Issue: Applying Legal Principles Beyond the Statutes

Problem: A winning tax defense position at all three stages (before, during, and after the audit) needs to recognize (and potentially defend against) a variety of overriding tax law principles that extend beyond the wording of the statute, regulation, or ruling.

What to Do: Legal “common law” doctrines, such as Substance Over Form, Step Transaction, Economic Substance, Sham Transaction, and Business Purpose, need to be understood (and planned for) at the time of the transaction and deployed or defended against in the audit or appeal.

Issue: Knowing—and Effectively Using—the Rules of the Game

Problem: Just as in any ongoing competition, the rules of the game must be known, understood, and deployed, when appropriate, to your advantage. These may include, for example, Rules of Evidence, Protection of Privileges, Burden of Persuasion, Rules of Construction, Taxpayer Rights, Due



In this article, we’ll examine certain best practices that can be deployed “after an audit” to work towards efficient and effective resolution and settlement of a Nebraska tax assessment.

Process, Assessment Standards, Equitable Recoupment, Nexus, and Burden of Proof.

What to Do: Determine upfront which of these game rules will come into play in your case. These can make the difference between a win, a loss, or a great settlement.

Issue: The Science Behind It

Problem: Ultimately a tax matter is resolved by convincing the person reading your analysis of the soundness of your view. You can’t do this unless the reader understands your view (and in the case of tax matters, this means multiple readers, potentially including the auditor, supervisor, legal staff, settlement committee, tax commissioner, hearing officer, and the court).

What to Do: Like it or not, people learn and understand in four different ways: visual, auditory, reflective, and kinesthetic (known as VARK). A winning tax defense approach needs to deploy the best ways to reach and convince all four learning styles.

Conclusion

This article has examined some of the tax defense strategies that can occur “after an audit.” These are also highlighted in our publication, *The Anatomy of Resolving State Tax Matters*.

In the September/October 2020 issue of the Nebraska CPA journal, we discussed Nebraska’s new Imagine Nebraska incentive program. While this is a key incentive package for growing companies, it is only one of Nebraska’s incentive programs. In our next article, we’ll review other Nebraska incentive programs you should know about, as well as the CPA’s expanding role in the business. ◀



Nick Niemann and Matt Ottemann are partners with McGrath North Law Firm. As state and local tax and incentives attorneys, they collaborate with CPAs to help clients and companies evaluate, defend and resolve tax matters, and obtain various business expansion incentives. See www.NebraskaStateTax.com and

*www.NebraskaIncentives.com for more information. For a copy of their full publication, *The Anatomy of Resolving State Tax Matters*, or their *Nebraska Business Expansion Decision Guide*, please visit the above-referenced websites or contact Niemann or Ottemann at (402) 341-3070 or at nniemann@mcgrathnorth.com or mottemann@mcgrathnorth.com, respectively.*



THE FAUX STRETCH IRA WITH A CHARITABLE TWIST

CONTRIBUTIONS OF RETIREMENT BENEFITS TO THE CHARITABLE REMAINDER TRUST

BY CRAIG BENSON AND NICK O'BRIEN, KOLEY JESSEN

The Setting Every Community Up for Retirement Enhancement (SECURE) Act limited the availability of “stretch IRAs” to few potential beneficiaries.¹ Now, most beneficiaries who inherit an individual retirement account (IRA)² must withdraw the assets within 10 years.³ Notwithstanding, a faux stretch IRA can be achieved by contributing an IRA to a Charitable Remainder Trust (CRT).

Charitable Remainder Trusts. A Charitable Remainder Trust is an irrevocable split-interest trust whereby non-charitable beneficiaries receive income during life with the remainder passing to charity.⁴ The value of the charitable remainder interest must be 10% or more of the actuarial value of the assets initially contributed.⁵ The trustee is required to make annual distributions to non-charitable beneficiaries of at least 5% and no more than 50% of the initial fair market value of the contributed property until the death of

the last surviving non-charitable beneficiary, or, if a specific term is elected, no more than 20 years.⁶ Upon contribution, the donor is allowed a charitable deduction equal to the present value of the remainder interest.⁷

CRTs are income tax exempt, allowing the sale of assets within the CRT without triggering tax.⁸ The tax is not eliminated, but rather deferred until distributed to the non-charitable beneficiaries.⁹ The character of distributions carry over from the CRT to the non-charitable beneficiaries on a “worst-in, first-out” basis—from income taxed at the highest rate (i.e., ordinary income) to that taxed at the lowest rates (i.e., tax-exempt income and returns of principal).¹⁰ Because retirement accounts are a form of deferred compensation, distributions to beneficiaries will retain the character of ordinary income until the initial contribution to the CRT is exhausted.¹¹ Thereafter, the character of the distributions will depend on the type of asset and income earned.



A contribution of an IRA to a CRT should only occur upon an account owner's death to avoid a deemed distribution and acceleration of income. Upon contribution, the donor receives a corresponding estate tax deduction equal to the present value of the remainder interest.

Tax-Efficient Strategies Using CRTs.¹² A contribution of an IRA to a CRT should only occur upon an account owner's death to avoid a deemed distribution and acceleration of income.¹³ Upon contribution, the donor receives a corresponding estate tax deduction equal to the present value of the remainder interest.¹⁴ For maximum deferral and asset appreciation, the terms of the CRT should (i) limit payments to non-charitable beneficiaries to the lesser of net income or the selected annual payout rate (i.e., 5%-50%), (ii) allow the trustee to make up any shortfall in the required annual payout rate in the current year with excess income in future years,¹⁵ and (iii) convert the payment structure to a unitrust upon a triggering event. A unitrust is a trust from which the beneficiary receives annually a fixed percentage of the fair market value of its assets and is not dependent on the underlying performance of the trust investments. The foregoing structure is generally called a NIMCRUT¹⁶ with a Flip-CRUT conversion.¹⁷

The NIMCRUT structure safeguards against forced invasions of principal when income is insufficient to satisfy the payout rate resulting in increased long-term growth through tax deferral and compounding. This structure is best coupled with the trustee investing in high-growth, low-income-producing assets to intentionally minimize trust income and increase deferral.

The Flip-CRUT conversion is triggered by a specific event, e.g., the later of the death of surviving spouse or 20 years, where thereafter the non-charitable beneficiaries will begin to receive much larger distributions from the trust. The unitrust model maximizes the payments to the non-charitable beneficiaries by allowing distributions to be satisfied by trust principal when income is lacking.

Illustration. John (age 72) died leaving \$2 million in IRAs. John's spouse, Joan (age 71), has sufficient income without such IRAs and is charitably inclined. John's trust (the beneficiary of such IRAs) grants Joan a power of appointment (POA) to appoint IRA assets to herself,¹⁸ descendants, and charities. Joan exercises her POA to create a NIMCRUT, naming herself¹⁹ and her three children (ages 45, 43, and 41) as income beneficiaries and her church as remainder beneficiary.

