

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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Hello Fellow MAPA Members!

Congratulations you survived the 2023 tax season. Hopefully it went well for everyone. We had a rough season but ultimately survived.

The IRS estimates more than \$1 billion in refunds remain unclaimed because people haven't filed their 2020 tax returns yet. They may be eligible for a refund if they file by the May 17 deadline.

Are you ready for summer? I sure hope so. This is the time to reconnect with all that is important to you and to reorganize and refresh from that busy season. If you haven't taken some time for yourself, do that now. Reflect on all that you accomplished. Think about what you can improve and how MAPA can help. Please take a look at the upcoming seminars.

This is my last article as President of MAPA, as we will be electing new officers at the Annual Meeting in June. If you are interested in being a part of the decision making process in MAPA, please let us know.

Kind Regards,

Diane St. Sauver, CPA

President

MAPA's 84th Annual Meeting will be held on June 25, 2024 at the Monticello Community Center. Please visit our website: www.mapa-mn.com for more information and to RSVP!

Executive Director's Report • Erin Nebben, EA



Hello!

I hope you are all doing well and have taken some time to enjoy the beautiful weather! My time has been consumed with getting ready for my daughter's high school graduation. Her senior year went so fast, it's hard to believe she will be walking across that stage to receive her high school diploma in a few short weeks.

Speaking of time going to fast, it's already mid May and we are finally getting this issue of the MAPAN out! I would like to thank those of you that have renewed your MAPA membership! We appreciate you sticking with us and seeing the value in being a part of this organization.

MAPA held it's May board meeting last week. One of the big discussion points was what can we do to keep MAPA relevant to our members. With not being able to hold as many in person events, we aren't able to network with one another in person as much. Be on the lookout for a survey to be emailed to you with some questions regarding ideas we have had to enhance our member benefits for you, our valuable members.

We have our 84th Annual Meeting scheduled for June 25th at the Monticello Community Center. Registration is free and open to all members. You can register on the website at: www.mapa-mn.com. Being a part of the decision making process with MAPA is an important piece to the longevity and relevancy of MAPA. You don't have to be on the board, or even on a committee to attend the Annual Meeting. It's open to all members and we absolutely value your input and ideas! We hope to see you there!

Along with being a part of this Organization, we grow close with many of our members, past presidents, committee chairs and their families. This May, we lost one of our longtime members, Al Maves. Al was President of MAPA in 2001-2002. He was active on many MAPA committees, including Strategic Planning and the Legislative committees. Al passed away on May 2, 2024. He will be missed by family, friends and by his fellow MAPA colleagues. His obituary can be found here: [Alan Maves Obituary 2024 - Ranfranz and Vine Funeral Homes \(ranfranzandvinefh.com\)](http://alanmavesobituary2024-ranfranzandvinefuneralhomes.com)

In closing, I would like to thank you all again for being a part of this organization. Without you we would not be here. It's a pleasure working with MAPA and it is my hope that we can continue to be the place to go for the 'mainstreet' accountants of Minnesota. Please take a moment to send me a note if you have questions, comments or just want to say hello! My email is: erin.nebben@mapa-mn.com

Thank you!

