

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."

President's Message

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The MAPAN is the official publication of MAPA. The MAPAN is published four times annually. All articles must be submitted to the MAPA Office by the 5th of the month to be included in the following publication. Submit all articles and letters to the Editor.

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Hello Fellow MAPA Members!

I hope you all had a great summer and fall. I had fun with my kids. We went to 5 different waterparks around the state. Now that they are back in school and winter is around the corner, we are gearing up for the next season. We are trying to figure out what process we will use this year what did and did not work last year. Also, the question about staffing who is going to be here and if we need to hire any more.

MAPA had been trying to come up with more ways to serve their members. If you would like to see anything in the future, please reach out. If you liked something that was offered this year but could not take advantage of it also let us know so we offer it again in the future.

Here is a story I found and thought you all might like. I think we all deal with this issue.

Tearing It Up This Tax Season

When I graduated college with an accounting degree, I joined my father in his tax office. One tax season in the old paper file days, he prepared a return for a young couple, just the two of them with no dependents. A super simple tax return.

As I was coming back from lunch, I passed the couple, who had just picked up their return and were sitting in their car looking it over. For some reason, I thought something is up from the way they were talking about the returns. They followed me into the office as they were parked around the corner. My father came out of his office to see what they wanted.

Customer: "We feel you charged us too much for the return. It couldn't have taken but five minutes to work it."

My father's fees were less than the local national office.

Father: "So, how much do you think it's worth?"

Customer: "No more than half of what we already paid you."

Father: "Okay. Let me take care of it."

My father asked to see the package of federal, state, and client copies they had that they had paid for.

He took each copy out of the envelopes and laid them flat on the desk. Then, he peeled the tax return forms off of each return and laid them aside. He then tore up each copy of the returns!

Customer: "Those are our returns. We paid for them!"

My father handed her the check they had used to pay with.

Father: "They are mine now. Get out of my office and never come back. You will not dictate my fees and pretend to know how long it takes to prepare a tax return."

He turned around and went back into his office. Way to go, Dad!

Happy holidays enjoy your families before you get busy and have a great tax season.

Kind Regards,

Diane St. Sauver, CPA
President

Executive Director's Report • Erin Nebben, EA



Happy Holidays! Here we are at almost the end of 2023! I can't believe it.

MAPA held a board meeting and strategic planning meeting this week and we covered a lot of material. I am excited for the future of MAPA and the directions that we are going. It's important to stay relevant within the profession and our goal is to always offer our members great benefits and more. MAPA has been around for a long time and has gone through a lot of changes, especially in the last 5 years. The landscape of professional associations and continuing education is

changing. And, if we want to be able to continue being a go to organization for accounting and tax professionals in Minnesota, we need your help!

With the change to mostly webinar education, it has taken away one of your most important and valuable membership benefits. Networking! Our strategic planning meeting centered around how we offer an opportunity to network with peers, when we don't have a lot of opportunity to see one another. An idea that we are going to roll out in January is a quarterly online meeting where we can login via zoom and have a roundtable discussion on a topic of interest that you would like to talk about with your peers. Our first attempt at this will be on January 15th. Stay tuned to a member only email with a link to the online zoom discussion meeting. In the meantime, if there is something that you would like us to add to a topic list for this meeting, please reach out to me and let me know! I would love to hear from you!

In closing for our final newsletter of 2023, I wanted to extend my condolences on behalf of all of MAPA to the loss of our friends and fellow members of MAPA. We have lost a few members this past year. I have recently heard of the passing of Jerry Scharpe, Larry Larson, and Ron Arens ~ our thoughts and prayers are with all of their family and friends. We have also lost one of our previous Executive Directors. John Arlandson passed away on August 17th. John was a great leader for MAPA for many years and we were all very sad to hear of his passing. Since the beginning, MAPA has always been a great source for making lifelong friends.

