

MARCH 2020

KĀLA

The Official Publication of the Hawaii Society of Certified Public Accountants



Managing Tax Time!

**Tax experts to help
guide you on May 19!**

(see page 9)





Upon closer examination, a perfect collaboration can make all the difference.

It's no surprise TruTag® Technologies, an expert in microtag authentication, saw the true value in working with American Savings Bank. We provided them with a variety of financial services that helped them advance their innovations. TruTag recognizes we're a genuine ally, and, with their tech skills, they can spot one with ease.

From left to right:

1. Nelson Moku III - their Banker
2. Craig Leidholm - Sr. VP of Materials Manufacturing
3. Sho Hasegawa - Sr. Manufacturing Process Technician
4. Mike O'Neill, PhD. - Chief Science Officer
5. Brittany Pattinson - Sr. Process Engineer
6. Kathryn Anderson, PhD. - Director of Applications



The Official Publication of the Hawaii
Society of Certified Public Accountants

Officers

President Darryl K. Nitta
President-elect Edmund N. Nakano
Vice President Ryan K. Suekawa
Secretary/Treasurer Chad K. Funasaki

AICPA Council

Darryl K. Nitta (Designated)
Ryan K. Suekawa (Elected)

Executive Director

Kathy M. Castillo

Administrative Assistant

Debbie Cortes

Graphic Design

Underwood Graphics

Hawaii Society of CPAs

900 Fort Street Mall, Suite 850
P.O. Box 1754
Honolulu, Hawaii 96806

Tel: (808) 537-9475
Fax: (808) 537-3520
E-mail: info@hscpa.org
Website: www.hscpa.org

Directors • 2019 – 2021

Ronald I. Heller
Adrian K. Hong
Frank T. Kudo
Nelson K. Lau
Trisha N. Nomura
Grayson Nose
Natalie M.H. Taniguchi
Gordon M. Tom

Directors • 2018 – 2020

Steven Oberg (KAUAI)
Valerie M. Peralto (BIG ISLAND)

Immediate Past President

Norman N. Okimoto



H S C P A

Hawaii Society of
Certified Public Accountants

This publication is designed to provide general information only, and should not be used as a substitute for professional advice. The authors and editors disclaim any liability for any loss or damage resulting from the use of any information or advice herein. Although a reasonable attempt has been made to be accurate, neither the HSCPA nor the authors and editors can guarantee that all information contained herein is correct as of the date of publication.

KALA (the Hawaiian word for money) is published monthly and is the official publication of the Hawaii Society of Certified Public Accountants. Please direct all inquiries regarding editorial content to HSCPA, 900 Fort Street Mall, Suite 850, Honolulu, Hawaii 96813.

In This Issue

President's Message	5
<i>By Darryl K. Nitta</i>	
UH-West O'ahu Benefits from the Community	6
<i>By Wendell Lee, CPA</i>	
Do You Buy Fuel? Then Be Very Afraid!.....	8
<i>By Tom Yamachika</i>	
Multistate Taxation, Hawaii GE & Use Tax Issues.....	9
Annual Conference.....	10
Pet Meet & Greet.....	13
Norman's Book Review.....	14
CPA Firm Microcomputer Technology...	16
<i>By Joy Takaesu</i>	
Y-CPA Buzz.....	18
<i>By Yumi Ueda</i>	
2020 Tax Book Orders.....	20

SIMPLE ONLINE PAYMENTS FOR CPA FIRMS

CPACharge is an easy-to-use practice management tool trusted by more than 105,000 successful professionals, developed exclusively for CPAs to help manage payments and grow revenue in their practice.

DESIGNED FOR CPAs



0%, \$2/TRANSACTION
eCHECK PROCESSING



PCI COMPLIANCE
INCLUDED (\$150 VALUE)



RECURRING BILLING AND
SCHEDULED PAYMENTS



SIMPLE REPORTING
AND RECONCILIATION



SECURE, CUSTOMIZABLE
PAYMENT PAGES



UNLIMITED SUPPORT
BY PHONE, LIVE CHAT,
AND EMAIL

Payment Detail

Submit to Smith Johnson, CPA

\$1,000

Invoice Number

1005

Card Number

**** * 9998

CVV

001

Exp.

NOV

2021



eCheck DISCOVER



POWERED BY
CPACHARGE

Pay CPA

CPACharge is proud to be a vetted
and approved Member Benefit of the



HSCPA

Special offer for HSCPA members

cpacharge.com/hscpa

866-283-0402

President's Message

By Darryl K. Nitta

"The way to get started is to quit talking and begin doing." – Walt Disney



Walt Disney has many famous quotes, but this is one of my favorites that I try to live by. Anyway, welcome back! May 2020 be a healthy (including perfect vision) and prosperous year for everyone. Since we are in the middle of the

busiest time of the year, I'll try and make this message short and to the point.

