Nashville Area Chapter — Association of Government Accountants

AGA NASHVILLE CHAPTER

Nashville Notes

February 2002 *Volume 24, Number 6*

The President's Message

by Margaret Wallace Walker

Leadership By Example

The Nashville AGA Chapter has historically been a thriving chapter. Chartered in 1978 with only a handful of members, we have grown to over 500 strong. Up until a few years ago, I had never attended any national AGA meetings and had little knowledge about how AGA operates beyond our local chapter borders. Since I have been involved in leadership of the Nashville Chapter, I have had the opportunity to learn much more about how AGA operates at the national level.

I have noticed in talking with members from other chapters, the Nashville AGA Chapter gets an incredible amount of respect. Such respect was built by the many years of dedicated service of various Nashville Chapter members who have served at the National level. This year the Nashville Chapter is honored to be represented at the national level by none other than our own Richard Norment, longtime Nashville Chapter member, who currently serves as our one and only National AGA President. Richard is an excellent example of what makes our local chapter strong.

I have enjoyed reading Richard's monthly articles in *Topics* as he has focused on various leadership topics. In his December article, he speaks on the importance of the leadership quality of optimism. Optimism is sometimes a quality that is overlooked when thinking about what makes a good leader. In his article, Richard characterizes the importance of being optimistic while also being grounded in reality.

The concept of being optimistic yet grounded in reality has stuck with me these past few months. When faced with issues such as the state budget crisis as well as the present national security and economic concerns, it is a challenge to maintain a sense of optimism both from a personal and professional perspective. Our local

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Chapter Recognition Points YTD

(through 1/31/2002)

Chapter Administration	2,800
Chapter Meetings	1,202
Newsletter	1,700
Chapter Education Events	2,300
Community Service	1,900
Chapter Awards Program	800
Total points YTD	**10,702**

Chapter Goal = 10,000

CHAPTER MEETING

Thursday
February 21, 2002

Speaker:
Richard Norment, CGFM, CIA, AGA National President

11:30 a.m. - Cumberland Club
COST: $8.00 per member

Make your reservation with the receptionist at 747-5201 by 4:30 p.m. Tuesday, February 19, 2002

You can also make your luncheon reservation online at http://www.nashvilleaga.org.

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The President's Message

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AGA chapter has not been immune from challenges this year. The CEC has had to reevaluate our programs in light of declining training revenues, which have historically been the primary support of local chapter initiatives. In addition, concerns about what is going on in the world around us have in many ways challenged our sense of optimism and enthusiasm.

In the same December article in *Topics,* Richard discusses the importance of leading by example. As I look back over the years I have spent in this profession, I think of the many people that have inspired, motivated and taught me along the way. Many of those influences have come through my involvement in AGA. As in most things in life, I have learned a great deal from my AGA experiences. I am grateful for the many mentors that AGA has placed in front of me. Richard is an excellent example of leadership that will inspire the ongoing optimism and strength of our chapter. We thank him for his willingness to serve at the national level and for being such an outstanding representative of the Nashville chapter.

Richard will be joining us at the February Meeting as he shares his experiences as National President with our local chapter. We look forward to honoring him in our own special way. We hope to see you there!

News from National

US Comptroller General Announces Significant Changes to Auditor Independence Requirements

David M. Walker, Comptroller General of the United States and head of the General Accounting Office (GAO), announced significant changes to the auditor independence requirements under Government Auditing Standards. These standards, which were first published in 1972 and are commonly referred to as the "Yellow Book," cover federal entities and those organizations receiving federal funds. Various laws require compliance with the Comptroller General's auditing standards in connection with audits of federal entities and funds. Furthermore, many states and local governments and other entities, both domestically and internationally, have voluntarily adopted these standards.

Additional details can be found at http://www.agacgfm.org/news/press%20rel/gao012502.pdf.

FMSB Releases Comments On An Exposure Draft of Changes to the Orange Book

AGA's Financial Management Standards Board (FMSB) has called for more study of issues raised in an Exposure Draft of changes to the Orange Book while supporting the President's Council on Integrity and Efficiency's efforts to provide uniform guidance. The Orange Book, formally titled the Federal Cognizant Agency Audit Organization Guidelines, gives federal agencies guidance needed to carry out cognizant responsibilities outlined in the U.S. Office of Management and Budget's Circular A-133. The guide is used by inspector generals from various federal agencies when they perform their reviews of nonfederal auditors.