As trustee, Joan invests the balance of the retirement accounts into high-growth, low-income-producing assets, e.g., Berkshire Hathaway stock. Joan receives no distributions from the CRT, continuing to defer income from the underlying IRAs. The NIMCRUT's terms provide upon Joan's death, the NIMCRUT "flips" to a standard unitrust, removing the income limitation to ensure the 5% fixed payout rate is paid notwithstanding the trust's income. If Joan lives 20 years, with 8% annual growth,²⁰ the trust corpus will increase 432%, from \$2 million to \$8,631,401. After the "flip" to a unitrust, the CRT will make increasing annual distributions to the children

starting at \$433,768, or \$144,589/child, causing ordinary income until \$2 million in distributions have been made. Thereafter, the trustee can invest in assets that will generate income not taxed as ordinary income. At the last child's death, \$16,256,710 will be distributed to the charity. Meanwhile, the children will have received \$14,336,139 of distributions from the CRT. ◀

¹IRC § 408(a)(6).

²In this article, "IRA" shall include all tax-deferred retirement accounts under IRC §§ 401(a), 408, 403(b) and 457(b).

³IRC § 401(a)(9)(F)(i), (vi).

⁴IRC § 664.

⁵IRC § 664(d)(1)(D); IRC § 664(d)(2)(D).

⁶IRC § 664(d)(1)(A); IRC § 664(d)(2)(A).

⁷IRC § 170(f)(2)(A).

⁸IRC § 664(c)(1).

⁹IRC § 661; IRC § 662.

¹⁰IRC § 664(b).

¹¹See IRC § 691(a)(1).

¹²The below structure is best utilized for long-term CRTs (between 30 and 55 years) where high-income rates are applicable, such as ordinary income rates on receipt of inherited IRA assets. Generally, this technique will not be advisable for clients with retirement benefits in an amount less than \$1.5 million.

¹³Note, although an individual is allowed an income tax deduction, a trust or estate is not allowed a similar deduction for contributions to CRTs. IRC § 642(c).

¹⁴IRC § 2055.

¹⁵IRC § 664(d).

¹⁶"NIMCRUT" stands for Net Income with Makeup Charitable Remainder Unitrust.

¹⁷The "Flip-CRUT" is a conversion of a NIMCRUT to a standard unitrust.

¹⁸Note, a power of appointment exercisable by Joan in favor of herself would be considered a general power of appointment under IRC § 2041 and be included in her gross estate. However, if Joan is prohibited from exercising such power for her own benefit, and rather is granted only the power to appoint an independent person to exercise such power on her behalf, such a power is a special power of appointment and the value of the CRT is not included in Joan's gross estate.

¹⁹Joan's retained income interest will result in gross estate inclusion under IRC § 2036. If the estate tax is a concern, consider not including Joan as an income beneficiary.

²⁰The S&P 500 index historically provides an 8% return.



Craig Benson is an associate in Koley Jessen's Estate, Succession, and Tax Department and has a background in accounting and a Master of Laws (LL.M.) in taxation from the University of Florida Levin College of Law. Serving as trusted counsel to business owners, families, and individuals, Benson works with CPAs in

the structuring and implementation of plans for clients to ensure wealth accumulation and protection through sophisticated tax minimization and mitigation techniques. He can be reached at craig.benson@koleyjessen.com.

Nick O'Brien is an associate in Koley Jessen's Estate, Succession, and Tax Department. He provides services ranging from basic estate planning, business planning services, and trust and estate administration to wealth transfer techniques and counseling clients on charitable planning matters. He can be reached at nick.obrien@koleyjessen.com.

ADVANCED CHILD TAX CREDIT PAYMENTS: OPT-OUT DATES, PAYMENT SCHEDULE & FAQs

BY SHARON KREIDER, CPA

The IRS sent the first advance monthly payment of the Child Tax Credit to roughly 35 million U.S. families with 60 million children on July 15. The first batch of payments totaling \$15 billion paid as much as \$300 per child.

If your clients didn't opt out of the advance monthly payments by August 2, they're likely to get the August 13 and the September 15 payments. Should your client opt out? We'll answer this question together, and I'll provide you with critical dates, opt-out deadlines, and answers to IRS Portal FAQs.

Why should your clients opt out?

We need to get our talking points straight, because we may be hearing from many angry clients once the 2022 tax filing season begins. Clients who expect their usual big tax refund and end up with a smaller amount, or even owe money to the IRS, are going to yell at us, the people who prepared their tax return, not the people who wrote the law.

Let your clients know the IRS has been clear that this is an advance payment, not a "gift" from the government. If the monthly advance is too big, it must be paid back when their 2021 tax return is filed. Clients can opt out of the advance. If they opt out, they are not turning down the credit, but putting off when they'll receive it—in advance payment amounts that the IRS approximated (right or wrong) from prior year information, or in an amount correctly calculated on their 2021 tax return.

Three Reasons for Opting Out

Here are three cases where unenrolling from the advanced payments may be advisable:

1. The client's 2021 income will be above the thresholds (\$75,000, \$112,500, \$150,000), and the client doesn't want to repay the advance.
2. The client's financial situation is solid. "I don't need the money. I'd rather have a bigger refund next April."
3. The client's circumstances or tax situation will change (or has changed) this year, and they don't want the hassle of updating the IRS portal. Think divorced clients with alternating custody of their child.

If it turns out your clients were overpaid or underpaid during the six-month prepayment period, they will have to take the advance payments into account on their tax return at the end of the year. If they're underpaid because they had a baby or their income dropped, they'll get a bigger amount when the tax return is filed.

If they were overpaid, they must pay the overpayment back. This is different from what happened with the Economic Impact Payments (EIPs). If the client was overpaid, they could keep the EIP overpayment. If they were underpaid, the client could claim

an excess credit when reconciling the EIP on their tax return. The Child Tax Credit Advance is not the same—overpayments must be paid back.

How do your clients opt out of the September payment and beyond?

Your clients have until 11:00 p.m. CT on August 30 to unenroll and opt out. They can opt out anytime in 2021 to halt the rest of the advance payments even if they've already received payment.

NOTE: The IRS has stated that to unenroll, your clients must opt out three days before the first Thursday of the month to halt the next month's payment. See the chart below for more information.

Advance Child Tax Credit Payment Unenrollment Dates

Payment Month	Deadline to Update Information	Payment Date
July	6/28/2021	7/15/2021
August	8/2/2021	8/13/2021
September	8/30/2021	9/15/2021
October	10/4/2021	10/15/2021
November	11/1/2021	11/15/2021
December	11/29/2021	12/15/2021

Source: Internal Revenue Service

How-to Instructions:

1. Go to the new "Child Tax Credit Update Portal" at www.irs.gov/credits-deductions/child-tax-credit-update-portal and click the "Manage Advance Payments" button.
2. On the next page, your client will need to sign in using their IRS or ID.me account. If they have neither, the page will walk them through setting up an ID.me account. They will need an email address, photo ID, Social Security number, and a smartphone or tablet to verify their identity.
3. On the next page, they will see their eligibility and may unenroll from the monthly payments.

How much can my clients receive per child?

Reiterate to your clients that those who decline this year's advance Child Tax Credit payments (almost half the total) will still receive the credit amount they're entitled to. They are only delaying when they receive the benefit of the credit.

- Communicate to your clients that if they opt out, they may not get full payment or any payment until after the IRS processes their 2021 tax return in 2022.

Example:

If your client qualified for a \$3,000 child tax credit for their 10-year-old child, they would receive six \$250 payments between July and December, for a total of \$1,500. Then, they would claim the remaining \$1,500 on a reconciliation sheet, not yet released, on their 2021 tax return filed in the 2022 tax season.