Even with the holidays and impeachment trial, our government was able to pass the SECURE ACT at the end of 2019. This is the first substantial legislation related to retirement accounts since 2006. SECURE stands for Setting Every Community Up for Retirement Enhancement. Here are a few key takeaways that highlight the SECURE Act:

IRA contributions. Prior to the SECURE Act, you couldn't contribute to traditional IRAs starting in the year you reach age 70½, even if you continued to work. The new law eliminates that restriction, allowing anyone with earned income to contribute. Note that the longer period to contribute takes effect for contributions for the 2020 tax year. Therefore, while contributions for 2019 can be made as late as April 15, 2020, those contributions are permitted only for individuals under the age of 70½ at the end of 2019.

Delaying RMDs. The SECURE Act raises the age at which taxpayers generally must begin to take their required minimum distributions (RMDs) from 70½ to 72. The new rule applies only to those individuals who haven't reached the age of 70½ by the end of 2019.

Effectively eliminating "stretch" RMDs. The SECURE Act eliminates the "stretch" RMD provisions that have allowed the beneficiaries of inherited defined contribution accounts to spread the distributions over their life expectancies. Younger beneficiaries could use the provision to take smaller distributions and defer taxes while the accounts grew. Under the SECURE Act, most beneficiaries must withdraw the entire balance of an account within 10 years of the owner's death, albeit not according to any set schedule. Therefore, they can wait and withdraw the entire amount at the end of 10 years if they wish.

Be aware that the new rules apply only to those inheriting from someone who died after December 31, 2019. Thus, if you inherited an IRA years ago you won't be subject to the new rules with respect to your RMDs. However, when your beneficiaries inherit the IRA from you, they'll be subject to the new law unless they are one of the following types of beneficiaries:

- Surviving spouses,
- Children younger than "the age of majority" (the 10-year rule applies when such beneficiaries reach the age of majority),
- Disabled or chronically ill individuals, and
- Individuals who are no more than 10 years younger than the account owner.

Penalty-free withdrawals for birth or adoption. The SECURE Act creates a new exemption for qualified births or adoptions from the 10% tax penalty on early withdrawals from defined contribution plans. You can withdraw an aggregate of \$5,000 from a plan without penalty within one year of the birth of a child or an adoption of a minor or an individual physically or mentally incapable of self-support. Couples in which both parents have separate retirement plans can withdraw an aggregate of \$10,000 penalty-free.

Expanded options for use of 529 plans. Under the SECURE Act, you can use 529 plans to pay as much as \$10,000 of principal and interest on qualified education loans for a plan beneficiary and their siblings.

Kiddie tax reversion. The TCJA changed the kiddie tax rules, generally making unearned income generated by children over a certain threshold taxable at the tax rates for trusts and estates, rather than the generally lower rates of their parents. The SECURE Act reverses course, so a child's unearned income will return to being taxed at the parents' highest marginal rate. The law provides the option to calculate the kiddie tax for 2019 under the TCJA or SECURE Act rules. You can amend your 2018 tax returns to apply the new rule if financially worthwhile.

Looking ahead: Anyone have a quote they want to share with the profession? Please let me know!

Thank you, Fellow CPAs!

UH-West O'ahu Benefits from the Community

By Wendell Lee, CPA

Mahalo! to my fellow CPAs who have answered the call in making a lasting investment in the UH-West O'ahu accounting program!

In November, we celebrated our 3rd Annual UH-West O'ahu (UHWO) Student Accounting Night. There were 112 students and 61 professionals in attendance which was a record high for any student-led networking event hosted at UHWO. Furthermore, the first scholarships were awarded to our students because of the unprecedented support received. Many firms recognized that students at UHWO are well educated and ready for the work force in Hawai'i's accounting firms.

Special recognition is deserving to the following firms for their stewardship, foresight and investment in our future work force. Statistics indicate that graduates recognize and appreciate contributors in their communities and thus seek positions within these known groups.

- TRUSTA, An Accountancy Corporation - \$25,000 contribution to purchase equipment to improve online research content, access and capabilities
- Sukanto Foundation - \$25,000 to purchase CCH Intelliconnect tax database. This has provided our tax classes with the ability to do online research.
- Association of Governmental Accountants (AGA) - \$25,000 in scholarships
- Deloitte LLP - \$1,500 scholarship and sponsorship of our desserts at the event
- CW Associates, CPAs - \$1,500 scholarship
- N&K, CPAs - \$1,500 scholarship
- HEMIC, Inc. - \$1,500 scholarship and onsite office visit
- HSCPA – cash performance awards for CPA exam review tracking and scoring

- Adrian Hong, CPA (not in public practice) – cash awards for passing CPA exam

To the contributing firms and organizations: Your vision, confidence and commitment in the growth of our program and future accounting professionals ensures the development of a promising future of CPAs and community leaders. We are so thankful for your investment and support in UHWO's accounting community!