I would like to wish you all health and happiness. Please look for upcoming emails from me regarding member benefits and networking opportunities.

About the MAPAN: *The MAPAN is published 4 times per year for the members of MAPA by the Minnesota Association of Public Accountants, 111 Lake Street North, PO Box 301, Big Lake, MN 55309. Phone: 612-366-1983 Fax: 763-263-8020 Email: erin.nebben@mapa-mn.com Website: www.mapa-mn.com Unless stated, comments in this publication do not necessarily reflect the endorsement or opinion of MAPA. The publisher is not responsible for statements made by the authors, contributors or advertisers. The publisher reserves the right to final approval of editorial and advertising copy in this publication.*

MAPAN Advertising Specs: The following types of advertisements will be accepted from MAPA members: Sale or purchase of a practice; person seeking employment; or potential internships. Ads will be run for up to three issues at no charge. Additional ad placements will cost \$100 per listing per month for up to 10 lines.

Email erin.nebben@mapa-mn.com with questions.

Legislative Update • Troy Olsen

Minnesota State Budget Projections – Revenues Continue to Outpace Expenditures

In the Fall of 2023, the Department of Minnesota Management and Budget (MMB) announced that the state's budget surplus is estimated to exceed initial projections made earlier this year by nearly 50 percent, resulting in a fiscal year-end surplus of over \$2.4 billion (\$820 million over the initial \$1.6 billion estimate). This announcement follows the MMB's quarterly update, which disclosed that tax collections had outperformed projections by \$400 million.

The surplus is primarily attributed to strong tax collections of individual income and corporate franchise taxes, with slightly reduced projected spending (not actual spending). The exact size of the surplus will not be determined until February or March, but it will carry over into the next budget cycle.

This budget surplus builds on the trend of increased funds for Minnesota. The historic \$17.5 billion surplus for the 2023-2024 biennium was largely allocated during the 2023 legislative session's budget-setting process. With the additional funds, lawmakers are anticipated to take up supplemental budget bills and a capital investment (bonding) bill in 2024.

Legislation Proposes Additional Pathways to CPA Licensure

A decline in the number of accounting majors, CPA candidates and CPAs continues to be a disturbing trend with the 150-hour requirement routinely identified as an entry barrier to the industry.

When the Minnesota Legislature reconvenes in February 2024, legislation initiated by MNCPA that proposes to remove the 150-hour requirement as a barrier to entry by broadening the pathways and increasing accessibility to the accounting profession.

[HF 1749](#) (Huot) and [SF 1660](#) (Rasmusson) have

bipartisan legislative authorship and will likely receive attention during the 2024 Legislative Session.

The bill proposes that to qualify for licensure, prospective CPAs must have either:

- 150 hours or 225 quarter hours of college plus 1 year of experience, or
- 120 hours or 180 quarter hours plus 2 years' experience, or
- 120 hours or 180 quarter hours plus 1 year experience plus 120 hours of continuing professional education

Candidates would still be required to pass the CPA exam, but by providing alternative pathways to licensure would be a mechanism to attract more people to pursue careers in accounting while maintaining the high bar of excellence that is expected from CPAs.

NASBA and AICPA continue to show support for the 150-hour requirement and express concern that “lowering” licensure requirements to 120-hours could call into question the “substantially equivalent” requirement and jeopardize mobility and reciprocal practice privileges currently utilized by licensed CPAs, support for broadening pathways to licensure continues to grow.

MAPA looks forward to engaging in this debate during the 2024 legislative session. If you would like to express your views on this topic, you can find your legislators' contact information [here](#). MAPA will also provide additional information and advocacy opportunity for its members as the start of the legislative session gets closer.

Watch for additional information in future updates.

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

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What's New at Revenue • Minnesota Revenue



The new year is coming, and with it, some new things from the Department of Revenue that will help you and your clients learn more about state tax credits, manage Certificates of Rent Paid (CRPs), verify

identity, and submit power of attorney (POA) forms in multiple states. We also have a new Taxpayer Rights Advocate.