Maximum Tax Credit, by Dependent Age



Source: White House Fact Sheet

The Child Tax Credit payments are as much as:

- \$3,000 per child for children between ages six and 17 years old.
- \$3,600 per child for children under six years old.

NOTE: All working families will receive the full credit if they make less than \$150,000 for married filing jointly, less than \$112,500 for head of household, and \$75,000 for single or married filing separate.

- For every child between ages six and 17 years old, families will receive \$250 each month for each of the children.
- For every child under six years old, families will receive \$300 each month in advance.

What's my client's timeline for the advance payments?

NOTE: 80% of the taxpayers who asked for their refunds to be direct deposited will receive these payments in their bank account on the 15th of the month until the end of 2021.

People who don't use direct deposit will receive their monthly payment by mail around the same time, mid-month. See the chart below for more information.

Timeline for Child Tax Credit Payments

Monthly	Maximum Payment (Newborn to Age 5)	Maximum Payment (Ages 6 to 17)	Maximum Payment (Ages 18-24)
July 15, 2021 <i>First Payment of the Year</i>	\$300	\$250	--
August 13, 2021	\$300	\$250	--
September 15, 2021	\$300	\$250	--
October 15, 2021	\$300	\$250	--
November 15, 2021	\$300	\$250	--
December 15, 2021 <i>Last Payment of the Year</i>	\$300	\$250	--
April 2022 <i>Second Half of Payment</i>	\$1,800	\$1,500	\$500

Source: White House Fact Sheet

Useful FAQs

Q: How can my client receive the benefit if their child was born in 2021 or if they gained custody of a child in 2021?

A: The IRS created the Child Tax Credit Update Portal, where families can tell the IRS about children born in 2021 or changes in child custody. If your client has a baby in 2021, their newborn will count toward the CTC payment.

Q: My clients are married parents. Do both need to separately opt out?

A: If your clients are married and filing jointly, they will need to individually opt out because unenrolling applies to one person at a time. The IRS said if only one person opts out, they will receive half the joint payment.

Q: My client changed their bank account or now wants direct deposit. Can they make that change in the portal?

A: Yes! The client can provide or update bank account information for direct deposit at the portal. The portal is also the place to tell the IRS about things that affect the advance payment amount, such as a change in the number of kids, marital status, or income.

Q: Will my clients continue to receive monthly payments next year?

A: The American Rescue Plan Act only expands the child tax credit for one year, 2021. President Biden has proposed extending the expansion through 2025 as a part of the American Families Plan. Democrats hope to make the program permanent.

Tax Practitioner Tips

Your clients may mix up the Economic Income Payments with the Child Tax Credit advances. No one likes paying back excess



Let your clients know the IRS has been clear that this is an advance payment, not a “gift” from the government.

credits. To reduce the frustration, consider this tip for the next “thrilling” tax season.

- Tell them to keep their end-of-year reconciliation letter.
- The IRS will not issue a Form 1099 (or any other information form) to taxpayers.
- The IRS will mail out Letter 6419 in January 2022, which will state the amount of advance CTC payments distributed in 2021.



Sharon Kreider, CPA has been helping thousands of tax preparers get ready for tax season each year for the past two decades. With a keen ability to demystify complex individual and business tax legislation, Kreider instructs Western CPE tax seminars and presents regularly for the AICPA, the California Society of Enrolled Agents, and A.G. Edwards. She gained her detailed, hands-on tax knowledge through her extremely busy, high-income tax practice in Silicon Valley. For more information, contact Western CPE’s customer service center at (800) 822-4194 or wcp@westerncpe.com. ©2021 Sharon Kreider

Alta Vista TECHNOLOGY | sage Intacct

Alta Vista Technology is now in Lincoln! Are your customers using the only cloud accounting software recommended by the AICPA?

Sage Intacct customers achieve an average 250% ROI and payback in less than 6 months:

- Reduce time to close by as much as 79%
- See real-time reporting across hundreds of consolidated entities
- Put finance leaders in a position to drive more growth

Enter code **FREE20** at altavistatech.com/consult to claim your **FREE CLOUD-ACCOUNTING CONSULTATION.**

www.altavistatech.com | 1.855.913.3228 | info@altavistatech.com

2021 REVISED SCHOOL DISTRICTS AUDITING & REPORTING REFERENCE MANUAL AVAILABLE

The 2021 edition of a longtime Society publication, Nebraska School Districts Auditing & Reporting Reference Manual, is available through the Society for \$40.

This year's guide has been updated by members of the Society's Nebraska Governmental Accounting and Auditing Committee, coordinated by Marcy Luth of Almquist, Maltzahn, Galloway & Luth in Grand Island; Julie Bauman of Julie D. Bauman, CPA, PC in Falls City; Jerry Stilmock of Brandt, Horan, Hallstrom & Stilmock of Syracuse, and the Nebraska Department of Education.

The guide has been developed to assist accountants in preparing financial statements and reports for all Nebraska School Districts and was prepared with the cooperation of the Nebraska Department of Education and the Nebraska State Auditor's Office.

To order the guide, contact the Nebraska Society of CPAs at (402) 476-8482 or society@nescpa.org.



PACE HELPS NONPROFITS FINANCE ENERGY IMPROVEMENTS

BY BOB DAILEY, MCGRATH NORTH



Non-profit entities, like churches, often have difficulty finding real estate financing, particularly for energy savings projects. Commercial construction loans typically have a three- to five-year maturity period, making the repayment terms difficult when it comes to energy savings projects. PACE (an acronym for Property Assessed Clean Energy) changes all of this by allowing a non-profit to finance energy efficiency projects using loans with a longer term (as much as 25 years).

Nebraska’s PACE program was passed in 2016, but it is underutilized by non-profit entities. In fact, unlike national PACE loans, no Omaha PACE loans have been made for churches or other non-profits. This may be because non-profits (and their advisors) are unaware of how the PACE program can be used for their benefit.

PACE gives non-profits a tool to obtain loans with a longer term (as much as 25 years) since the loan is repaid through a voluntary assessment, levied by the local government, on the property that runs with the land. This super-priority lien allows for a lower interest rate and lets borrowers finance improvements that ordinarily wouldn’t be economical.

Since the county will enforce the PACE voluntary assessment like any other delinquent tax obligation, lenders feel secure in providing loans with terms of up to 25 years. This often results in a positive cash flow for the non-profit since the savings generated by the energy project are greater than the loan repayment obligation.

Non-Profits Are Not Using PACE Loans

What kind of owners are likely candidates for a PACE loan? Figure 1 shows the type of PACE loans that have already been made in Omaha. This is heavily weighted in favor of hotels. No non-profit entity loans exist.