The full text of the comment letter can be viewed at http://www.agacgfm.org/academy/fmsb.htm.

Call for Awards - AGA Continues Its Proud Tradition of Showcasing the Best and the Brightest!

AGA's National Awards Committee is now accepting nominations for our 10 National Awards that recognize the leaders advancing our profession and setting the standards of excellence: · Einhorn-Gary Award · Robert W. King Award · Frank Greathouse Award · Achievement of the Year Award · Education and Training Award · Research Achievement Award · Cornelius E. Tierney/Ernst & Young Research Award · Special Achievement Award · Chapter Service Award · Community Service Award

These awards will be presented during AGA's Professional Development Conference and Exposition in Atlanta, Georgia July 7-10, 2002. In many cases, individuals do not have to be members of AGA to be eligible. All nominations are due Friday, March 8, 2002.

Additional details can be found at http://www.agacgfm.org/about/a_awards.htm.

Committee News

CGFM COMMITTEE

The seminar-type brainstorming session is scheduled for February 28, 2002, from 8:15 a.m. - 12:00 p.m. This half-day (four-hour) session will be **FREE** to anyone interested in participating. At this time, no CPE will be awarded. The purpose of this session will be to assist the AGA members who plan to sit for the CGFM exams by discussing the study habits, techniques, experiences, and knowledge obtained by those members who passed the CGFM exams. The session will be an exchange of ideas to better assist the membership. All members interested in participating in this session should contact the committee co-chairs, Gerry Boaz (Gerry.Boaz@state.tn.us) or Rebecca Barr (Rebecca.Barr@state.tn.us).

Free Lunch for Those Passing the CGFM Exam

The CGFM Committee is continuing its program to congratulate those individuals passing the CGFM exams by offering certificates that are good for a free lunch at any AGA luncheon meeting. If you passed the CGFM exams during from May – November 2001 and have not received a lunch certificate, please contact Gerry Boaz (Gerry.Boaz@state.tn.us) or Rebecca Barr (Rebecca.Barr@state.tn.us).

MEMBERSHIP COMMITTEE

Annual membership dues renewals will be mailed from the national office by the first of February. The national office has implemented a new service that will allow members to renew on-line at http://www.agacgfm.org. Dues will be due March 31. As an incentive to pay on time, the Nashville chapter will have a drawing for two $25 cash prizes. All members who have paid by March 31 according to national's records will be eligible for the drawing.

If your mailing address has changed, please log on to the national site and update your records!

Here's some of the features available at the national website:

- Renew your AGA dues online
- Register for an AGA conference online
- Change your address
- Change your phone number

Your needs change over time and AGA needs your help in capturing all of your new contact information so that we may better serve you.

Member Login

To access this exclusive site, you will need your member ID number and password. You can find your member number on your AGA membership ID card. Your password is your first initial and then your last name (no spaces). If you do not have a copy of your membership ID card, please contact AGA's Customer Satisfaction Center at 1.800.242.7211 for this information.

Once you have logged in, please change your password immediately to something that is unique to you and that you will not have a hard time remembering. You can change your password by clicking on the *Security* button that will appear after you have successfully logged in.

NEWSLETTER COMMITTEE

The newsletter is available via e-mail in Adobe Acrobat format. To view the electronic newsletter, the Adobe Acrobat Reader must be installed on your computer. The Reader can be downloaded for free at http://www.adobe.com/products/acrobat/readermain.html. Additionally, the electronic newsletter can be obtained from the Nashville Chapter's web site.

MEETINGS AND ATTENDANCE COMMITTEE

Are you a Nashville Predators fan?

If so, be sure to attend the **February** AGA luncheon and be eligible to win **two tickets** from the monthly fishbowl drawing for the **March 21st** Predator's home game with the New Jersey Devils.

You must be **present to win!!!** We will draw **until we have a winner!!!**

Committee News (Cont.)

EDUCATION COMMITTEE

The AGA Winter Seminar is scheduled for January 17, 2002. Contact Mason Ball at either Mason.Ball@state.tn.us or (615) 747-5287 for additional details or for registration. An agenda and additional information for the Seminar have been included below.