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

2024-2025 Seminar and Event Schedule

Additional seminars may be added to this schedule

Date	Topic	Time (Central)	CE Hours	Type
5/23/2024	Step Up Basis Election - 754	11am – 1pm	2	Webinar
5/30/2024	Preparations Compilations & Review	10am -6pm	8	Webinar
5/31/2024	Accounting & Auditing Update	8am – 4pm	8	Webinar
6/3/2024	Best of Tax Planning	8am – 4pm	8	Webinar
8/26/24-8/27/24	Business Tax In Depth	8am -4pm	16	Webinar
8/28/2024	Social Security & Medicare	8am – 4pm	8	Webinar
8/29/2024	1041's for Trusts & Estates	8am – 4pm	8	Webinar
8/30/2024	Complete Retirement Guide	8am – 4pm	8	Webinar
10/23/2024	Federal Tax Update – Individual	9am – 5pm	8	Webinar
10/24/2024	Ethics	8am – 12pm	4	Webinar
10/25/2024	1041's for Trusts & Estates	9am – 5pm	8	Webinar
10/30/2024	Federal Tax Update – Business & Individual	8am – 4pm	8	Webinar
11/1/2024	Federal Tax Update – Business	8am – 4pm	8	Webinar
11/14/2024	Minnesota Tax Update	8am – 12pm	4	Webinar
11/18/24-11/19/24	Business Tax In Depth	8am – 4pm	16	Webinar
12/2/24 – 12/3/24	1040 Tax In Depth (In Person)	8am – 4pm	16	Plymouth
12/16/24 – 12/17/24	1040 Tax In Depth	8am – 4pm	16	Webinar
1/8/25 – 1/9/25	1040 Tax In Depth (In Person)	8am – 4pm	16	Plymouth
1/13/25 – 1/14/25	1040 Boot Camp	9am – 5pm	16	Webinar
1/20/25 – 1/21/25	1040 Tax In Depth	8am – 4pm	16	Webinar

Register online at: www.mapa-mn.com

What's New at Revenue • Minnesota Revenue



Thank you for all your hard work helping Minnesotans accurately prepare and file their taxes.

With the tax filing deadline behind us, we're busy processing returns and issuing refunds. As of April 19, we've processed 2.3 million individual

income tax returns and issued 1.5 million refunds for tax year 2023.

With the legislative session ending, we're watching closely for any changes to tax law. We'll share any law changes with tax preparers and the public on our website and through email updates.

Be sure to follow our [Tax Law Changes page](#) and [subscribe to our Tax Law Changes email list](#) to get the latest information.

Local Taxes Advisory Task Force Finalizes Report

Authorized by the 2023 tax bill, the Local Taxes Advisory Task Force was formed to examine the role of local taxes as a funding mechanism for local governments and to determine:

- Objective evaluation criteria for proposed local taxes before lawmakers discuss and vote on them in legislative committees
- The appropriate organizations or entities to conduct those evaluations
- Improvements to the legislative approval process for creating and revising local taxes

The task force explored how cities and counties use local taxes to fund projects and provided its recommendations for legislators in the [Local Taxes Advisory Task Force legislative report](#).

Learn more about the [Local Taxes Advisory Task Force](#) on our website.

Expired One-Time Tax Rebate Checks Reissued

We reissued more than 128,000 one-time tax rebate checks in February that have gone uncashed and subsequently expired after their November and December issuance

dates. The mailing of reissued checks was completed in March.

Unlike previously mailed checks, these were mailed from the State of Minnesota. The checks are still protected by standard banking safeguards that help detect and deter fraud.

As of early April, about 2% of **all rebate payments** or 60,000 checks have not been redeemed. We'll work with taxpayers who are eligible but did not get their rebate. If a taxpayer thinks they are eligible and did not receive a rebate by May 1, 2024, they should call us at 651-556-3000.

Potential Free File Options for State Individual Income Taxes

A 2023 law directed Revenue to survey tax software providers and report on free electronic options to prepare and file Minnesota individual income tax returns. Revenue submitted the [Free File Options for Minnesota: A Summary of Research and Recommendations](#) to the state Legislature in January.

The report includes a review of what other states use for state electronic filing, an assessment of taxpayer needs for electronic filing and current filing practices, an analysis of alternative options to provide free filing, and an analysis of the IRS Free File Program.

Retail Delivery Fee Starts July 1

Starting July 1, 2024, a Retail Delivery Fee of 50 cents will apply to certain transactions involving retail delivery in Minnesota.

The fee applies to each transaction where charges for these items equal or exceed \$100:

- Tangible personal property subject to sales tax
- Clothing

Sellers will report the total amount collected or amount due from the fee on the Retail Delivery Fee tax line of their Sales and Use Tax return. We will register retailers for the fee tax line. You can find more information about the [Retail Delivery Fee](#) on our website, including retailer exclusions, exemptions, and more.