FIGURE 1

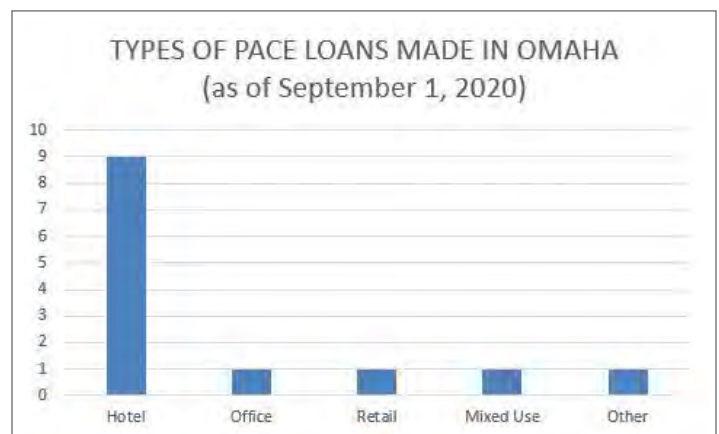
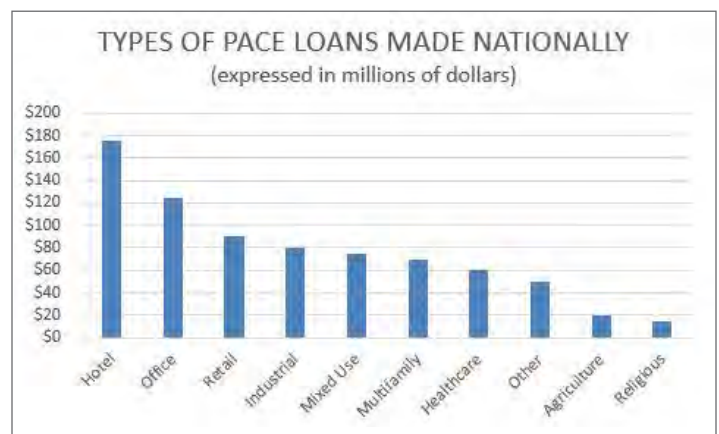


Figure 2 shows the distribution of PACE loans nationwide. As you can see, PACE loans have been completed for religious institutions nationally, even though none have been done in Nebraska.

FIGURE 2



Given the potential benefits of PACE loans for non-profit entities, this tool is being underutilized.

Length of the Loan

The term of the loan may not exceed the “weighted average useful life” of the energy project, which would follow this simple example. Say two separate energy reduction projects are being installed, each with different useful lives. This includes a chiller with a 30-year useful life and LED lighting with a 20-year useful life. Assume both the chiller and the lights cost the same. The “weighted average useful life,” or the term of the loan, would be the average useful life of the two separate projects. That is: $(30 + 20) \div 2 = 25$ years.

Examples of Previous PACE Loans to Churches

Churches nationally have been very successful with PACE loans. In Washington, D.C., a church did a PACE loan that provided 100% of the capital to complete an energy efficiency retrofit resulting in savings of \$95,700 the first year. In Spring Valley, Calif., another church completed installation of a solar system that will result in lifetime energy savings of \$903,083.

What Type of Improvements Can Be Financed?

The definition of improvements allowed under a PACE loan is very broadly written. This would include any acquisition, installation, or modification benefiting property that is designed to reduce utility demand or consumption.

A PACE loan can finance the costs of materials and labor, permit fees, inspection fees, application and administrative fees, bank fees, and other fees incurred by the owner/borrower for the installation of the improvements.

Where Are PACE Loans Available?

PACE loans are made in Nebraska pursuant to the Property Assessed Clean Energy Act. PACE ordinances have been passed in Omaha, Bellevue, and Lincoln as well as several other Nebraska cities. If an ordinance has not been passed in a community where a PACE loan would be helpful, that can be corrected.

Procedures for Obtaining a PACE Loan

The first step to obtain a PACE loan is submitting a PACE application to the city. Applicants must include estimated operations and maintenance costs, and projected increases in the cost of energy use in the applicant’s calculations. To be eligible for PACE financing, the scope of any project must generate some amount of energy or water savings. For upgrades to existing buildings, the new system must be more efficient than the original building; in new construction, the new system is compared to the requirements of the existing building code. The application must describe the entire project, not just the PACE component, and describe the financing, including the name of the lender, amount financed, interest rate, and fees. ◀



Bob Dailey is a partner with the McGrath North Law Firm in Omaha. He is a veteran real estate attorney and has been honored as Omaha Lawyer of the Year for Land Use and Zoning Law on two separate occasions. Dailey has significant experience with PACE loans and can assist you or your clients through the entire PACE loan process, including the passage of a local ordinance that will facilitate the use of a PACE loan in a city. For more information, contact him at (402) 341-3070 or rdailey@mcgrathnorth.com.

“ Applicants must include estimated operations and maintenance costs, and projected increases in the cost of energy use in the applicant’s calculations.”



21ST ANNUAL FALL CPE CONFERENCE

WHEN

October 28-29, 2021

WHERE

Embassy Suites
Omaha – La Vista

12520 Westport Parkway, La Vista, Nebraska

FEATURING

Sue Coffey · Bryan Slone · Doug Ewald · Ernie Goss · And More!

WWW.NESCPA.ORG · (402) 476-8482 · SOCIETY@NESCPA.ORG



CPE CREDIT

Approved by the Nebraska State Board of Public Accountancy for 16 HOURS CPE Credit, including 2 HOURS of Ethics.

REGISTRATION

Member Fee:

\$420

Non-Member Fee:

\$470

Early Registration

Deadline:

Tuesday, September 28

HOTEL INFO

Reserve your room by calling the Embassy Suites at (402) 331-7400. Be sure to request a room in the Nebraska Society of CPAs' Room Block.

93RD ANNUAL MEETING

The Society's Annual Meeting will be held during the luncheon at noon on October 28, featuring remarks by outgoing Chairman Ryan Burger and Chairman-Elect Erica Parks.

Conference Agenda

Please check (✓) which breakout sessions you will attend.

Thursday, October 28, 2021

- 7:00 a.m. Registration & Continental Breakfast
- 8:00 a.m. State of the Profession: Unwavering in Disruption
– Susan Coffey, CEO of Public Accounting, AICPA
- 9:00 a.m. Break
- 9:20 a.m. Blueprint Nebraska: Modernizing Nebraska’s Tax Code
– Panel with Jim Smith, Blueprint Nebraska; Jim Greisch, RSM US LLP; Sen. LouAnn Linehan (invited); and Bryan Slone, Nebraska Chamber, Moderator
- 10:20 a.m. Break
- 10:25 a.m. Federal Tax Update – Matt Ottemann & Jon Grob, McGrath North
- 11:25 a.m. Break
- 11:30 a.m. A Cybercrime Revealed: Protecting Your Bottom Line During an Attack
– Doug Ewald, UNMC and UNO, and Bret Blackman, UNO
- 12:30 p.m. Luncheon & Annual Meeting
- 2:00 p.m. The Economy in Transition: Keep Your Seatbelts Fastened
– Ernie Goss, Ph.D., Creighton University
- 3:00 p.m. Break
- 3:20 p.m. **Breakout Sessions**
 - “The Dollar Goes Digital” – James Sites & Bennett Moore, RSM US LLP
 - “Immigration Considerations & Strategies” – Stephanie Grattan, Koley Jessen PC LLO
- 4:10 p.m. “Getting Started With Data Analytics” – Alan West, Deloitte
- 5:10 p.m. **First Day of Conference Adjourns**