Association of Government Accountants - Nashville Chapter
Winter Seminar
February 14, 2002
Shamblin Theater, Student Center, Lipscomb University

Agenda

7:30 a.m. - 8:00 a.m.	**Registration**
8:00 a.m. - 9:00 a.m.	**Bomb Threat Management: Dick Garner, Department of Commerce and Insurance**
9:00 a.m. - 10:00 a.m.	**Computer Forensics: William Hancock, Division of State Audit**
10:00 a.m. - 10:15 a.m.	**Break**
10:15 a.m. - 11:45 a.m.	**Identity Theft: Dennis Dycus, Division of Municipal Audit**
11:45 a.m. - 1:00 p.m.	**Lunch (on your own)**
1:00 p.m. - 2:00 p.m.	**Personal Safety: J. Buford Tune, Academy of Personal Protection and Security**
2:00 p.m. - 2:15 p.m.	**Break**
2:15 p.m. - 3:45 p.m.	**Securing your Work: Beth Pendergrass, Division of State Audit**
3:45 p.m. - 4:30 p.m.	**Leadership: Richard Norment, AGA National President**

Registration Fee: $50.00 (send check to AGA Nashville Chapter, P.O. Box 198025, Nashville, TN 37219-9998)
Contact Mason Ball at either Mason.Ball@state.tn.us or (615) 747-5287.
Parking: Lipscomb University security has requested parking for this event in student parking on the Belmont Avenue side of the campus (before the Shackleford intersection).

AWARDS COMMITTEE

The member incentive award will be given at the May 2002 meeting. Many members are well on their way to earning the **12 points** needed to be included in the drawing for the National PDC give-away. If you are a late starter, just knock out a financial newsletter article, enroll in the winter training event, sponsor one new member and you're in.

Luncheon attendance	1 point
Nashville Chapter sponsored training	2 points
Sponsor new member	2 points
Service on committee	2 points each
AGA community service projects (including VITA)	1 point per hour served
Newsletter article	
Financial topic	8 points each
Nonfinancial topic	4 points each
Obtaining CGFM certification	8 points upon completion
Nashville Chapter sponsored social event	2 points

For each point you earn, you will receive one chance in the year-end drawing.

Everyone is eligible!

Committee News (Cont.)

AWARDS COMMITTEE

The following scholarships will be awarded at the April AGA meeting. Applications should be postmarked by March 9, 2002. Please see the Nashville Chapter website to obtain a copy of the application or call Tammy Gourley at (615) 532-0115.

William R. Snodgrass Scholarship
A $1,000 scholarship will be awarded to a Middle or West Tennessee, Southern Kentucky, or Northern Alabama college student with a business-related major, such as accounting, economics, finance, information systems, management, or marketing.

Fawn W. Ellis Scholarship
A $1,000 scholarship will be awarded to an AGA Nashville area chapter member, member's spouse, or member's child or grandchild (any college or university and any major may apply).

PROGRAM COMMITTEE

The votes are in, and the AGA Spring 2002 Social will be held at Chaffin's Barn Dinner Theatre on Saturday, April 6, 2002. The event includes a buffet dinner and a production of *Man of La Mancha* (see below for show details). The buffet begins at 6:00 p.m. and ends promptly at 7:30 p.m. with the show beginning at 8:00 p.m. The Nashville Chapter will subsidize the major portion of the ticket cost; therefore, the cost for AGA members will be only be $10 per ticket. Be sure to submit payment for reservations to Karen Hale (James K. Polk Building, Suite 1400) or Michael Timme (William R. Snodgrass Tennessee Tower, 12th Floor) and make checks payable to AGA with the information line marked Spring Social. The deadline for submitting payment for reservations is **February 27, 2002**. This will be a great event, and at such an excellent cost, all members are encouraged to participate. If you have any questions, please contact Karen Hale at (615) 401-7742 or Michael Timme at (615) 741-8978.