Register for In-Person Employment Tax Seminars

We partnered with the Minnesota Unemployment

Peer Review • Tom Madsen, CPA

This is the time of year when many firms have completed their busy season and are starting to think about their upcoming peer review and/or annual firm monitoring and inspections.

Generally speaking, firms that perform audits of financial statements are required to have system peer reviews, while firms that do not perform audits but do prepare reviewed or compiled financial statements are required to have engagement peer reviews.

Peer reviews are required every three years and should be completed within six months after a firm's peer review year end. Once the peer review has been completed, a copy of the peer review report and MAPA's acceptance letter should be forwarded to the State Board to comply with licensing requirements.

If MAPA is the administrating entity for your firm's peer review, your firm should submit a completed Peer Review Billing Form and Firm Information Questionnaire before the commencement of your firm's peer review. You should also send your peer reviewer a copy of these completed forms. These forms and additional information are available on the MAPA website under Peer Review (<https://mapa-mn.com/peer-review>).

Now is also the time of year to make sure you have the required continuing professional education hours by June 30th for licensing.

Our profession requires that we keep up with changes in various standards. The following are recently updated standards that may apply to you and your firm:

Quality Management Standards

There are new Statements on Quality Management Standards (SQMS) that will be replacing the former

Statements on Quality Control Standards (SQCS) relating to a firm's system of quality control. These new standards are designed to introduce a risk-based approach to a firm's quality controls and have an implementation date of December 15, 2025.

Retirement Plan Audits

The Department of Labor (DOL) recently made changes to redefine when a retirement plan is considered a large plan and thus requires an audit. Previously, this was based on whether the plan had at least 100 eligible participants at the beginning of the plan year. Effective for plan years that begin on or after January 1, 2023, the participant count is based on participants with active accounts rather than eligible participants. The DOL has estimated that nearly 20,000 plans that previously had been required to have an audit will no longer be required due to this change.

Common Peer Review Findings

- Lease standard not adopted on GAAP financial statements.
- Revenue recognition standard not addressed on GAAP financial statements.
- Accountant's report does not reference all financial statements presented, periods presented, or basis of accounting.
- Debt not broken out between current and long-term portion.
- Missing documentation of analytical procedures and expectations on review engagements.
- Review reports missing paragraph regarding requirement to be independent and meet ethical responsibilities.
- Incomplete documentation related to risk assessment on audits and lack of linkage between assessed risk and procedures performed for specific assertions considered higher risk.

Insurance Program to offer in-person seminars on state employment taxes. Seminars will be held throughout 2024 in various cities.

Topics include:

- Worker status
- Withholding tax basics
- Unemployment insurance
- Workers' compensation requirements

Half- and full-day seminars are offered. To view the schedule and register, visit the [Minnesota Unemployment Insurance website](#).

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

Capitol Happenings

Only two weeks remain in the 2024 Legislative Session and the outcome has become more unpredictable than usual. In late April, Sen. Nicole Mitchell (Woodbury) was arrested and charged with first degree burglary. While Sen. Mitchell is present and participating in Senate Floor votes, Senate DFL leadership has relieved her of her committee assignments and barred her from attending caucus meetings.

Republican leadership has called on Sen. Mitchell to resign and continue to protest her participation on Senate Floor votes. An ethics complaint has been filed and is [scheduled to be heard](#) by the Senate Rules and Administration Subcommittee on Ethical Conduct on May 7 along with a separate ethics complaint for Sen. Glen Gruenhagen.

With a slim 34-33 DFL margin of control in the Senate, limited participation from a DFL Senator who is undergoing cancer treatment, and mounting pressure on Sen. Mitchell to resign or not participate in Senate floor votes, creates uncertainty as to the ability of the Senate to pass supplemental budget bills, controversial policy bills, and a capital investment bill during the remaining days of session.

