



The MAPAN

“MAPA assists members in achieving success in the profession of accounting and taxation through the advocacy of practice rights and the promotion of high standards in ethics, education, and professionalism.”

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President’s Message



I hope this finds everyone safe, healthy, and trying to recover from another filing season.

As we seem to be heading back to pre-pandemic times, hopefully we will be able to start networking and reconnecting with our peers. While online CPE has its pros, like sitting in your PJs and drinking coffee all day, seeing each other is great way to connect and bounce around ideas to solve

those pesky problems that come up. Especially with another potential tax law change on the horizon.

As things slowly open more and more, and we start seeing each other face to face, please be courteous to one another. It might be just me, coupled with the stress of the pandemic, current political environment, and/or a host of various other reasons, but it seems that people have lost their patience. Our industry, like everyone else, have not been immune to the labor shortage. Remember everyone has suffered though this and you don’t know what they have had to endure over the last 18 months.

I hope to see everyone in the coming months

Thank You

Eric Goddard, CPA



Executive Director's Report • Erin Nebben, EA



Hello! It's been a busy fall and heading into winter for us! We have been getting everything prepared for the upcoming MN Tax and Ethics webinars. The behind the scenes on the webinars is a lot of work, so I thank you for your patience with MAPA as we get everything ready for November 18th.

Looking towards December we will be able to see those of you registered for the 1040 Tax In Depth on December 1-2 at the Crowne Plaza in Plymouth. It will be really good to be able to see you and we look forward to having more in person events in 2022. If you do prefer a webinar for your 1040 Tax Update, we do have a couple of options for you. On December 20-21, we have a 1040 Tax In Depth webinar scheduled for 7AM -3PM with TaxSpeaker. Please note the earlier start time of 7AM for the webinar. And, something new that TaxSpeaker is trying this year and we are offering to our members is the opportunity to get your 16 hours of continuing education from the 1040 Tax Update over a span of 8 days. The dates for this event are December 20,21,22,23,27,28,29 and 30th from 5PM –7PM. Here is the information from TaxSpeaker regarding this opportunity: *"We receive comments about the difficulty of taking full day, 8-hour webinars sitting in front of a computer monitor. Nothing has changed to existing schedules or classes- this is a new offering as an experiment. Because of limited time availability we have decided to offer a unique approach to offer one complete presentation of our 2-day, 1040 In Depth 2021 class as 8, live, 2-hour presentations on 8 different days as follows. All classes will be live with Bob Jennings as the speaker, and we will record each presentation in case you miss one. Register (full, 2-day webinar only- no individual portions available)."* You can find more information about this opportunity and register on our website at: www.mapa-mn.com.

Lastly, be on the lookout for the email containing the annual "MAPA CLIENT TAX NEWSLETTER" towards the end of November. This is a member only benefit and will only be emailed to current members. If you are unsure of your member status and want to make sure you receive the Client Tax Newsletter, please reach out to me at enebben@vividmangementllc.com and I would be happy to help.

MAPA 2021 Calendar of Events

Date	Topic	Time (Central)	CE Hours	Type/Location
11/18/2021	MN Tax Update	8am - noon	4	Webinar
11/18/2021	Ethics	1pm - 4:30pm	4	Webinar
12/1-12/2/2021	1040 Tax In Depth	8am - 4pm	16	LIVE/ Plymouth
12/20-12/21/2021	1040 Tax In Depth	7am - 3pm	16	Webinar
8 Various Dates	1040 Tax In Depth	5pm—7pm	16	8—2 hour webinars
1/4-1/5/2022	1040 Tax In Depth	8am - 4pm	16	LIVE/ Plymouth

NSA State Director, Heidi Baublitz, CPA



It is hard to believe that November is upon us along with CPE season. NSA helps independent tax and

accounting professionals increase their knowledge, grow their clientele, and elevate their value to provide client services and to expand their businesses. Join Now for only \$225 a year. Begin your journey today with NSA and let us start helping you grow your business.

NSA members receive frequent updates and weekly email newsletters to keep you informed on the latest in tax and accounting news. As an NSA member, you'll gain access to 25 hours of free CPE, self-study courses, and significant discounts on webinars from NSA and CCH. NSA arranges for continuous advocacy of ethical and professional standards through participation in legislative, regulatory, and

legal matters on the national level. In other words, we're looking out for you.