Man of La Mancha

This musical tale was written by Dale Wasserman, Mitch Leigh, and Joe Darion, and it is the winner of five Tony Awards including Best Musical. Based on the Cervantes novel *Don Quixote*, comes one of the most inspiring Broadway musicals ever conceived and sure to the one of the most extraordinary musicals ever mounted at Chaffin's. *Man of La Mancha* follows the thrilling tale of Don Quixote and his faithful, comical manservant, Sancho Panza, in Quixote's enduring quest for truth and decency. Audiences will be captivated by a soaring musical score, the foolish antics of a would-be knight and a beautiful story of idealism.

COMMUNITY SERVICE COMMITTEE

DO YOU LIVE OR COMMUTE NEAR 100 OAKS MALL?*

100 Oaks is a *new location* for the Volunteer Income Tax Assistance **(VITA)** Program this year (replacing the Bethlehem Center).

We are requesting that AGA members who live in or drive through this area after work volunteer.

Any Wednesday Evening Starting February 6 and Going Until April 10.

Hours: 5-7 p.m.

- Ron is planning to be there every Wed. night to provide assistance.
- The IRS is providing the computers and software (it's fully automated!).

If you have any questions and/or wish to volunteer, please contact Ron Paolini at: (615) 747-5215 or Ron.Paolini@state.tn.us.

Also, we are running the Downtown site and Bellevue Library site as usual.

*100 Oaks Mall is easily accessible from I-65 and Thompson Lane. It is in the vicinity of the State Fairgrounds and Nolensville Road. Of course, volunteers from any area are welcome!

February Speakerl
Richard Norment, CGFM, CIA, AGA National President

As Assistant to the Comptroller and Director of the Division of County Audit, Richard Norment is responsible for the annual audits of all 95 county governments in the state. The division has 92 employees and an annual budget of over $5.5 million. The division either performs the audit in each county, or through contracts approved by the division, monitors and reviews the audit performed by a certified public accounting firm.

Mr. Norment has spent his professional career with the Comptroller's office having joined the Division of County Audit as a financial and compliance auditor soon after graduation from college. Mr. Norment progressed through various supervisory audit levels within the division prior to assuming the responsibilities of his current position.

Mr. Norment received a Bachelor's Degree in Business Administration from Memphis State University. He is a Certified Government Financial Manager (CGFM) and a Certified Internal Auditor (CIA).

As a member of AGA, Mr. Norment has held numerous positions of leadership. He served as President of the Nashville Chapter (1982-83) and as a chairman of several committees.

Mr. Norment is current National President and is a member of the National Executive Committee and National Board of Directors. He has served as National Treasurer (1997-98) and was a member of the National Executive Committee (1991-95 and 1996-98). Mr. Norment has chaired the National Membership Committee (1987-89) and the Local Host Hospitality Committee for the 1990 National Professional Development Conference. In 1990-91, he served as Regional Vice President and served as Chair of the 1995 National State and Local Government Leadership Conference. During 1996-97, Mr. Norment served as a member of the National Strategic Long-Range Planning Committee and the National Executive Director Search Committee. Mr. Norment was a member of the National Finance and Budget Committee from July 1995 through June 2000 and served as Chair for the 1997-98 year. He served on the Year 2000 Professional Development Conference Planning Committee.

As a member of the Nashville Chapter of AGA, Mr. Norment received the "Achievement of the Year Award" in 1986. He received the 1994 "Outstanding Public Servant Award" presented by the County Officials Association of Tennessee.

Mr. Norment received the National President's Award in 1999 for service on the Governance Task Force of AGA.

Mr. Norment is married to the former Judy Brady. They have two children; a son, Brian, 28, and a daughter, Cristy, 25. Mr. Norment enjoys golf, hunting and yard landscaping.

Mark Your Calendar!

February 14, 2002

AGA Winter Seminar
Lipscomb University

February 19, 2002

CEC Meeting
11:30 a.m.
14th Floor Conf. Room A
Wm. R. Snodgrass Tower

Deadline for making reservations for the February Luncheon Meeting

February 21, 2002

Chapter Luncheon Meeting
11:30 a.m.
Cumberland Club
Speaker: Richard Norment, CGFM, CIA, AGA National President

March 21, 2002

Chapter Luncheon Meeting
11:30 a.m.
Cumberland Club
Speaker: Dr. Robert "Smitty" Smith, Jr., Governmental Accounting Professor, MTSU

NEWSLETTER ITEMS?