Friday, October 29, 2021

- 7:30 a.m. Registration & Continental Breakfast
- 8:05 a.m. The CPA’s Expanding Role in Business Expansion Decisions: The Latest in Nebraska’s Business Incentive Program – Nick Niemann, McGrath North
- 9:05 a.m. Break
- 9:10 a.m. GAAP Update – Kurt Meisinger, Frankel Zacharia
- 10:10 a.m. Break
- 10:20 a.m. Attracting & Retaining Talent in 2021 & Beyond – Steph Vanous, Zelle LLC
- 11:20 a.m. Break
- 11:30 a.m. Succession Planning – Bill Kenedy, Lutz
- 12:30 p.m. Luncheon
- 1:10 p.m. **Breakout Sessions**
 - How ESOPs Can Benefit Companies & Their Owners
– Joan Cannon, McGrath North
 - New Developments on Wage & Hour Matters
– Erin Schroeder, Koley Jessen PC LLO
- 2:00 p.m. Break
- 2:20 p.m. Communicate Like a Leader, a Key to Ethical Leadership – Beverly Kracher, Ph.D., Creighton University, and Casey Putney, Business Ethics Alliance
- 4:10 p.m. **Conference Concludes**

Registration Form

Attendee: _____	Firm/Business: _____
Phone Number: _____	Email Address: _____
Contact Name: _____	Contact Number: _____
List Any Special Accommodations: _____	
Payment Choice Check <input type="radio"/> MasterCard <input type="radio"/> Visa <input type="radio"/>	
Cardholder Name: _____	Card Number: _____
Billing Address: _____	Expiration Date: _____ CVV Code: _____
City, State & Zip: _____	Signature: _____

2021-2022 Fall Conference Planning Committee

- Lisa Lehan, Chairman**
Koley Jessen, PC, LLO, Omaha
- Kate King Wu, Vice Chairman**
Kate King Wu, CPA, Omaha
- Christopher Bluvas**
Centris Federal Credit Union, Omaha
- James Greisch**
RSM US LLP, Omaha
- Donald Kluthe**
AmeriFirst Finance, Omaha
- Leo Panzer**
Infinity CPA Group LLC, Omaha
- Bryan Robertson**
U.S. Bank, N.A., Lincoln
- Michelle Thornburg**
Koski Professional Group, PC, Omaha
- Thomas Von Riesen**
SilverStone Group, Omaha
- Daniel Wells**
Massman Nelson Reinig, PC, Omaha

Five Ways to Register

- Online:** <https://bit.ly/21-NESCPA-Fall>
- Email:** society@nescpa.org
- Phone:** (402) 476-8482
- Fax:** (402) 476-8731
- Mail:** NE Society of CPAs
7435 O St, Ste 100
Lincoln, NE 68510

Check to Select

- Early Bird Fee**
 - \$420 Member
 - \$470 Non-Member
- Standard Fee (after 9/28/21)**
 - \$455 Member
 - \$505 Non-Member
- Annual Meeting Only**
 - \$40 Member
- TOTAL DUE:** _____

2021 NESCPA COURSE CALENDAR

DATE	TYPE	CONFERENCE/COURSE TITLE	VENDOR	LOCATION	CPE/ ETHICS HOURS
AUGUST					
25	FN	Forecasting for Improved Profits, Working Capital & Decision Analysis	AICPA	Live Webcast	4
25	FN	Controller's Update: Today's Latest Trends	AICPA	Live Webcast	4
30	TX / AA	Partnership Essentials: Tax Basis Capital Accounts & More	Van Der Aa Tax Ed	Live Webcast	8
31	TX / AA	S Corporation Essentials: Stock & Loan Basis Reporting	Van Der Aa Tax Ed	Live Webcast	8
SEPTEMBER					
8	AA	Getting Ready to Implement SSARS 25: Big Changes for Reviews	Real World Seminars of Georgia	Live Webcast	1.5
9	TX	Traps & Pitfalls in Estate Planning	Werner Rocca	Live Webcast	8
10	TX	Estate Planning - Beyond the Basics	Werner Rocca	Live Webcast	8
20-21	MA	Basic Staff Training (2-Day)	AHI Associates	Live Webcast	16
20	AA	Examining the New Lease Accounting Standard: More Than Meets the Eye	Surgent Professional Education	Hillcrest Country Club, Lincoln	4
20	AA	Topic 606: Tackling the Year Two Post-Implementation Issues	Surgent Professional Education	Hillcrest Country Club, Lincoln	4
21	AA	Focus on Engagement Quality: How to Avoid Deficiencies in Peer Reviews	Surgent Professional Education	Hillcrest Country Club, Lincoln	8
22	TX	TCJA & Farm Taxation Update	CliftonLarson	Live Webcast	8
30	TX	S Corporation Preparation, Basis Calculations & Distributions - Form 1120S, Schedule K & K-1 Analysis	Phoenix Beach	German American Society, Omaha	8
OCTOBER					
1	TX	Partnership Preparation, Basis Calculations & Distributions - Form 1065, Schedule K & K-1 Analysis	Phoenix Beach	German American Society, Omaha	8
13	AA	Getting Ready to Implement SAS 134: New Audit Reports	Real World Seminars of Georgia	Live Webcast	1.5
18	ET	Ethical Considerations for CPAs	Surgent Professional Education	Mahoney State Park, Ashland	4/4
18	AA	Financial Statement Disclosures: A Guide for Small and Medium-Sized Businesses	Surgent Professional Education	Mahoney State Park, Ashland	4
19-20	MA	Staff Training: Semi-Senior (2-Day)	AHI Associates	Live Webcast	16
19	AA	Annual Accounting & Auditing Update	Surgent Professional Education	Mahoney State Park, Ashland	8
20	TX	The Complete Guide to Payroll Taxes & 1099 Issues	Surgent Professional Education	German American Society, Omaha	8
21	TX	Fiduciary Income Tax Returns - Form 1041 Workshop With Filled-in Forms	Surgent Professional Education	German American Society, Omaha	8
25	IT	K2's Best Word, Outlook & PowerPoint Features - Morning Course	K2 Enterprises	Live Webcast	4
25	IT	K2's Introduction to Excel Macros - Afternoon Course	K2 Enterprises	Live Webcast	4
25	TX	Hot IRS Tax Examination Issues for Individuals & Businesses	Surgent Professional Education	Mahoney State Park, Ashland	8
26	TX	This Year's Best Income Tax, Estate Tax & Financial-Planning Ideas	Surgent Professional Education	Mahoney State Park, Ashland	8