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.

Direct Tax Rebate Payments Update

Revenue completed processing the one-time tax rebate payments by the end of September. In all, approximately 2.1 million direct deposits and paper checks were sent to eligible Minnesotans.

In mid-November, Revenue began reissuing about 150,000 checks that went uncashed and subsequently expired after 60 days from their August and September issuance dates. All reissued checks will be sent by early December. Paper checks will be sent in a plain white envelope from Submittable Holdings in Montana. They will have the signature of Revenue Commissioner Paul Marquart.

We'll continue to work with taxpayers who are eligible but have not yet claimed the payment.

New Outreach Toolkit About State Tax Credits

We have a new outreach toolkit with [promotional materials about Minnesota tax credits](#). It has informational videos, printable materials, sample social media messages, and more. We encourage you to use and share these educational and promotional resources with your clients, partners, and community.

Expanded Access to CRPs in e-Services Coming Soon

We are expanding access to our CRP system in e-

Services. By January 1, 2024, all residential property owners and managers will be able to log in to e-Services to easily create and manage Minnesota CRPs online. Landlords are not required to use e-Services to create CRPs for rent paid in 2023. However, landlords will be required to use e-Services to create CRPs for rent paid in 2024. You can find more information on our [CRP Information for Landlords page](#).

New Identity Verification Method for Taxpayers in 2024

In early 2024, there will be a new way for individual taxpayers to verify their identity with Revenue. Taxpayers may be asked to securely upload identity verification documents to us, such as their Social Security Number, driver's license, passport, etc. They will still have the option to mail us these documents if they prefer. We will send these identity verification requests, with instructions, by mail.

Universal POA Form Coming in 2024

A universal POA form will be available in Minnesota in 2024. The form will allow taxpayers who pay taxes in multiple states to use only one form instead of different POA forms from other states. However, not all states use the universal POA form. Currently, it's accepted in Colorado, Idaho, Illinois, Kansas, Texas, and Utah.

The universal POA form was created by the Multistate Tax Commission to solve an issue taxpayers have with submitting POA forms when they pay taxes in multiple states. This form is not intended to replace [Revenue's POA forms](#), Forms REV184i or REV184b. The universal POA form should only be used by taxpayers who are paying taxes in multiple states. Taxpayers who pay taxes only in Minnesota should continue to use Forms REV184i or REV184b.

We'll have more information about the universal POA form when it's available in Minnesota. Until then, you can learn more about [Universal Power of Attorney on the Multistate Tax Committee website](#).

Peer Review • Sarah Struss, CPA

The AICPA's national peer review conference was held this year on July 31st – August 2nd in Philadelphia. 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 2023 are risk assessment, quality management, single audits, environmental, social, and governance (ESG) attestation, and technology-enabled auditing.

A big focus at the conference was the new peer review 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 still allow for some time for implementation, but you will want to start planning this implementation now. Please be watchful for upcoming continuing education classes regarding this topic as well as updated practice aids. This isn't one that you are going to want to miss!!!

Staying on top of standards is of utmost importance in the accounting and auditing sector. This just isn't for firms performing ERISA or yellowbook engagements. This is for everyone! Please continue to watch for implementation dates as well as guidance on new standards. Make sure you are fully aware of the reporting framework you are using and what that reporting framework entails. You will want to make sure your firm has the proper procedures in place so your firm is only accepting and continuing engagements that it's qualified to perform, and you are fully documenting your work and considerations when performing your engagements.

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 2024 peer review conference will be held August 5-7th in Denver. Hope to see you there!

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Chris Henjum is the New Taxpayer Rights Advocate

Revenue Commissioner Paul Marquart appointed Chris Henjum as the department's [Taxpayer Rights Advocate](#) in August. He takes over for Halla Elrashidi who took an attorney position at Hennepin County.