If you are interested in contributing and investing in our future employees, please contact Wendell Lee at wlee808@hawaii.edu.

Mahalo,
Wendell K. Lee, CPA
Instructor



Hawaii Practices For Sale

Gross revenues shown: Hilo Tax & Accounting \$34K - tax work (85%) accounting services (15%), quality clients, solid fee structure. For more information, please call 1-800-397-0249 or to see listing details and register for free email updates visit www.APS.net.

Thinking of Selling Your Practice? Accounting Practice Sales is the leading marketer of accounting and tax practices in North America. We have a large pool of buyers looking for practices now. We also have the experience to help you find the right fit for your firm and negotiate the best price and terms. To learn more about our risk-free and confidential services, call Ryan Pannell with The Holmes Group at 1-800-397-0249 or email Ryan@APS.net.



In Memory Of
Phyllis N.T. Shea
1940 - 2019

Our sincere regret at the loss of a colleague, friend and member of the HSCPA since 1966. We wish to express our deepest sympathy to her family and friends.



Unlimited CPE Packages

Sweet Deal - Pick Anything - Your Choice!



\$SAVE

Discounted Exclusively for HSCPA Members

Unlimited Plus Package - Get the best value CPE package on the market.

This is the only package that includes premium courses, such as late-breaking tax updates, specialized courses, and the popular Futurecast series. Unlimited Plus includes complete 12-month access for a single user to all of Surgent's self-study courses with **1,200+ live webinars + 190+ self-study PDF courses**. Pricing? As a member, you pay just \$595 – 25% off Surgent's retail price! What's Included in the Unlimited Plus Package? Click [here](#)!

Unlimited Self-Study Package includes every PDF download course in Surgent's catalog – over 250 courses, each from 2-16 credits. When you're ready, take the test with instant results and immediate certificate delivery. As a member, you pay just \$299 – 40% off Surgent's retail price! What's included - Click [here](#)!

Unlimited Webinar Package - Get unlimited access to more than 1200 live webinars in hundreds of topic areas. Choose from daily options at many convenient times, including evenings, lunch hours, and Saturdays. Technical support and interactive Q&A are available throughout all webinars. With a Surgent Unlimited Webinar Package, you'll always be able to find a live webinar in the CPE topic you need. As a member, you pay just \$425 – 29% off Surgent's retail price! What's included? Click [here](#)!



TAX FOUNDATION OF HAWAII

Hawaii's Watchdog on Taxes & Government

By Tom Yamachika

Do You Buy Fuel? Then Be Very Afraid!



We have occasionally written about a “carbon tax,” something environmentalists appear to be supporting enthusiastically. The basic idea behind one is that a tax is placed upon the purchase of all fuels that result in carbon emissions when the fuel is burned to release energy. The amount of the tax is based on the type of fuel and is priced to be a certain dollar amount per metric ton of carbon emitted into our atmosphere.

Hawaii already imposes a state tax on liquid fuels and allows the counties to impose a county fuel tax on top of it. These taxes go to the state and county highway funds. They are meant to raise funds from those who use the highways and byways. Currently, the state tax on gasoline is 16 cents per gallon. The county tax is 16.5 cents per gallon in Honolulu, 17 cents in Kauai, and 23 cents in Maui and on the Big Island.

Then, of course, we have our general excise tax, which is imposed on just about everything. That tax feeds our general fund. That tax, including county surcharge, is 4.5% anywhere except Maui, where it is now 4% but with Maui legislators asking the State for permission to impose a county surcharge as well.

Finally, we have the barrel tax, currently \$1.05 per barrel of petroleum product imported. That works out to 2.5 cents a gallon.

[Senate Bill 3150](#) and [House Bill 2654](#) are companion bills that would replace our barrel tax (currently \$1.05 per barrel of petroleum product imported) with a carbon tax. The Senate bill was just heard and advanced by two Senate committees after strong and impassioned testimony in support from the Hawaii Climate Change Mitigation and Adaptation Commission, Hawaii State Energy Office, Americans for Democratic Action, Blue Planet Foundation, Imua Alliance, and others. The bill contained these tax rates:

Product	2021	2024	2027	2030
Propane; Butane	\$10.47	\$13.96	\$17.45	\$20.94
Gasoline	\$8.22	\$13.20	\$18.18	\$23.16
Diesel	\$10.35	\$15.08	\$21.01	\$26.34
Kerosene	\$16.38	\$21.84	\$27.30	\$32.76
Aviation gas	\$14.03	\$18.71	\$23.39	\$28.07
Jet fuel	\$16.07	\$21.43	\$26.79	\$32.15
No. 6 Fuel oil	\$19.81	\$26.41	\$33.01	\$39.62
Other	\$16.00	\$21.33	\$26.66	\$32.00

The gasoline rate works out to an additional 17 cents per gallon when the bill is signed, an additional 29 cents per gallon in 2024 (over the current tax rate), an additional 41 cents per gallon in 2027, and an additional 53 cents per gallon in 2030. And that's just the carbon tax. Fuel cost, and GET on the whole thing, are additional.