26	IT	K2's Excel Best Practices	K2 Enterprises	Live Webcast	8
27	IT	K2's Excel Charting & Visualizations - Morning Course	K2 Enterprises	Live Webcast	4
27	IT	K2's Integrating Data for Improved Efficiency & Control - Afternoon Course	K2 Enterprises	Live Webcast	4
28-29	CONF	21st Annual Fall Conference	Nebraska Society of CPAs	Embassy Suites, La Vista	16/2
NOVEMBER					
1	AA	2021 Accounting & Auditing Update for the Real World	Real World Seminars of Georgia	Mahoney State Park, Ashland	8
2	AA	2021 Preparation, Compilation & Review (SSARS) Update for the Local Firm	Real World Seminars of Georgia	Mahoney State Park, Ashland	8
4-5	TX	2021-2022 Two-Day Federal Tax Update - Individuals & Business	TaxSpeaker	Live Webcast	16
8	TX	New Guide to Deducting Travel, Meals & Entertainment	Van Der Aa Tax Ed	German American Society, Omaha	4
8	TX	Real Estate Tax Update	Van Der Aa Tax Ed	German American Society, Omaha	4
9	TX	Key Tax Issues Facing Business & Industry	Van Der Aa Tax Ed	German American Society, Omaha	8
10	TX	Year-End Tax Planning in a COVID-19 World	Van Der Aa Tax Ed	German American Society, Omaha	8
10	AA	Getting Ready to Implement SAS 135-143: Other New Accounting Issues	Real World Seminars of Georgia	Live Webcast	1.5
12	TX	One-Day Federal Tax Update	TaxSpeaker	Live Webcast	8
15	TX	2021 Guide to Trusts, Estates, Gifts & Income Tax Planning for Surviving Spouses, Heirs & Beneficiaries	Larry Stein Continuing Education	Mahoney State Park, Ashland	8
16	TX	Larry Stein's 2021 Guide to Giving Your 60+ Client a Planning Checkup	Larry Stein Continuing Education	Mahoney State Park, Ashland	8
18	MA	CFO/Controller's Roadmap to Success: Integrated Planning, Forecasting & Budgeting	Surgent Professional Education	German American Society, Omaha	8
19	MA	Current Developments & Best Practices for Today's CFOs & Controllers	Surgent Professional Education	German American Society, Omaha	8
29	TX	Maximizing Your Social Security Benefits - Morning Course	Surgent Professional Education	Mahoney State Park, Ashland	4
29	TX	Select Estate & Life Planning Issues for the Middle-Income Client - Afternoon Course	Surgent Professional Education	Mahoney State Park, Ashland	4
30	TX	Section 199A: Applications & Challenges - Morning Course	Surgent Professional Education	Mahoney State Park, Ashland	4
30	TX	Section 199A: Schedule K-1 Reporting by Relevant Passthrough Entities - Afternoon Course	Surgent Professional Education	Mahoney State Park, Ashland	4
DECEMBER					
6-7	TX	2021-2022 Two-Day Federal Tax Update - Individuals and Business	Western CPE	Embassy Suites, La Vista	16
8	AA	ASU 2020-07: Disclosures of Non-Financial Donations to a Not-For-Profit	Real World Seminars of Georgia	Live Webcast	1.5
9	IT	K2's Advanced Excel	K2 Enterprises	Live Webcast	8
9	AA	Nonprofit Accounting & Financial Reporting	Paul Koehler, CPA	Hillcrest Country Club, Lincoln	8
10	IT	K2's Excel PivotTables for Accountants	K2 Enterprises	Live Webcast	8

10	AA	Governmental Accounting & Auditing Update	Paul Koehler, CPA	Hillcrest Country Club, Lincoln	8
13	IT	K2's Emerging Technologies, including Blockchain & Cryptocurrencies - Morning Course	K2 Enterprises	Live Webcast	4
13	IT	K2's Ethics & Technology - Afternoon Course	K2 Enterprises	Live Webcast	4/4
13	AA	Annual Update for Accountants & Auditors	AICPA	Hillcrest Country Club, Lincoln	8
14	IT	K2's Excel Essentials for Staff Accountants	K2 Enterprises	Live Webcast	8
14	AA	Interpreting the New Revenue Recognition Standard: What All CPAs Need to Know - Morning Course	AICPA	Hillcrest Country Club, Lincoln	4
14	ET	Ethics & Professional Conduct: Updates & Practical Applications - Afternoon Course	AICPA	Hillcrest Country Club, Lincoln	4
15	AA	Forensic Accounting: Fraud Investigations	AICPA	Hillcrest Country Club, Lincoln	8
15	IT	K2's Microsoft Office 365 - All the Things You Need to Know	K2 Enterprises	Live Webcast	8
16	IT	K2's Small Business Internal Controls, Security & Fraud Prevention & Detection	K2 Enterprises	Live Webcast	8
16	TX	General Sales Tax & Nebraska Incentive Programs	Nebraska Department of Revenue	Mahoney State Park, Ashland	4
20	TX	2021 Tax Update for Business & Individuals	Van Der Aa Tax Ed	Mahoney State Park, Ashland	8
21	TX	2021 Tax Update for Business & Individuals	Van Der Aa Tax Ed	Hillcrest Country Club, Lincoln	8



NEBRASKA SOCIETY OF CPAS LEADERSHIP ACADEMY

GUIDING YOU THROUGH YOUR BEST YEAR YET!

WHO SHOULD PARTICIPATE?

Both CPAs and high-potential non-CPA professionals who work under the direction of a CPA are encouraged to participate in the Leadership Academy.

CAN I EARN CPE CREDIT?

NESCPA Leadership Academy graduates will earn 32 hours of CPE credit, including four hours of ethics.

WHAT ARE THE SESSION DATES?

Participants in 2021-2022 can choose whether they want to attend in-person or online, but we are asking participants to choose only one format for the sessions. Class introduction and graduation occur each year during the Society's Annual Meeting.

Introduction: Society Annual Meeting, October 28, 2021

Session 1: November 8, 2021 (8 HRS)

Session 2: January 11, 2022 (8 HRS)

Session 3: May 17, 2022 (8 HRS)

Session 4: September 13, 2022 (8 HRS)

Graduation: Society Annual Meeting, October 2022

WHAT IS THE COST?

Tuition for the one-year Leadership Academy is \$3,100.

The Nebraska Society of CPAs Leadership Academy is a one-year leadership development program designed to build authentic, emotionally intelligent leaders who understand how to build high-performing teams, manage conflict, and inspire others to deliver results.

The program establishes a valuable network of leaders who are preparing to take on greater responsibilities within their organizations. Participants will emerge with enhanced leadership, communications, and organizational skills. A talent assessment will be used to help each participant develop his/her authentic self in conjunction with leadership behavior best practices.

The Leadership Academy class size is limited to 25 individuals to provide a meaningful experience using an active-learning model. Participants will meet in person for four one-day sessions. Sessions will be led by Jeremy Wortman of HRD Initiatives LLC.

RESERVE YOUR SPOT TODAY

Enrollment in the NESCPA Leadership Academy is provided on a first-come, first-served basis. Register today at www.nescpa.org/cpe/leadership.

QUESTIONS?

Contact the Nebraska Society of CPAs at (402) 476-8482 or society@nescpa.org. ◀



Classified Ads



Join our Organization

We are a growing CPA firm located in Omaha with an opportunity to expand into Lincoln. We are searching for candidates who believe in investing in themselves to better serve others. More specifically, **we are looking for:**

- **EXECUTIVE CLIENT MANAGER / SHAREHOLDER:** An accounting / tax professional to work closely with business owners. Duties will include review of financial statements and tax returns for S-Corps, C-Corps, partnership, estate and individual tax returns. Prior experience working in a CPA firm is required. This is a leadership position within the firm.
- **CLIENT MANAGER:** An accounting / tax professional will work closely with business owners and the Executive Client Managers within the firm. Previous QuickBooks / Microsoft Office / CCH Axxess is desired. Duties will include financial and tax preparation for S-Corps, C-Corps, Partnership, and Individual tax returns. Prior experience working in a CPA firm strongly desired. Compensation is commensurate with experience.
- **STAFF ACCOUNTANT / BOOKKEEPER / TAX PREPARER:** A staff accountant / bookkeeper with 0-4 years of experience. Job duties include preparing payroll & related deposits and quarterly returns, sales tax, monthly bookkeeping services for clients and preparation of income tax returns. Experience in Microsoft Office and QuickBooks helpful. Compensation is commensurate with experience.
- **TAX SEASON REVIEWER:** Experienced tax season reviewer for January 2022 through April 2022. Must be detailed and provide tax savings suggestions.