Please call the Newsletter Chair, Will Hancock, at 747-5293 or FAX at 532-2765, with any member news or other items for the newsletter. You may also e-mail newsletter items to:

Will.Hancock@state.tn.us

Please have information and articles for the newsletter turned in by the third Friday of each month.

Meeting Minutes

December CEC Meeting

Submitted by Bertha DeWeese, Chapter Secretary

The Nashville Area Chapter's Executive Committee met on Monday, January 14, 2002, in the 14th floor conference room of the William R. Snodgrass Tennessee Tower. President Margaret Walker called the meeting to order. Committee members present were: Margaret Walker, Carrie Young, Ann Collett, Beth Pugh, Jim Arnette, Gerry Boaz, Will Hancock, Dan Willis, Karen Hale, Grey Worley, Mitzi Martin, Bertha DeWeese, Michelle Elliott, Julie Rogers, Michael Timme, Ray Register, and Zach Nixon.

Jim Arnette reported that the nominating committee has not met, but made the suggestion that Penny Austin be selected to fill in for Michelle Elliott as treasurer for the remainder of the chapter year and then be nominated for the next chapter year. A motion was made by Michelle Elliott to accept the suggestion and Greg Worley seconded the motion. The motion passed unanimously.

Bertha DeWeese discussed the December CEC meeting minutes. The last paragraph of the minutes was omitted and should have been as follows:

"The meeting was adjourned until January 14, 2002."

A motion was made by Beth Pugh to approve the minutes published in the January newsletter for the December CEC meeting with the correction. Ray Register seconded the motion.

Chapter Recognition:
Jim Arnette reported that the chapter needs more newsletter articles to obtain additional points. The joint meeting with ASPA next month will give the chapter additional points.

Treasurer's Report:
Michelle Elliott reported that the bank balance at December 31, 2001 was $46,204.76. This included $23,866.85 in Regions Bank and $22,337.91in Sun Trust Bank.

Committee Reports:

Education – Margaret Walker reported that the Federal Tax Seminar is scheduled for January 17. The winter seminar will be held at David Lipscomb University on February 14.

Finance – Greg Worley reported that there were no changes to the budget at this time.

CGFM – Gerry Boaz reported that four or five people have expressed interest in attending the brainstorming session for the CGFM study session.

Community Service - Ray Register reported that the downtown public library and the 100 Oaks Mall are two new sites for the VITA project. Volunteers for the VITA project should contact Ron Paolini. Our chapter has adopted Alex Green Elementary School through the Project Pencil Foundation and has provided academic materials to the school this year. Ray reported that he and Margaret Walker would attend the adoption ceremony at the school in the next two weeks. A chili supper will be held on Friday night to raise funds for the school.

Early Careers - Carrie Young reported that there will be a college career fair at the Fairgrounds on February 13.

Meetings and Attendance - Julie Rogers reported that 84 people had made reservations for the Thursday lunch. She stated that next month there would be a joint meeting with ASPA.

Membership - Ann Collett reported that the latest membership count from the National Office is 504. The National Office will send out membership renewal notices by the end of February. There will be a drawing for members who pay by the end of March.

Newsletter - Will Hancock stated that he needs newsletter articles by Friday. He also needs profiles of executive committee members. He discussed a message from the National Office regarding ads in the newsletter. There was discussion about the advantages and disadvantages of having ads in the newsletter.

Program - Karen Hale reported that the January speaker would be Mary Hance (a.k.a. Ms. Cheap). The February speaker will be Richard Norment. She needs suggestions for social events for 2002. She also stated that there would be surveys on the tables at the Thursday meeting asking members to vote on options for social events.

Awards - Zach Nixon reported that scholarship applications would be posted to the website and that packets were ready to be mailed to the schools.

Internet - Dan Willis reported that the committee is working on the membership directory.

The meeting was adjourned.

December Chapter Meeting

Submitted by Bertha DeWeese, Chapter Secretary

The Nashville Area Chapter held its monthly meeting at the Cumberland Club on Thursday, January 17, 2002. Margaret Walker called the meeting to order. Mitzi Martin gave the invocation. Margaret asked for approval of the December minutes as published in the January newsletter. Margaret introduced the head table and members introduced their guests. Karen Hale introduced the guest speaker, Mary Hance (a.k.a. Ms. Cheap), who is a columnist for the *Tennessean*. She provided tips to help members become smarter and more savvy consumers.