We moved our office from Cloquet Avenue to Arch Street in Cloquet. We are not totally settled in yet but so far, we are loving our new office. I am also in the process of selling my house. The closing date is set for November 23rd. My new granddaughter, Josie is almost six months already and I have been watching her 1 day a week. It has been a very busy time with lots of changes. It has been a beautiful fall so far and hopefully it will continue. Tax season is just around the corner so we have to enjoy our time off. I am looking forward to seeing all of you soon. Stay safe and healthy.



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Peer Review • Sarah Struss, CPA

The AICPA's national peer review conference was held this year on August 2nd-4th in San Diego. There was a significant number of participants that joined the conference virtually this year. The areas of focus for the Enhancing Audit Quality Initiative (EAQ) for 2021 are risk assessment, auditing revenue recognition, Covid-19 audit implications, emerging attestation engagements, and engagement acceptance.

Risk assessment has been an area of focus for the last few years and continues to be an area of focus. There was temporary peer review guidance related to assessing noncompliance with the risk assessment standards. However, this guidance has now expired. Any review commencing after September 30, 2021 will now be subject to normal peer review guidance. It is very important for firms to understand the risk assessment standards and the impact it has on their engagements.

It is also important for firms to obtain proper education and training regarding newer standards such as revenue recognition (Topic 606), SSAE 19 for agreed-upon procedure engagements, and the *2018 Revision to Government Auditing Standards*. Please continue to watch for implementation dates and extension periods regarding recently issued auditing and attestation standards.

As we continue to operate in a Covid-19 environment, please make sure your firm understands the possible implications resulting from this. Areas of concern are: internal control, compliance with Cares Act requirements, going concern issues, disclosures, asset impairments, revenue recognition, single audit considerations, fraud risks, remote auditing, and documentation of these items. Also, please ensure your firm has the proper procedures in place so your firm is only accepting and continuing engagements that its qualified to perform.

Our industry is constantly changing and evolving with newer standards. It is critical for your firm to ensure your accounting and auditing staff are well-trained and aware of the existing standards as well as upcoming changes. The peer review program continues to strive in improving accounting and audit quality. Please continue to stay abreast of the proposed Quality Management Standards (still in exposure draft form) which will affect all firms undergoing a peer review.

The 2022 peer review conference will be held August 8th - 10th in St. Louis, Missouri. Hope to see you there!

MAPA...Let's Talk About It!

Dear small firms that issue financial statements...

We hear you and understand the challenges small firms encounter.

Wouldn't it be great if MAPA could do a "Let's talk about series..." that hit on different areas of common peer review deficiencies. Some of the topics could be review engagements, compilation engagements, risk assessment, revenue recognition, the new audit reporting standards, new peer review standard, etc.

Well, the time to do this is now. **Please join us for a discussion group via Zoom on December 16 from 2PM–3PM** . Send an email to: enebben@vividmanagementllc.com if you are interested in joining the discussion!

This wouldn't be to replace any CPE we offer but would rather enhance discussion, understanding, and practical application of the theory aspects that are taught as CPE.

What's New at Revenue • Minnesota Revenue

Unemployment Insurance and PPP Conformity

In September, the Minnesota Department of Revenue began processing tax returns impacted by law changes made to Unemployment Insurance compensation and Paycheck Protection Program (PPP) loan forgiveness. In mid-August, nearly 8,000 letters were sent to Individual Income Tax filers who will need to file amended returns to get the benefits. If your clients need to amend their returns for the tax law changes, they should have already received a letter.

In early September, we began processing the estimated 540,000 returns impacted by the law changes. We are currently averaging more than 1,000 returns processed per week. As we continue to develop and test the system, the number of returns processed per week will increase. Our goal is to process 50,000 per week by the end of October. Over 2,100 corporate returns have been processed and should be complete by mid-October.

If you're clients have not yet filed, the updated [Minnesota tax forms for tax year 2020](#) are available.

For more information on this and other changes, see the [Tax Law Changes](#) page on our website. You can also stay up-to-date on the latest changes at Revenue by [subscribing to the Updates for Tax Professionals email list](#).

2017 Military Credit Expiring

If your clients served in a combat zone or qualified hazardous duty area in 2017, there's

still time to apply for the Credit for Military Service in a Combat Zone. The 2017 credit expires October 15, 2021, for most qualifying service members.

You can now file online for the credit. For more information on the credit or filing, visit our [Credit for Military Service in a Combat Zone page](#).