Our unique organizational structure and service to the client has provided tremendous growth for the firm. We invite you to be part of it. All applications will be kept confidential.

Please send resume to Kathol, P.C., CPAs & Advisors, Attn: Todd J. Kathol, CPA, 9826 Giles Road, Suite B, La Vista, NE 68128 or email it to todd@katholpccpa.com.

Kathol, P.C., CPAs & Advisors
9826 Giles Road, Suite B
La Vista, NE 68128

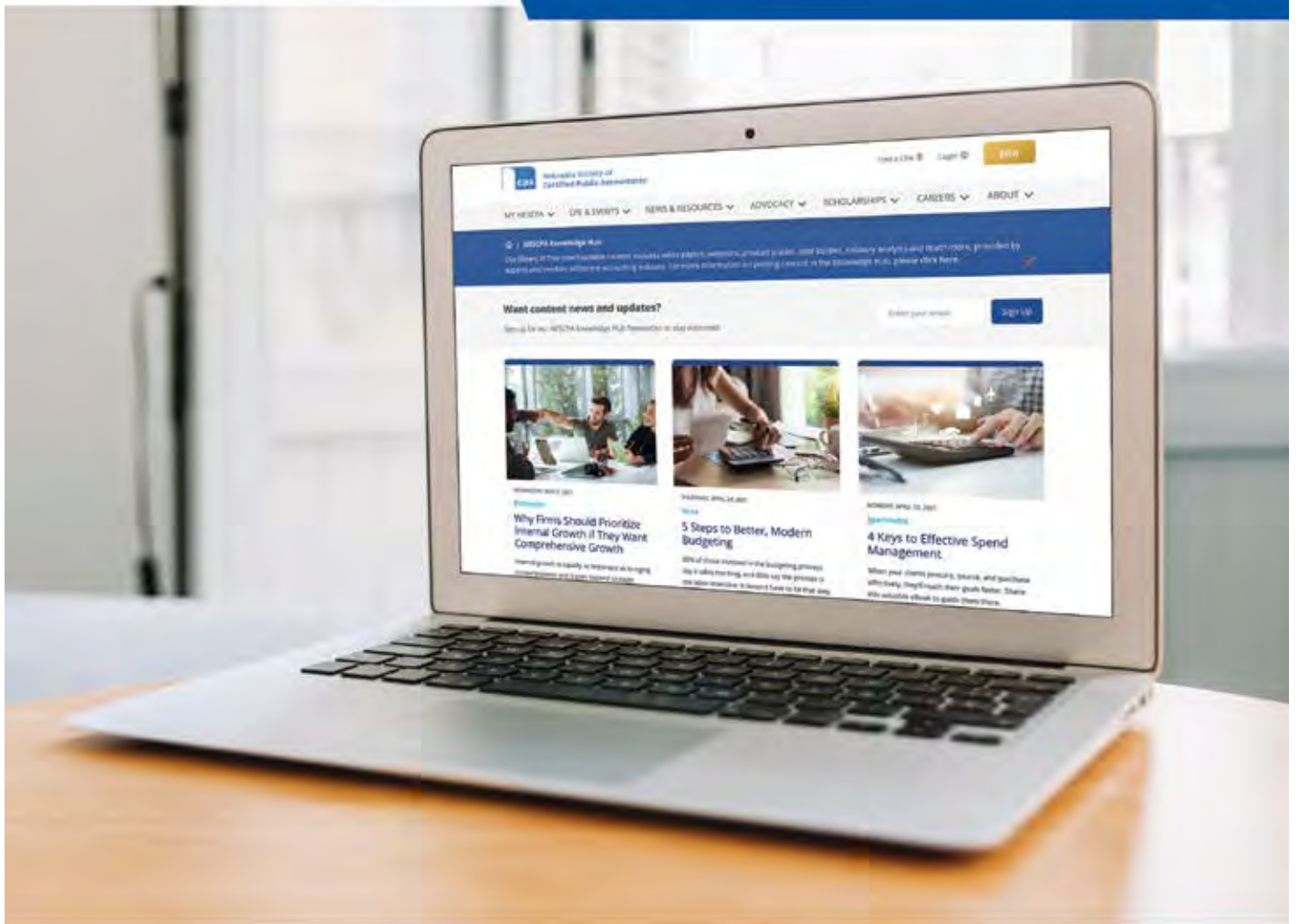


Nebraska Practices for Sale:
Gross Shown: Southwest
NE CPA \$556K - Tax 75% &
Accounting 24%; Norfolk CPA
\$632K - Tax 49%, Accounting
17%, Audit/Review 27%, Misc.
7%. For more information, call
(800) 397-0249 or visit
www.APS.net

THINKING OF SELLING?
Accounting Practice Sales is the
leading marketer of accounting
and tax practices in North
America. To learn more about
our risk-free & confidential
services, call Trent Holmes at
(800) 397-0249 or email
Trent@APS.net. ◀



Introducing the Knowledge Hub from the Nebraska Society of CPAs



Your library of free downloadable white papers, product guides, case studies, industry analysis and much more.

NESCPAHub.org





Members in the News



Bryce Betke has joined ruralMED Management Resources in Holdrege as chief financial officer. ruralMED Management Resources supports rural healthcare through collaboration focused on strategically tailored services, effective leadership, and industry specific expertise. Betke is an accomplished healthcare finance executive with more than 30 years of experience in various healthcare settings. Prior to joining the ruralMED Management Resources' team, Betke was the controller for Good Samaritan Hospital in Kearney, CFO of Crete Area Medical Center, and most recently served as the rural division financial officer for Bryan Health in Lincoln.



Hannah Fischer Frey, an attorney with Baird Holm LLP in Omaha, graduated on May 20 with her LL.M. in Taxation from New York University School of Law. This degree is designed to provide a firm grounding in all major areas of federal taxation. Fischer Frey obtained the degree through NYU's Executive LLM

program, which allowed her to complete the required coursework online while continuing her full-time law practice.



Jenna Grenier has been promoted to tax shareholder by Lutz. She has more than 14 years of experience in public accounting, is a member of Lutz's Central Executive Committee, and is a key contributor to the firm's tax operations in central Nebraska. She focuses on providing tax and consulting services to privately held companies and their owners. Grenier works in Lutz's Grand Island office.



Sarah James has been promoted to tax director in Lutz's Hastings office. She has more than eight years of related experience and is responsible for providing income tax planning, consulting, and compliance for individuals and closely held businesses.



Omaha native, Morris is a graduate of Ralston High School and the University of Nebraska at Omaha. He earned his Bachelor of Business Administration with a concentration in accounting in 2015, and his Master of Professional Accountancy and CPA certification in 2016.