At the same time, the Department of Transportation is trying to make us accept a “road usage charge,” which would be an annual fee based on miles traveled in the State. The charge being modeled now would be revenue neutral – but we wonder if it will stay that way once our legislators get their hands on it.

Finally, don't think you'll be spared if you drive an electric car! Most of our electric utilities make electricity by burning bunker fuel, and this tax contains no exemption for utilities. So, if this bill passes, guess what is going to happen to your electric bill.

Tom Yamachika is President of the Tax Foundation of Hawaii - the 'watchdog' that keeps an eye on Hawaii's taxes. Tom is also the owner of Aloha State Tax, a small law firm with emphasis on State taxes. Prior to going solo and the TFH, Tom was a principal with Accuity LLP where he managed the tax consulting practice, including quality and risk management and practice development.

Multistate Taxation, Hawaii General Tax and Use Tax Issues



May 19, 2020 [Tuesday]



8:30 a.m. to 4:30 p.m.

Spring CPE Special - only \$250 for Members [early bird]

This seminar will present one of the leading national State and Local taxation experts, [Art Rosen](#), Senior Tax Partner at McDermott, along with local experts, [Tom Yamachika](#) (Tax Foundation of Hawaii), [Trevor Asam](#) (Cades partner), and [Kurt Kawafuchi](#) (former Hawaii Tax Director and Supervisor of the Attorney General's Tax & Charities Division).

In light of Wayfair, many more Hawaii taxpayers will be subject to taxation in other states. The Multistate Taxation issues will include nexus and U.S. Constitutional and federal law issues, combined and unitary reporting, income tax apportionment, sales tax sourcing, tax treaty impact on state income tax bases, and other relevant topics.

The Hawaii GET and Use Tax discussion will include an overview and update on when the GET and use tax apply, key exemptions, lower tax rates, deductions, income splitting and credits, county surcharge taxes, and overview of Hawaii tax procedures, administrative and litigation basics. Planning opportunities and pitfalls will also be addressed.



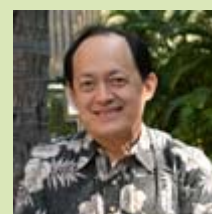
Trevor Asam is a partner at Cades Schutte. He represents taxpayers in tax controversies and disputes with the IRS and the Hawaii State Department of Taxation. He advises nonprofit and tax-exempt organizations on issues including obtaining tax exemption, addressing unrelated business income, and using joint ventures and subsidiary organizations.



Kurt Kawafuchi, Esq., Law Offices of Kurt Kawafuchi, LLLC, concentrating in federal and state, civil and criminal tax controversies and litigation, as well as international and domestic tax, business & estate planning. Formerly partner with Hochman Salkin Rettig Toscher & Perez, PC, in Beverly Hills, CA.



Arthur R. Rosen focuses his practice on tax planning and litigation relating to state and local tax matters for corporations, partnerships and individuals. Formerly the deputy counsel of the New York State Department of Taxation and Finance, as well as counsel to the governor's Temporary Sales Tax Commission and tax counsel to the New York State Senate Tax Committee.



Tom Yamachika is President of the Tax Foundation of Hawaii - the 'watchdog' that keeps an eye on Hawaii's taxes. Tom is also the owner of Aloha State Tax, a small law firm with emphasis on State taxes. Tom was formerly a principal with Accuity LLP where he managed the tax consulting practice, including quality and risk management and practice development.

Back to the Future . . . “Time Goes Faster Than You Think”

Accounting has dramatically changed since the 70's . . . Fifty years is 50 years – how we relate to it changes the longer we experience time. Like the movie “Back to the Future”, our inability to understand the relativity of time could be a setback. The global world continues to evolve and so must we.

Join us at the 60th Annual Conference as we welcome **Eric Hansen**, past chair of the AICPA. Fueled by rapid technological innovation, the world is changing at “DeLorean” speed – with significant implications for the accounting profession. Cybersecurity, blockchain, artificial intelligence and cognitive technologies all have the potential to transform our work. While we can’t depend on plutonium-powered reactors, we can make changes to advance by investing in professional development: learn as much as we can – Change Is Happening!

Innovations in accounting are on the horizon: Artificial Intelligence, Blockchain, Big Data, and many more. What do accountants, auditors, and tax practitioners need to do to be ready for these innovations? **Donny Shimamoto** will lead this thought-provoking session to take a look at the impact of these emerging technologies and identify what you and your teams need to do NOW to start getting ready for the changes that are coming.