Meeting Minutes

Margaret Walker announced that the winter seminar would be held at David Lipscomb University on February 14 and those that want to attend should see Mason Ball for registration information.

Carrie Young announced that she is looking for members to go with her to the Career Fair at the Fairgrounds on February 13.

Margaret Walker announced that anyone who is interested in obtaining scholarship applications should see Tammy Gourley.

Karen Hale announced that surveys were on the tables and asked members to complete them to enable the program committee to plan social events.

Ray Register announced that forms for purchasing books for the Alex Green Elementary School were on the table and asked members to review the list of books, which can be purchased at a significant discount and donated to the project. He also announced that the formal adoption ceremony would be held at Alex Green Elementary School on January 28. The chili supper at Alex Green Elementary School will be held on Friday, January 18. Volunteers are needed to help serve. He reminded members that volunteers are needed for the VITA project and anyone who is interested should see Ron Paolini.

Melissa Boaz won the $25 door prize.

Ron Anderson provided the answers to the puzzle.

The meeting was adjourned until February 21, 2002.

Member News

Member Accomplishments

Congratulations to the following member who has recently passed a professional exam:

Michelle Elliott (CGFM)

Member Profiles

Each month, space permitting, the newsletter will profile members of our chapter. This month, we are featuring Zach Martin, one of our Awards Commitee Co-chairs, and Ray Register, one of our Community Service Co-chairs.

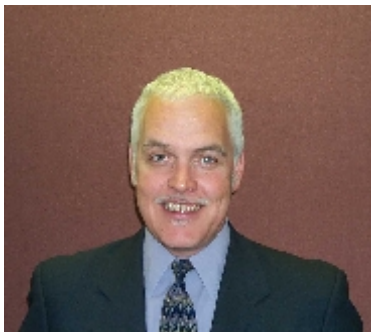
Zach Nixon

Zach is currently employed as an Auditor II by the Tennessee Department of Finance and Administration's Division of Resource Development and Support, Office of Program Accountability Review. He has worked there since August 2000. Previously he interned at one of Deloitte & Touche LLP's national offices, and most recently was a Legislative Auditor with the Comptroller's Division of State Audit. He has been a member of AGA since 2000, and currently serves on the Early Careers Committee and is Co-Chair of the Awards Committee.

Zach was born in Madison, Tennessee, but as the son of a career Army officer he has lived all over the country. He attended high school in Anchorage, Alaska, and while there became an Eagle Scout and was certified as an Emergency Medical Technician. He received his BS in Accounting at David Lipscomb University. He is currently pursuing an MBA at Middle Tennessee State University, before attempting the CPA examination.

Zach's hobbies include reading (preferably not textbooks), collecting law enforcement memorabilia, and perfecting a large motion picture library. He spends much of his free time (when it exists) looking for deals at the monthly flea market or the Great Escape.

Zach is currently dating an elementary education major from his alma mater. He resides in Antioch in the "foothills" of the Hickory Hollow Mall.



Ray Register

Ray is the Director of Contract Administration for the Tennessee Department of Correction (TDOC), a position to which he was appointed in December 1997. Ray writes contracts, requests for proposals, and purchase authorizations to assist prisons and central office administrators to procure personal services, professional services, and consultant services vital to the mission of the department. He is responsible for ensuring that the department complies with the statutes, rules, and policies applicable to the service procurement and contracting processes and serves as a single point of contact between TDOC and the Department of Finance and Administration, Office of Contracts Review.

Ray holds a BBA from Middle Tennessee State University, where he majored in accounting and was a member of Beta Alpha Psi. He began his state career in 1986 as an accountant in the Department of Human Services (DHS). He also worked as an auditor in DHS and the Department of Finance and Administration before discovering the wonderful world of service contracts.

Ray joined AGA in 1995. He is in his second year as a CEC director and co-chair of the community service committee. He worked on the education committee 1997-2000 and has served on the nominating committee and other *ad hoc* committees.

Ray was born in Shelbyville, Tennessee. As an army brat, he moved every year or two for most of his first twenty years, including two tours in Germany. He now calls historic east Nashville home, and he shares a house there with two very demanding cats, Daphne and Henry.