2021 Department Updates and Legislative Changes Webinar

On December 9, we will hold a webinar to review department updates and 2021 legislative changes for Minnesota individual and business income taxes. We will also take time to answer your questions. For more information, and to register, [visit our Conference Calls and Webinars webpage](#).

New Local Sales, Use, and Excise Taxes

To stay up-to-date on new local sales, use, and excise taxes, see our [Local Sales Tax Information page](#).



Legislative Update • Troy Olsen

Gov. Tim Walz has announced that he and Lt. Gov. Peggy Flanagan are seeking re-election in the 2022 election. His campaign announcement focused on his response to COVID-19, overseeing the passage of police reform legislation, spending on education and childcare, new renewable energy initiatives and robust investments in infrastructure. The next legislative session will begin on January 31, 2022.

Minnesota's general fund revenues continue to project that future budget forecasts will show revenues continue beat expectations. Any increase over projections is good news for legislators interested in a supplemental budget bill and/or tax reductions.

When lawmakers return to St. Paul for the 2022 Legislative Session, one of their major tasks will be to pass a capital investment (bonding) bill. The bill will fund improvements to Minnesota's infrastructure including funding for roads, bridges, waste and clean water as well as a variety of local construction projects.

The Minnesota Senate will have a new set of leadership in 2022. As an announced candidate for governor, Senator Paul Gazelka (R-East Gull Lake) stepped down from his Senate Majority duties. Senator Jeromy Miller (R-Winona) has been elected to become the new Majority Leader. Senator Melisa Lopez Franzen (DFL-Edina) has been elected as Senate Minority Leader after Senator Susan Kent (DFL-Woodbury) stepped down from that position. Though leadership posts have changed, it is unlikely that there will be significant committee assignment changes for Senators.

House Speaker Melissa Hortman (DFL-Brooklyn Park) has announced that House committees will meet remotely during the 2022 Legislative

Session. House floor sessions will be conducted as a mix of in-person and remote attendance. The House and Senate conducted their business remotely during most of the 2020 and all of the 2021 Legislative Sessions. The Senate and House office buildings have been closed to the public since March 2020.

When the legislature reconvenes on January 31, 2022, MAPA will continue to monitor the legislative process and report these happenings to MAPA members.

Are you contemplating increasing your legislative activity? If so, consider joining MAPA's Legislative Committee. Contact Erin Nebben for more details.

As always, please do not hesitate to contact me with questions and/or comments.

[Troy Olsen](#)

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Minnesota Association of
Public Accountants

Minnesota State Board of Accountancy News

2022 Renewals Now Open for ALL Licenses, Registrations and Permits

Renewals have opened for everyone, **including** CPA and RAP firms. These firms should check for an envelope from the Board mailed the week of October 5, which contains information they need in order to renew.

- **Inactive** licensees renewing for 2022 must use **Online Services**. There is no paper renewal option.
- **Active** licensees and **Sole Proprietor (SP) firms** that do not provide services that require peer review and that do not have non-CPA owners should renew using **Online Services**.
- All **CPA firms** as well as those SP firms that do not meet the criteria above must use **paper forms**.
- All **RAPs** and **RAP firms** must use **paper forms**.

- If you wish to go Exempt or Retire, or are seeking Reactivation or Reinstatement, see the separate (not Renewal) forms for those statuses/processes in the "Forms" section of the website.

A reminder that if you have a CPE requirement (Active licensees licensed prior to July 1, 2020, and those seeking to change from Active to Inactive), you must complete and report CPE prior to renewal.

DO NOT ENTER CARRYBACK HOURS ONLINE. CPE entered online must be earned in the proper period. Falsely reporting CPE hours may result in disciplinary action (Minnesota Rule 1105.3000 E (2019)). See "CPE Reporting" for instructions on how to report carryback hours. See also the article below regarding the one-time exception extending the FY20 CPE year for those who need the extension.

FOR SALE: TAX PRACTICE

Well-established solo tax preparation and tax planning practice located in NW suburbs, with clients throughout MN and several other states. Practice is mostly 1040 with some 1041, 1065, and 1120S. Owner and staff are willing to work with buyer for a smooth transition. Text 612.270.4118 to initiate discussion of additional details.

WANTED: ACCOUNTING PRACTICE

Established expanding CPA firm specializing in small business looking to acquire accounting and tax practices in the Minneapolis/St. Paul metro area. If you have a write-up practice for small businesses, I am very interested. Please call Gary at 952-484-4343 or email: ghaworth@haworthco.com



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