

Minnesota Association of Public Accountants



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



Hello everyone!

“The trees are about to show us how beautiful it is to let go.” Fall is here the leaves are falling, it is getting colder outside, pumpkins are everywhere, and road construction season is ending (cross fingers). My 5 minute commute has been much longer the past few months and will hopefully be back to 5 minutes soon.

At my office we are starting to think about the 2022 taxes and how to get them done with out going crazy. Rewording seasonal mailings so people understand what we need them to do. Like we do not need their mail sealed in envelopes or an explanation on every w-2. Unless you have a business, I can get everything from you filling out the organizer and your tax forms you were sent. When they drop off we need some time before it will be ready for pick up.

At MAPA we have been looking into new website options stay tuned for the those update and the new features of the new website. If you are interested in volunteering, we are always looking for help you don’t have to live close to the cities to help. Zoom has made remote meetings happen so easily.

Happy Holidays!

Diane St. Sauver
President



Executive Director's Report • Erin Nebben, EA



Hello! It's almost the end of November and we held off on completing this issue of the MAPAN so we could get you a complete Legislative update after the election. (see page 3) A big thank you to our legislative lobbyist, Troy Olsen, for working to keep us updated with not only what's happening legislatively, but also with the MN State Board of Accountancy. We appreciate you Troy!

The past couple months have flown by and we are just a couple weeks from Thanksgiving and the beginnings of our multiple offerings of the 1040 Tax In Depth seminars. If you haven't registered yet, please do so soon so we can plan accordingly. If you are planning to register for a webinar and would prefer a manual to be shipped to you over the e-book, please note that the price for manuals has increased to \$100/manual. With the cost of paper, printing and shipping, TaxSpeaker has had to raise their rates for manuals. So, if you are registered for a webinar, we encourage you to use the e-book if at all possible, but understand that there is a value to some to have the printed manual from TaxSpeaker.

MAPA does have some exciting news to share with you! We have partnered with a new membership management and event management software company in efforts to increase your membership experience within our website. The goal is to have the new website and software implemented by the end of January, so when you renew your membership in 2023 and register for events be prepared for a brand new look. More information on the transition will be shared with you as we get further into the process. In the meantime, take a minute to make sure you have all your CE Certificates for at least the past three years either saved in a file on your computer or printed and in a safe place. I will still have access to them, but will not be able to transfer prior certificates to your profile on the new website.

I will also be working on the 2023 MAPA event calendar soon. I'm hoping to see more of you in 2023, or at least hear from you. MAPA has changed a lot in the past few years. We are growing and look forward to continuing to offer you all a wide variety of educational opportunities and benefits. Be on the lookout in the next couple weeks for one of our most coveted benefits, the MAPA Client Tax Newsletter! It will arrive to you only by email, so make sure you open and read the emails you receive from MAPA.

Lastly, I hope that you all have a safe and happy holiday season and that you are able to take some time to spend with family and friends before the craziness of tax season begins. If you have any questions, comments or ideas that you would like to share with MAPA, please let me know. I would love to hear from you!

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Legislative Update • Troy Olsen

Election Results

On Election Day, Minnesota Democrats won full control of the Minnesota Legislature by holding on to the state House (70-64) and winning a slim majority in the state Senate (34-33). Voters also re-elected Governor Tim Walz which means for the first time since 2013-2014, Democrats will control both chambers of the Legislature and the governor's office.

Democrats also retained control of all of Minnesota's Constitutional Offices which include Secretary of State, Attorney General, and State Auditor.

In one of the nation's most watched Congressional races, incumbent Angie Craig (D) was re-elected to a third term to represent Minnesota's 2nd Congressional District. Craig defeated Republican challenger Tyler Kistner by approximately 17,000 votes. Legalize Marijuana Now Party candidate Paula Overby received nearly 11,000 votes despite passing away in October.

Also re-elected to Congress are Brad Finstad (R-CD1), Dean Phillips (D-CD3), Betty McCollum (D-CD4), Ilhan Omar (D-CD5), Tom Emmer (R-CD6), Michelle Fischbach (R-CD7), and Pete Stauber (R-CD8).

In a press conference held after the election, Minnesota's state DFL leaders indicated that they would roll out their legislative agenda later this year. That agenda will likely include numerous policies that have stalled in a split legislature over recent years including:

- Paid family and medical leave
- Education funding
- What to do with Minnesota's projected \$7-\$9 billion surplus
- Capital Investment/bonding bill
- Legalizing recreational marijuana
- Policing and criminal justice reforms
- Codifying abortion rights
- Gun control measures

House and Senate legislators from both parties will be busy between Election Day and the beginning of the 2023 Legislative Session as they elect caucus leaders, select committee chairs, appoint committee members, and roll out legislative agendas.