Tax Information from the IRS March 2002

Provided by Taxpayer Education and Communication SB/SE Nashville, TN

IRS IMPLEMENTS NEW TAX RELIEF FOR VICTIMS OF TERRORIST ATTACKS

WASHINGTON – The Internal Revenue Service has developed special procedures to expedite refund claims related to the Victims of Terrorism Tax Relief Act, which President Bush signed today.

Under this law, the federal income tax liability of those killed in the terrorist attacks of September 11, or as a result of the anthrax incidents last fall, is generally erased for both 2001 and 2000. The new law also provides for tax abatements for 1994 and 1995 for the victims of the April 1995 Oklahoma City bombing.

"We do not want those who lost loved ones in these attacks to be burdened by tax issues," said IRS Commissioner Charles O. Rossotti. "When they're ready to address such financial matters, we're here to help them."

The law provides that the minimum amount of relief for these victims will be $10,000. If the abated taxes for the two years are less than that, the government will refund the difference to the surviving spouse or to the victim's estate.

Surviving spouses or executors of the Sept. 11 or anthrax victims may file amended tax returns for 2000 at any time until April 15, 2004, and may claim the tax relief for 2001 when they file the decedent's return. Survivors or executors of those killed in Oklahoma City may file amended returns for 1994 and 1995 until Jan. 23, 2003.

Survivors or executors of these "Killed In Terrorist Action" (KITA) victims should put "KITA-Oklahoma City," "KITA-9/11" or "KITA-Anthrax," as appropriate, at the top of any amended or original tax returns claiming this relief and send them to the Internal Revenue Service, P.O. Box 4053, Woburn MA 01888. If using a private delivery service, they should send them to IRS, 310 Lowell St., Stop 661, Andover MA 01810.

The IRS is now finalizing a new Publication 3920, "Tax Relief for Victims of Terrorist Attacks," which will include details on preparing refund claims. The IRS expects to make Pub. 3920 available in February on its Web site at *www.irs.gov*. Pub. 3920 will also be available by calling (toll-free) 1-800-TAX-FORM (1-800-829-3676). Taxpayers with questions about KITA relief may call (toll-free) 1-800-829-1040.

IRS IMPLEMENTS NEW TAX RELIEF FOR VICTIMS OF TERRORIST ATTACKS

NASHVILLE – The Internal Revenue Service says many early filers have made an error related to a new line on the federal tax form. This line is for the Rate Reduction Credit, which taxpayers use if they did not receive last summer's Advance Payment in the maximum amount for their filing status.

> "This credit is the only new line on the basic tax forms. Taxpayers should read its instructions carefully so they get the proper benefits," said IRS spokesman Dan Boone. "Errors can delay processing and we want everyone due a refund to get it as quickly as possible."

Some taxpayers are putting their Advance Payment amount on the credit line, when they should be leaving the line blank. If you have already received the maximum amount for your filing status, just skip the Rate Reduction Credit line on your tax form. The maximum amounts are:

- $300 for a single person or a married person filing separately;
- $500 for a head of household;
- $600 for a married couple filing jointly or a qualifying widow(er).

Other taxpayers, who should claim a credit amount, are leaving the line blank. These people received less than their filing status maximum amount as an Advance Payment and their 2001 income – generally higher than it was in 2000 — entitles them to claim the credit on their return.

The credit and the Advance Payments are how the new law gives one of its main benefits for 2001 – a 10 percent tax rate. Instead of having people wait until they file their 2001 tax returns to get a larger refund, the law provided for Advance Payments to be made last year, based on the returns for 2000. If the 2001 income and filing status would give a larger benefit than the Advance Payment, the taxpayer may claim the difference as a Rate Reduction Credit on the 2001 return.

Dependents were not eligible for Advance Payments or the Rate Reduction Credit, but they may get the benefit of the lower tax rate by completing the "Tax Computation Worksheet for Certain Dependents" in the tax instructions.

Taxpayers who made an error related to this credit on their returns should wait to see if the IRS catches it during processing. If the IRS does not contact them by the time they receive their refund, they may file an amended return to correct the error.

2001-2002 Nashville Chapter Leadership

Officers

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