Retired Judge and HPU assistant professor **Randal Lee** will share his experiences dealing with public corruption cases in Hawaii. It’s an unprecedented time and a wake-up call for Hawaii as the number of federal investigations into alleged corruption at Hawaii’s public institutions made history. From the Kealoha case to Union embezzlements to money laundering to the Kahapea/Ewa Villages scandal . . . remember that? Don’t miss this intriguing presentation!

The incredible deal you get for only \$250 (early member rate)? Timely updates, critical information, and sensational stories with 7 hours of CPE, local-style breakfast, Chef’s special lunch, swag bag, hosted parking, awesome sponsors and HAPPY HOUR! How can you pass this up? Register now!

Support our Sponsors and visit with them! Please welcome – and thank – American Savings Bank, our Corporate Lunch Sponsor, and Conference Partners Ceridian, Mutual of America, and Thomson Reuters. Representatives will be on hand to share the latest information to benefit you, your business and clients.



CK TURE PA STYLE!



Corruption
in Hawaii

EA ACK TO UNTING 70'S



FEATURED SPEAKERS



Eric Hansen CPA, CGMA, is past chair of the AICPA. He currently serves as chief operating officer of BKD, LLP, a national CPA and advisory firm that helps people and businesses realize their goals. BKD serves clients in all 50 states and internationally by combining the insight and ideas of multiple disciplines to provide solutions in a wide range of industries. Eric oversees firmwide operations and acts as a liaison between the National Office and BKD's four regions: North, South, East and National Advisory Services. He previously served as managing partner for BKD's Oklahoma offices in Oklahoma City, Tulsa and Enid. He has 32 years of experience providing audit, tax and consulting services to public and closely held private companies. Industries served include manufacturing, health care, construction, transportation and financial services. Eric is a member of the American Institute of CPAs (AICPA) and Missouri Society of CPAs. He serves as chairman on the AICPA Board of Directors and was a member of the AICPA Future of Learning Task Force. He previously served on the AICPA Governing Council.



Circuit Court Judge (ret.) Randal Lee is an Assistant Professor in Criminal Justice. Judge Lee received his Juris Doctor degree from Southwestern University School of Law and has been an Adjunct Professor at HPU and other colleges since 1984. Judge Lee spent ten years on the Circuit Court bench and presided over civil, criminal and appellate cases. Prior to his appointment to the bench, Judge Lee was a Senior Deputy Prosecuting Attorney for approximately twenty-five years and had prosecuted a number of high publicized, complex white collar, and corruption cases. Judge Lee's experience includes the California Court of Appeals, the United States District Court, Los Angeles; Office of the Public Defender, State of Hawaii; and had lectured for the National Trial Advocacy Center in South Carolina and the National White Collar Crime Center in Washington, D.C. Judge Lee has received the Award of Excellence, Department of the Prosecuting Attorney, 1994 and 1995; Certificate of Merit by the Hawaii Hotel Association, 1998; Certificate of Recognition, Honolulu City Council, 2004; Hall of Fame Award, Hawaii Joint Police Association, 2005; and 2014-2015 Adjunct Faculty of the Year Award and 2015 Golden Apple Award for Adjunct Faculty of the Year, Hawaii Pacific University..



Donny C. Shimamoto, CPA.CITP, CGMA, is the founder and managing director of IntrapriseTechKnowlogies LLC, an advisory-focused CPA firm specializing in organizational development and technology management for small businesses, middle market organizations, and nonprofits. Donny is a recognized thought leader and international educator in the fields of accounting technology, IT risk management, organizational development, and performance management fields; his dedication to helping accountants and organizations strategically innovate while proactively managing their business and technical risk is paramount. He has been recognized for multiple years as one of the Top 100 Most Influential in Accounting and Top 25 Thought Leaders in Public Accounting, and is the recipient of numerous professional recognition awards and is seen at numerous national and state level events educating audiences year after year.

Accounting in the 1970's

The 150-Hour
Requirement
for
CPAs

Hawaii was the first state to implement the 150-hour requirement.

**BACK
TO FUTURE
THE HSCPA STYLE!**



First true pocket-sized calculator introduced in 1971.

ITEM	NO.	UNIT	COST
MUCH KAKE	4	1.00	4.00
CUTY CUT	25	4.00	100.00
TON TONEE	25	4.00	100.00
EYS SEUFY	25	4.00	100.00
SUBTOTAL			131.00
9.75% TAX			12.75
TOTAL			14438.16

The first electronic spreadsheet, VisiCalc, is introduced in 1979.

HOME LOANS FROM AMERICAN SAVINGS BANK



- More than 15 years of mortgage experience
- Former CPA; currently on the Shidler College School of Accountancy Advisory Board
- Established an endowment for Shidler College School of Accountancy students

I can help you find the right home financing to meet your unique lending needs. Please contact me today.