Jeffrey Pirruccello, an attorney with McGrath North in Omaha, has received the highest Chambers USA – America’s Leading Lawyers for Business ranking (known as Band 1) within the practice area of tax. Pirruccello has been providing tax, estate planning, and business law counsel for more than four decades. Chambers USA focuses on lawyers for business and bases

its rankings on market research and interviews with clients and attorneys across the nation. This enables Chambers to assess technical legal ability, professional conduct, client service, commercial astuteness, diligence, commitment, and other qualities most valued by clients.

Firms in the News

INSIDE Public Accounting (IPA) recently announced its annual financial performance analysis and ranking of the nation’s largest public accounting firms. Accounting firms headquartered in Nebraska that made IPA’s list of Top 400 Firms in the nation for 2021 included Lutz (No. 83), Seim Johnson LLP (No. 198), Bland & Associates, PC (No. 280), Frankel Zacharia LLC (No. 295), and HBE LLP (No. 308). IPA has released this list annually for 31 years. Read the complete list of Top 400 Firms at <https://insidepublicaccounting.com/top-firms/ipa-400>. ◀

LET OUR EXPERIENCE WORK FOR YOU

- Business succession and exit planning
- Tax credits and alternative financing
- Tax qualified retirement benefits
- Wealth transfer planning
- Charitable and non-profit organization and compliance
- Trust and estate taxation and administration
- Representation before the IRS, local taxing authorities and the courts on tax matters

BH | BAIRDHOLM^{LLP}

ATTORNEYS AT LAW

1700 Farnam Street, Suite 1500 • Omaha, NE 68102

www.bairdholm.com



Jake Klabenes has been promoted to audit director in Lutz’s Hastings office. He has more than 11 years of tax and audit experience, specializing in audits of governmental agencies, specifically housing authorities, with additional experience in not-for-profit entities and low-income housing tax credit projects. In addition, Klabenes has been a contributor to Lutz’s central

Nebraska assurance department through managing scheduling and implementing processes.



Douglas Morris has been promoted to partner/ shareholder by McFarlin & Brokke, PC, an Omaha CPA firm that has been providing a full range of accounting, tax, and consulting services to clients in the Midwest for more than 60 years. Morris joined the firm in 2014 as a staff accountant and, in 2019, was promoted to manager. In his new role as partner, Morris

will have expanded leadership responsibilities and continue to pursue all areas of client satisfaction and staff mentoring. An

WELCOME NEW SOCIETY MEMBERS!

Membership in the Nebraska Society of CPAs signifies your commitment to the accounting profession and the belief that much can be accomplished by working together. Welcome to the premier organization for CPAs and accounting professionals in Nebraska.

CPA Membership

Kevin Anderson, Sehi & Associates, PC, Norfolk
Brent Barnes, Awerkamp, Goodnight, Schwaller & Nelson, PC, Omaha
Mike Carlson, Wealth Management LLC, Omaha
Ryan Christensen, RG & Associates CPAs LLC, Omaha
Sheila Dormann, Springfield, Mo.
Rose Marie Grant, Grant & Williams Inc., Sioux Falls, S.D.
Colby Gray, Woods & Durham, CPA, Holdrege
Kaley Kenton, Gifford & Cox LLC, North Platte
Sara Loseke, BKD LLP, Lincoln
Megan McClaren, AmeriFirst Finance, Omaha
Robert Neff, Phillips, Fractor & Company LLC, Pasadena, Calif.
Michael Obbink, Bellevue
Joshua Randall, Hamilton Associates, PC, Council Bluffs, Iowa
Karrie Simmons, Andrew Simmons, CPA, PC, Central City
Bryce Tarletsky, SP Group, PC, Lincoln
Joshua Wright, Nichols Rise & Company LLP, South Sioux City

Professional Affiliate Membership

Jennifer Rock, Sarpy County, Papillion

Educator Affiliate Membership

Stephanie Todd, University of Nebraska-Lincoln, Lincoln

Student Affiliate Membership

Tara Gross, Holbrook, University of Nebraska at Kearney
Kueth Khor, Omaha, Metropolitan Community College

Learn more about the Society and the benefits of membership at nescpa.org.

2021 NESCPA ADVERTISER INDEX

1031 Exchange Accommodation

IPE 1031.....Page 3

Continuing Education

Western CPE.....Page 31

Law Firms

Baird Holm.....Page 29

Koley Jessen.....Page 2

McGrath North.....Page 5

Mergers & Acquisitions

Accounting Practice Sales.....Page 9

Payment Solutions for Professional Services

CPACharge.com.....Page 32

Technology

Alta Vista.....Page 16



NEBRASKA SOCIETY OF
Certified Public Accountants

CPE ON YOUR SCHEDULE...



ON-DEMAND PLAYABILITY

Available between 8am - 8pm ET Monday through Saturday.



MOBILE-FRIENDLY PLATFORM

Use an iPhone, iPad, laptop, or desktop, and seamlessly switch between devices.



NO EXAM REQUIRED

Follow attendance prompts throughout the webcast.

TO GET

10% OFF

GO TO:
WesternCPE.com/Nebraska

USE PROMO CODE:
NebraskaCPE



NEBRASKA SOCIETY OF
Certified Public Accountants

This magazine is designed and published by The newsLINK Group, LLC | 855.747.4003



POWERING PAYMENTS
FOR ACCOUNTING PROFESSIONALS

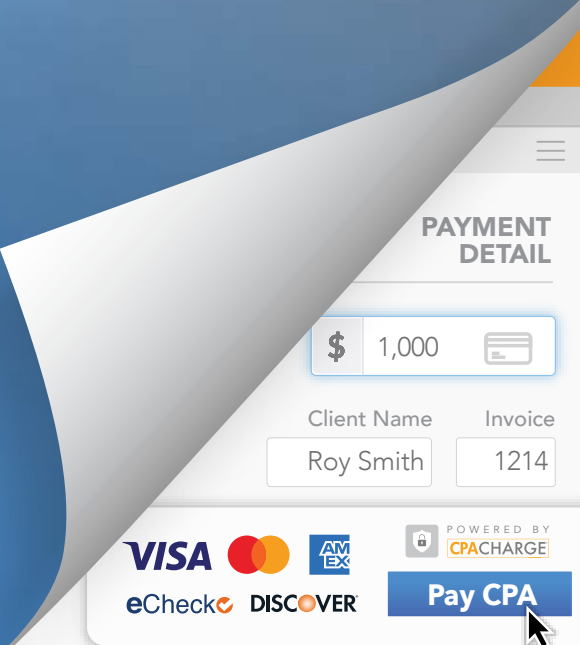
CPACHARGE
AN AFFINIPAY SOLUTION

THE WAY CPAs GET PAID

CPACharge is specifically designed to help CPAs, enrolled agents, and accountants accept credit, debit, and eCheck payments from their clients.

As the ability to accept payments digitally becomes a critical piece of your practice, CPACharge provides the most proven solution for your firm. We are trusted by over 150,000 professionals and a vetted member program through 30+ state CPA societies and the AICPA.

Affordable and easy-to-use, CPACharge exceeds standards for internet security and PCI Level 1 compliance. In addition, there are no long-term contracts or setup fees to get started. Your firm benefits from simplified reporting and reconciliation created specifically for how financial professionals run their offices. CPACharge has the right features and functionality needed to help ensure your firm's success.



NEBRASKA SOCIETY OF
Certified Public Accountants

NESCPA MEMBERS CAN VISIT:
cpacharge.com/nescpa
866-320-2362