With 68 legislators elected for the first time, there will be a lot of new faces roaming the state capitol. In the House, there will be 19 new DFL legislators and 24 new GOP legislators. The Senate will have 14 new DFL Senators and 9 new GOP Senators. For additional information on Minnesota election results, visit the [Minnesota Secretary of State Election Results website](#).

I will continue to monitor legislative happenings on behalf of MAPA before, during and after the 2023 Legislative Session.

Minnesota State Board of Accountancy

In October, the Minnesota State Board of Accountancy voted unanimously to slow down and reexamine [proposed changes](#) to Administrative Rules governing MAPA members.

Upon learning that many state regulatory boards are concerned about the affects of adopting the proposed UAA Rules and in response to feedback received thus far, Chair Selcer moved to rerefer the proposed Rules back to the SBOA Laws and Rules Committee (Godson Sowah, Chair) for further discussion.

Sending the proposed Rules back to committee demonstrates the Board's willingness to continue to listen to the concerns of industry professionals and educators. Board discussion made it clear that the polling data indicates that few states are rushing to adopt the rules and Minnesota can slow down the Rulemaking process and examine the provisions more closely with additional input from industry and educators without becoming an outlier state. With other states baulking at adoption, the question of individual mobility is less of a concern.

The Laws and Rules Committee will revisit the issue in the future to gather more industry and educator input while potentially separating non-controversial Rule change proposals from the package for possible adoption.

Watch for additional information on these proposed changes and for opportunities to provide comment to the Board in future email updates.

MAPA Legislative Committee

Do you enjoy watching the legislative process? Would you like to increase your legislative activity and/or assist in reviewing proposed legislation? 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.

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Peer Review • Sarah Struss, CPA

The AICPA's national peer review conference was held this year on August 8th-10th in St. Louis. There were also a significant number of participants who joined the conference virtually. The areas of focus for the Enhancing Audit Quality Initiative (EAQ) for 2022 are audit evidence, risk assessment and response, auditing accounting estimates, single audits, and environmental, social and governance (ESG) reporting.

The new Clarified Peer Review Guidance went into effect for reviews commencing after May 1, 2022, so peer reviewers will now be operating under this new guidance. Some of the biggest changes affecting systems reviews are that onsite system reviews and surprise engagement requirements have been removed. However, there still might be situations where on-site reviews and surprise engagements are deemed appropriate. For engagement reviews, the term "significant deficiency" has been removed. In addition, an issue can no longer be left at the MFC (Matter for Further Consideration) level for an engagement review. A MFC must be elevated and disposed of as either a FFC (Finding for Further Consideration) or a deficiency in the report.

A big focus at the conference was also the new Quality Management Standards. These standards involve changing your firm's system of quality control into a new system of quality management. These new standards will affect all accounting and auditing firms that perform work under SASs, SSAEs, or SSARs. This means this also affects firms that are subject to an engagement review. These new standards were approved this spring and allow for some time for implementation. Please be watchful for upcoming continuing education classes

regarding this topic. This isn't one that you are going to want to miss!!!

Please continue to watch for implementation dates and extension periods regarding recently issued auditing and attestation standards. Also, please ensure your firm has the proper procedures in place so your firm is only accepting and continuing engagements that it's 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.

The 2023 peer review conference will be held July 31st – August 2nd in Philadelphia, PA. Hope to see you there!

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

What's New at Revenue • Minnesota Revenue



Every season is a transition and fall at Revenue is no different. While the leaves are changing, we're updating our systems and processes to better serve taxpayers and tax preparers.

As you prepare for the coming year, be sure to check our [Tax Law Changes page](#) and [subscribe to our Tax Law Changes email list](#) to get the latest information.

New Electronic Appeals Option

The Minnesota Department of Revenue now offers an electronic appeal option for some letters. We are working to add this option to more letters in the future. Instructions for appealing electronically are included with any eligible letter. As a representative, remember that you must have an eligible POA on file to submit an appeal for your client.

Income Tax and Withholding Fact Sheets

We recently republished all our income tax and withholding fact sheets as webpages instead of PDFs. The content of these factsheets is the same, but the new format offers improved searchability, faster updates, and easier sharing.

If you would like these fact sheets as PDFs, you can use the Print Page button on the webpages to save them as PDFs. Be sure to update any browser favorites or website links that go to the old fact sheets.

PTIN Renewal and Software Control Files Update

Returns filed with an expired or invalid Preparer Tax Identification Number (PTIN) increased by almost 4,000 this year. Take a minute to [renew your PTIN with the IRS](#), and while you're at it, avoid future processing delays for you and your clients by updating your software control files. This will make sure your PTIN is correct and free of typos and that the correct expiration date is entered.