In the midst of the controversy, the House continues to pass their supplemental budget bills during long and late House Floor sessions. Conference committees continue to meet to iron out differences in House and Senate bills that have passed both bodies.

Below is an update of some of the legislative action affecting MACO members.

Taxes Supplemental Budget Bills

The House and Senate Tax Committees approved Taxes Supplemental Budget Bills earlier this week and referred the bills to their respective floors for debate and votes. [HF5247](#) (Gomez) and [SF5234](#) (Rest) have many similarities but will require a conference committee to reconcile the differences once both have passed their bodies.

Provisions in HF5247 and/or SF5234 of interest include:

- **establishing** a minimum child credit for taxpayers electing to receive advance payments, and allowing 18 year-olds to qualify for the child credit
- requiring the Department of Revenue (DOR) to establish a direct file system for the individual income tax

- excluding debt forgiveness from taxation, if the debt was forgiven because it was found to be assumed under coercion
- requiring disclosure of some corporate franchise tax return information
- requiring a study on corporate franchise tax base erosion
- opting out of certain federal rules regarding worker classification and withholding
- modifying the housing tax credit.
- establishes an advance homestead credit for seniors
- makes changes related to minerals taxes and the Iron Range
- numerous property tax changes
- establishing a gross receipts tax on the operation of amusement devices
- repealing the tax imposed on illegal cannabis and other controlled substances

Legislation Proposes Additional Pathways to CPA Licensure Stalls

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.

Legislation initiated by MNCPA 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 SF 1660 received a hearing in the Senate State and Local Government and Veterans Committee. However, neither bills advanced beyond committee this year. but did not advance.

The bill originally 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.

If you would like to view testimony on SF 1660, [click here](#) and fast forward to the 1:19:10 mark.

MAPA looks forward to engaging in this debate during the 2025 legislative session. If you would like to express your views on this topic, you can find your legislators’ contact information [here](#).

SBOA is in the process of proposing to amend its current rules to:

- PART 1105.2000 RETAKE AND GRANTING OF CREDIT REQUIREMENTS
 - ◊ Changes the Uniform CPA Examination section validity from 18 months to 30 months, in keeping with recommendations in the Uniform Accountancy Act to substantially extend the validity of exam credits
 - ◊ By moving to a 30-month window SBOA hopes to achieve:
 - ◆ It significantly levels the path to licensure for candidates whose financial and personal circumstances make passing the exam in the shorter timeframe a potential hardship
 - ◆ It ensures that future Minnesota licensees/examinees are unlikely to encounter issues with gaining reciprocal licensure in another jurisdiction.
 - ◆ By changing the date that signals the start of the window from the date the exam was “sat” to the date AICPA releases the score (a uniform, established date for all candidates nationwide who sat for the exam within a particular set of dates and able to be exactly defined), the window for Minnesota candidates will be substantially equivalent to that of any state adopting the UAA language.
- PART 1105.3000, CONTINUING EDUCATION REQUIREMENTS
 - ◊ Caps late processing fees related to CPE to no

more than the applicable accrued fee for the three-year CPE reporting cycle associated with the renewal that would reestablish an individual’s license as “valid”

- ◊ SBOA hopes to provide clarity as to fee assessments

For additional information including the full text of SBOA’s Statement of Need and Reasonableness (SONAR), to subscribe to the rulemaking email notification list, or provide public comments to the proposed rules, visit the [SBOA Rule Making Website](#).

Name or Employer Changes: BOA Discussion regarding name change compliance

During the May 2, SBOA meeting, Board members discussed a significant increase in complaints regarding failures to inform the Board of name changes. The Board asks that MAPA and MNCPA help to remind their members that keeping the Board informed of correct public/ mailing address and name doesn't just help with your license renewal process, it is an obligation of your licensure.

Each licensee or registrant shall notify the board in writing within 30 days of any change of address and, in the case of individual licensees or registrants, change of employment.