Manuel Lawrence August, Jr.
Vice President | Residential Loan Officer
NMLS #662118
(808) 927-4512
maugust@asbhawaii.com



Member FDIC
NMLS #423168

asbhawaii.com



AMERICAN
Savings Bank

Pet Meet & Greet



Hello,
New Guest!

Let's schedule
a meet & greet

woof



Saturday, June 6
Manoa District Park*
2:00 - 3:30 p.m.



Bring your pet fur baby and meet others, too!
This will also be a good time to network with
members.

It's 'pot luck' so bring what your heart desires!
You may also want to bring your folding chair
and treats for your fur baby.

We will provide:

- * Tent for shade
- * Limited mats
- * Water

We welcome new Y- CPAs!

RSVP to info@hscpa.org by May 29



Norman's Book Review

"Everything I Need To Know I Learned From Mister Rogers' Neighborhood"

by Melissa Wagner

For over 33 years (from 1968 – 2001) and for 912 episodes, Mister Rogers was everyone's best friend. Everyone wanted to be his neighbor because he would teach kids about life, introduce them to famous people and make everyone feel special. In [Mister Rogers' Neighborhood](#), "everyone is accepted and appreciated, and he would tell us we are one of a kind and people could like us just for being us." Although he passed away in 2003 at the age of 74, his legacy lives on with his shows and books.

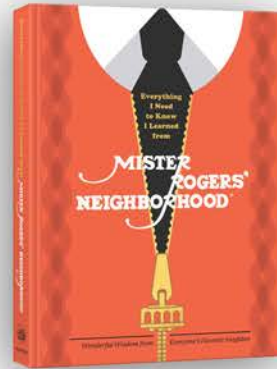
The author has worked with Fred Rogers on several books, including "The Mister Rogers' Parenting Book," and "Mister Rogers' Playtime." This book includes quotes and anecdotes from his shows, and explains that the lessons learned in Mister Rogers' Neighborhood are not only for children, but are just as relevant for adults. It is elegantly simple, and colorfully illustrated. It is divided into 10 timeless lessons: "You Are Special, It's You I Like, Be Generous With Your Gratitude, Be A Helper, Feed The Fish, All Kinds Of Feelings Are Okay, You've Got To Do It, Don't Forget The Fun, When You're Wondering, You're Learning and We Are All Neighbors." I will talk about two of these lessons I believe apply the most to CPAs. I want to do a shout out to my Vice President – Operations Tammy Toyama, who gave me this book because she thought I would like it, which I really did! That's why I decided to start 2020 with this awesome book.

YOU'VE GOT TO DO IT

Becoming a CPA and being successful requires commitment, hard work, discipline and a passion for accounting. For someone just starting out in their career, it can be challenging to determine the steps necessary to be a success. Fear of failure, not wanting to make mistakes, taking shortcuts, lack of focus, etc, are roadblocks to achieving one's goals. Mister Rogers reminded everyone "you have just got to do it" if you want to learn how to ride a bike, play the piano, swim, and so on, which applies to everything in life you feel is worth doing.

Mistakes Are Necessary – Not only are mistakes inevitable whenever you try to learn something new, but Mr. Rogers "reminded us that it's usually impossible to learn new things without making mistakes." That's why Mr. Rogers would sometimes look awkward trying to do things and fail miserably, such as when he tried to juggle balls, dance or do the hula hoop. He wouldn't get mad, but instead would laugh at himself and keep on trying, because ...

Fun and Practice - He wanted to instill in his viewers that "practice and self-discipline are essential to accomplishing our goals, and that you can have fun doing something even if we don't do it just right." Whenever he had special guests on his shows, he had them talk about how they became successful, and he made



sure to "emphasize that even though their performances seem effortless, it actually took years of work and daily practice to reach their skill level."

Have A Mentor / Be A Mentor - As we all know, and especially those with children know, learning

new things can be very frustrating and it can be very easy to give up. That's where having a mentor or being a mentor, "getting help from someone who cares, can make all the difference."

When Prince Tuesday struggled with learning how to ride his new bike, it was Handyman Negri who helped, encouraged and supported Prince Tuesday's efforts to get better and not give up.

"A good teacher can empower us to feel so much better about ourselves as we learn."

It Takes More Than Magic -

Many people believe in magic and good fortune when it comes to love, gambling, investing, and so on. When it comes to learning, however, Mr. Rogers wanted his viewers to know "magic doesn't work with learning and it doesn't work with anything really worthwhile." One doesn't become an expert clarinet player or golfer by buying the most expensive clarinet or golf clubs, respectively.

He would remind us “we needed to try our best and put in the effort to learn. We’d fall, and we might even skin our knees, but once we achieved our goal, we could take pride in it all the more because of the work it took to master it.”