Power of Attorney Information in e-Services

Your business tax clients can now view who has Power of Attorney (POA) authority in e-Services. This is information only. To add or remove authority, your clients must submit a proper [Power of Attorney](#) form.

New Tax Position Disclosure Form

[Form TPD, Tax Position Disclosure](#) (draft form), may be filed with your return to provide explanation of items or positions of question. This form is filed to further explain certain tax positions, which may reduce the substantial understatement of liability penalty if your position has a reasonable basis. Learn more on the [Tax Position Disclosure](#) page.

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](#).

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Minnesota Association of
Public Accountants



ERC Specialists Tax Expertise



Maximizing ERC Funding for Small Businesses

When you're dealing with complex financial and tax information, where you turn for help is critically important. At ERC Specialists, our goal is to help you get the maximum Employee Retention Credit (ERC) credit available to you. With new IRS guidelines and changing rules for employers, tackling this monumental task is no place for a novice. You need to complete the process quickly, easily and legally, and to do that, you need the right advice.

Why ERC Specialists?

At ERC Specialists, we have the right tax professionals to help you decrease your tax liability and get the most tax benefits available to you. You can rest easy knowing that our experts will find every benefit that you are entitled to, while also staying on the right side of the IRS guidelines. With 40-plus years in the tax business, we've learned a thing or two. And we put that knowledge to work for you.

Our experience spans the financial gamut. Members of our team provide accounting and auditing services for agencies such as

the FBI, FDA, SEC, U.S. Customs, U.S. Postmaster General, U.S. and State Attorney General and Washington State Public Disclosure Commission.

In addition, we have audited and reconstructed financial records for the prosecution involving municipalities, partnerships, and corporations involved in criminal investigations.

Simply put, we have the tax expertise you need to get the most tax credits from ERC.



Mary Slawson
ERC Tax Expert

43+ years forensic accountant
Enrolled Agent (EA) IRS
12+ years tax planning & preparation
Certified Fraud Examiner (CFE)
MBA (Emphasis Accounting & Taxation)
Expert witness



Geri Bohn
ERC Payroll Tax Expert

Certified Payroll Professional
American Payroll Association (APA)
20+ years of experience as a payroll processor
Board member of the Utah APA Chapter

More than 43 years of forensic accounting experience

Our Team of Tax Professionals

With more than 43 years of forensic accounting experience, the tax professionals that review each of our ERC cases are Enrolled Agents with the IRS and Certified Fraud Examiners. They have conducted business, nonprofit and individual tax planning for decades. They have also served as expert legal witnesses during criminal trials.

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Minnesota State Board of Accountancy Reminder

Stay on Target for 2023: Renew Today!

Renewals Now Open for ALL Licenses, Registrations and Permits

Renewals have opened for **all** licensees, registrants, and firms.

- **Inactive** licensees renewing for 2023 must use **Online Services**. There is no paper renewal option.
- **Active** licensees and **Sole Proprietor firms** that do not provide services that require peer review and that do not have non-CPA owners can 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 Reinstatement, see the separate (not Renewal) forms for those statuses/processes in the "Forms" section of the website.
- 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, 2021, and those seeking to change from Active to Inactive), you must complete and report CPE prior to renewal.

Firms: Two-thirds of all Minnesota-licensed owners must be renewed prior to submitting the firm 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 (2021)). See "CPE Reporting" for instructions on how to report carryback hours.

Renew online at: [Home/News | Minnesota Board of Accountancy \(state.mn.us\)](https://www.state.mn.us/home/news)

2022-2023 Seminar and Event Schedule

Additional seminars may be added to this schedule

11/16/2022	AICPA & Circular 230 Ethics	8am - 12pm	4	Plymouth,
11/17/2022	MN Tax Update	8am - 12pm	4	Webinar
11/21-11/22/2022	1040 Tax In Depth	8am - 4pm	16	Webinar
12/8-12/9/2022	1040 Tax In Depth	8am - 4pm	16	Plymouth,
12/19-12/20/2022	1040 Tax In Depth	7am - 3pm	16	Webinar
12/19-22 & 12/27-30	8 Nights of 1040 Tax In Depth	5pm - 7pm	16	Webinar
1/11/2023	Federal Tax Update - Business	11am - 7pm	8	Webinar
1/12-1/13/2023	1040 Tax In Depth	8am - 4pm	16	Plymouth.



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Strategic Planning

Volunteers Needed

Student Conference

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Add'l Volunteer Needed

Find us on Facebook & Instagram!



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