For name changes **you must include a copy of your legal name change documentation**, such as

- a marriage certificate (but only if it documents the name change);
- pertinent section of divorce decree (do not provide full decree); or
- Order Granting Name Change (court issued order).

Name changes cannot be made without legal documentation and licensees are required to provide the Board with your full legal name.

[For more information visit the SBOA website.](#)

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

[Troy Olsen](#)

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MAPA 2023-2024 Scholarship Winners

Thank you for all the generous donations to the MAPA Scholarship Fund this past year. We were able to award 3 amazing scholarship applicants.

- Analise Marquardt ~ \$1,000 Ed Silbernack Memorial Scholarship
- Raina Kaping ~ \$750 MAPA Scholarship
- Taylor McCoy ~ \$750 MAPA Scholarship

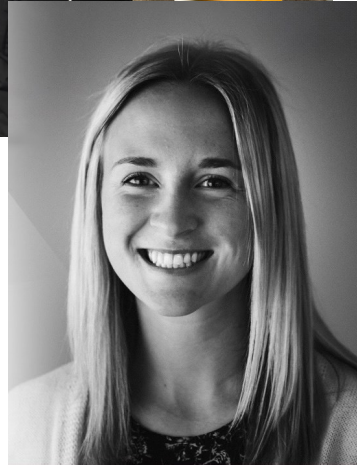
Applications for the 2024-2025 academic year are due 11/15/2024. You can find the application and information here: [Scholarship | Minnesota Association of Public Accountants \(mapa-mn.com\)](https://www.mapa-mn.com/Scholarship)

If you wish to donate to the scholarship fund, you can send a check to MAPA Scholarship Fund, PO Box 301, Big Lake, MN 55309



Analise Marquardt ~
University of
Northwestern – St. Paul

I feel honored and grateful to have been chosen as the recipient of the Ed Silbernack Memorial Scholarship. I want to thank you for your generosity in awarding this scholarship. It is a great help to me financially. I look forward to my career in public accounting, and this helps me take one step closer ~ Analise Marquardt



Raina Kaping ~ Bethel University

Thank you! I am grateful and appreciative to receive the scholarship award! ~ Raina Kaping



Taylor McCoy ~ University
of Northwestern – St. Paul

Thank you so much for your generosity. It is an honor to be a recipient of a MAPA Scholarship. This scholarship will surely help alleviate financial stress, allowing me to focus on my education. But more so, it strengthens my commitment and motivation to achieve my degree, knowing someone is willing to invest in my education. I look forward to what the future holds as I continue my studies and pursue my career in public accounting. ~ Taylor McCoy

CONGRATS!

MAPA Member Advertisements

LET'S WORK TOGETHER!

Are you tired of juggling tax and payroll? Are you a seasoned CPA looking to retire? Let's join forces! We specialize in seamless payroll services, allowing you to focus on what you do best – TAX! Let's build a winning partnership.

Contact for details: Kathy Rollinger, Payroll Vault of Winona MN

Phone: 507-335-2625 or email: Kathy.rollinger@payrollvault.com

CONSIDERING AN EXIT?

Owners of accounting and tax practices! If you prefer cash at closing rather than future earnouts in the sale of your business, then we should talk. Sunbelt Business Advisors has successfully closed 28 Minnesota practices since 2021 and is working with many active, qualified buyers. Multiple buyers put you, the Seller, in a position of strength leading to a higher asking price and better terms. Sunbelt's confidential and competitive process ensures a timely closing to meet your exit goals. 10 buyer leads guaranteed in the first 90 days or cancel at no cost.

Contact Matt Sobieski, CPA at msobieski@sunbeltmidwest.com or 612-964-8884 for a confidential discussion.

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



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

www.mapa-mn.com

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.

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Strategic Planning

Volunteers Needed

Find us on Facebook & Instagram!



Minnesota Association of
Public Accountants