Chris brings extensive experience in tax law, especially at the community level. He began his work at Revenue in 2019, serving as a tax policy lead for the Income Tax and Withholding Division.

Before his tenure at Revenue, Chris was the policy director at Flaherty & Hood, PA. He also was a public finance attorney on behalf of local communities at Kennedy & Graven Chartered. Chris

received his law degree from the University of Minnesota Law School and a Master of Public Policy degree from the Humphrey School of Public Affairs. Chris is a long-time board member and past president of the Twin Cities chapter of the American Constitution Society, a co-founder of the Southwest Alliance for Equity, and a board member for Minneapolis' Kenny Neighborhood Association, where he lives with his wife and three young daughters.

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](#).

Minnesota State Board of Accountancy Update

YOUR LICENSE **IS YOUR BUSINESS.**

GET THIS PIECE OF BUSINESS DONE SO THAT YOU CAN CONTINUE YOUR BUSINESS UNINTERRUPTED IN 2024.

RENEW TODAY.



Only a Few Weeks Left to Renew 2024

The end of year will come and go before you know it. Don't leave it until too late to take care of your license and permit renewal.

- **Inactive** licensees renewing for 2024 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 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, 2022, 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 (2023)). See "CPE Reporting" for instructions on how to report carryback hours.

Continuing Education Certificates

With the update to the new membership platform, we were unfortunately unable to transfer prior year certificates that were saved in your previous profile. Do not worry though, we do have them all in our system. If you need copies of them for any reason, please reach out to MAPA at erin.nebben@mapa-mn.com. We will gather the requested certificates and email them to you as PDF attachments.

MAPA NOTICE:
STARTING IN 2024,
THE MAPAN WILL
ONLY BE AVAILABLE
ELECTRONICALLY.
THANK YOU!

2023-2024 Seminar and Event Schedule

Additional seminars may be added to this schedule

Date	Topic	Time (Central)	CE Hours	Type
12/11/2023	Payroll Year End	11am – 1pm	2	Webinar
12/11-12/12/2023	1040 Tax In Depth	8am - 4pm	16	Plymouth, MN
12/18-12/19/2023	1040 Tax In Depth	7am - 3pm	16	Webinar
12/18-21 & 12/26-29	8 Nights of 1040 Tax In Depth	5pm - 7pm	16	Webinar
1/4 – 1/5/2024	1040 Tax In Depth	8am - 4pm	16	Plymouth, MN
1/8 – 1/9/2024	1040 Tax In Depth	11am - 7pm	16	Webinar
1/11-1/12/2024	From Trial Balance to Tax Return – A Boot Camp for Business Returns	9am - 5pm	16	Webinar

Internal Revenue Service Update

Time to renew Preparer Tax Identification Numbers by December 31, 2023

IRS Tax Tip 2023-125, Nov. 28, 2023

Paid tax return preparers with a PTIN expiring on Dec. 31, 2023, need to renew their PTIN with the [online renewal process](#). It takes about 15 minutes to renew online.

Anyone who's paid to prepare or helps prepare any U.S. federal tax return or a claim for refund must have a valid PTIN from the IRS. All 2023 PTINs will expire Dec. 31, 2023. The non-refundable fee to get or renew a PTIN is \$19.75 for 2024.

While it is faster to renew online, paid tax return preparers can also renew their PTINs with [Form W-12, IRS Paid Preparer Tax Identification Number Application and Renewal](#). It can take up to six weeks to process paper applications and renewals.

Have you set up your MAPA Member Profile on our new Membership platform with Glue Up? If not, please do so ASAP so you don't miss out on valuable member benefits! We will be resending all "Member Invitation" emails from Glue Up to invite you to create your profile and enhance your member experience. If you have any questions, don't hesitate to reach out to MAPA at erin.nebben@mapa-mn.com

**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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Strategic Planning

Volunteers Needed

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