DON'T FORGET THE FUN

As we get older, doesn't it seem like life gets more complicated, crazy and stressful at times? Are we having more fun now than when we were young, in high school, or in college? I think most people had more fun in their younger days. Count your blessings if your fun factor has gradually or exponentially increased over time.

On his shows, Mr. Rogers never failed to have fun, laughing at himself when he looked foolish doing something, and sincerely enjoying whatever he was doing at that moment, and whomever he was with. It was his way of reminding us “you can play at any age, all of us need to play as a way to express ourselves, and that play helps us to learn and try new things.”

Play Is Crucial for Children -

Mr. Rogers always felt “playing is one of the most important things you can do when you're a child.” It helps children grow their mind, lift their spirits and create opportunities of learning new things throughout their lives.

SUMMARY

Mr. Rogers is an icon who has helped millions of children and adults to be happy and successful in their lives. This book is a great reminder of his timeless lessons and although “he always focused on children, his words are just as important and meaningful to adults.” I constantly had a smile on my face when I read the book, because it brought back good memories and reminded me about the simple keys to a happier life. Thank you, Mr. Rogers!!!



His Messages...

He helped us feel good about who we are.

He helped us with our feelings.

He helped us with our relationships with others.

He helped us wonder and learn.

He helped us be ready for new experiences.

He talked to us honestly about different subjects.

THE PUPPETS

Daniel Striped Tiger

This shy, gentle tiger is equal parts timid and brave.

King Friday XIII

The ruler of the Neighborhood of Make-Believe. He can be demanding, but he cares deeply for his subjects.

Lady Elaine Fairchilde

She's mischievous and a bit of a troublemaker, but she's also brave, sassy and ready to speak up.

Henrietta Pussycat

A lovable pussycat all dressed up in fancy dresses and hats.

X the Owl

A fun-loving, easy-going, relaxed sort of owl who loves to learn.

Others

Queen Sara Saturday (named after Mr. Roger's wife, Sara Joanne Rogers), Prince Tuesday, Ana and the Platypus Family, and Harriett Elizabeth Cow.

CPA FIRM MICROCOMPUTER TECHNOLOGY

By Joy Takaesu of The CPA Collective



Happy tax season! The IRS has launched a new Identity Theft Central website to provide resources for taxpayers,

tax professionals, and businesses. You can find information on how to recognize the signs of identity theft, what to do in the event of identity theft, and your responsibilities under the law.

The Identity Theft Central website lists the following warning signs for tax professionals to watch out for:

- Clients' e-filed returns or extension requests are rejected because of a

duplicate Social Security Number or Employer Identification Number – this may indicate that someone else has already fraudulently filed, using clients' personal information

- You receive more e-file acknowledgements than expected.

The IRS recommends:

- Tracking your daily e-file acknowledgements
- Tracking Electronic Filing Identification Number (EFIN) usage weekly through your IRS e-Services account
- Keeping your EFIN application up-to-date with all phone,

address or personnel changes

- If eligible, track the returns filed under your Preparer Tax Identification Number (PTIN) account weekly

- Slow or suspicious activity on your computer

- Clients report that they receive:

- IRS authentication letters (5071C, 4883C, 5747C) for a return that wasn't filed
- An unexpected refund, tax transcript, or notice regarding their IRS online account
- Calls or e-mails from someone else claiming to be you

In the event that you or a client are a victim of data or identity theft, the IRS recommends immediately contacting your [local stakeholder liaison](#), and e-mailing the Federation of Tax Administrators at StateAlert@taxadmin.org to request information on the state notification requirements and processes. The IRS emphasizes that timely reporting is important: "If reported quickly, the IRS can take steps to block fraudulent returns in your clients' names and will assist you through the process."

If you have any questions or comments, please call me at (808) 837-2517, or send e-mail to jtakaesu@thecpacollective.com.

Would you like a second opinion?

mel r. hertz, MBA, CFP®
808-522-0100



the retirement coach sm

237 Kuumele Place #8, Kailua, HI 96734
melhertz@theretirementcoach.org

Securities and advisory services offered through the Strategic Financial Alliance, Inc. (SFA), member FINRA and SIPC, mel r. hertz is a registered representative and an investment adviser representative of SFA, which is otherwise unaffiliated with the retirement coach. Supervising Office (678) 954-4000



AE O

#3700
\$2,450,000

■ 3 BD / 3 BA, 1,331 sf

Spectacular panoramic ocean views from this gorgeous one-of-a-kind unit with luxurious upgrades such as custom Cambria® Skara Brae™ quartz countertops and backsplash, customized walk in closets, Toto Neorest toilets, a full-size Murphy bed, designer lighting and custom window treatments.

Penthouse
3905
\$935,000

■ 1 BD / 1 BA, 704 sf
■ Ocean, marina, garden & sunset views



#909
\$735,000

■ 1 BD / 1 BA, 494 sf
■ Ocean, marina, garden & sunset views



Please call May or Jack : **808 532 3330**



John "Jack" Tyrrell
President
Principal Broker, CRS, CRB
CPA (not in public practice) E: Jack@jtchawaii.com
Lic. # RB-19880 C: 808.306.6933
www.jtchawaii.com




WARD VILLAGE
Top Producing Agent by Volume in Ward Village 2014

WARD VILLAGE
Top Producing Agent by Volume in Ward Village 2015

JACK TYRRELL & COMPANY
A Real Estate Brokerage Corporation

Ala Moana Hotel - Lobby, 410 Atkinson Drive, Suite 1F6 Honolulu, HI 96814

Y-CPAs on the Road . . . VITA Service

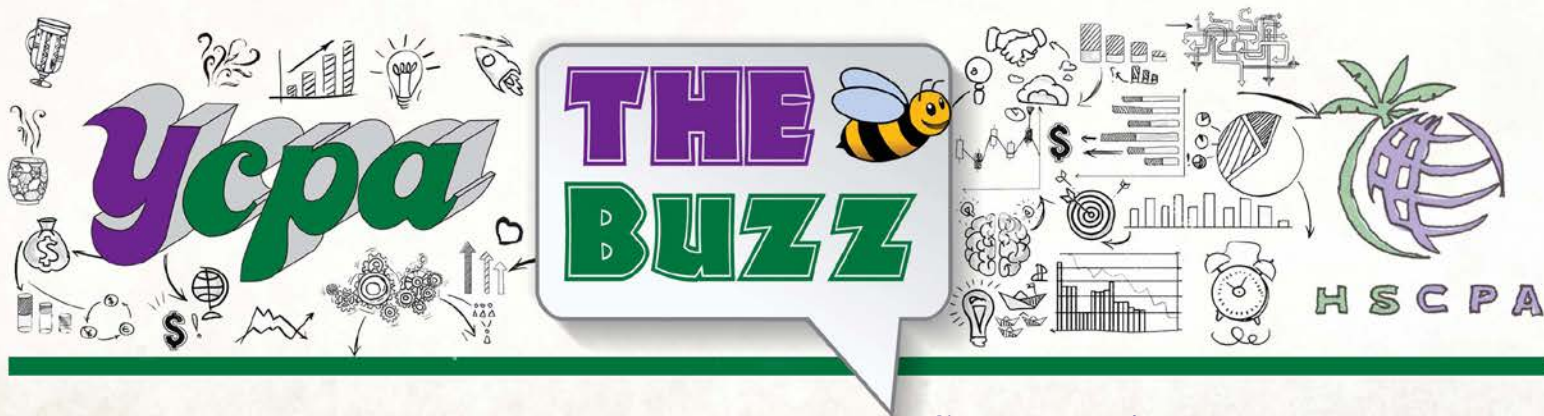
Several Y-CPAs joined approximately 50 other volunteers on Saturday, February 8th from 9:00 a.m. to 1:00 p.m. at the Leeward Community College (LCC) computer labs to volunteer their time as tax preparers for the IRS Volunteer Income Tax Assistance / Tax Counseling for the Elderly (VITA/TCE) program. With over 100 individuals waiting in line, some from earlier than 6:00 a.m., volunteers worked together efficiently so no one had to be turned away. Many of us were paired with groups of high school students or first-time volunteers so our role included communicating with the taxpayer and helping the students gain confidence in their tax preparation ability. It was nice to see the students gain confidence in themselves and familiarity with the tax software in the four hours that we were there. By the end of the day, the students and first-time volunteers were comfortable

preparing returns on their own! The VITA site understands how busy CPAs are during this time of the year and truly appreciated our assistance for the day.



The Hawaii VITA program runs through late March or early April, depending on the location. All volunteers must complete three short online test modules; do not sign the return and do not need to have a Preparer Tax Identification Number (PTIN). Volunteers are covered by the Volunteer Protection Act, which generally protects unpaid volunteers from liability for acts or omissions that occur while acting within the scope of their responsibilities at the time of the act or omission. If you are interested in volunteering with us next year, be on the lookout for our VITA service information blast in December.





New Year, More Tax Changes!

By Yumi Ueda



Kung Hee Fat Choy! Chinese New Year, also known as the Lunar New Year, started on January 25, 2020. This is the Year of the Rat, which also signifies the start of a new zodiac cycle. There are twelve animals in the zodiac calendar and according to Chinese legend, the Jade Emperor determined that the first twelve animals to cross the finish line in a race will designate the calendar years. There was a river to cross before the finish line, and the rat jumped on the head of the Ox to get across the river, then jumped in front of the Ox to cross the finish line first. That is why people born in the year of the Rat are clever, alert, quick thinkers, and sociable.

In the tax world, there are also new laws and changes to keep in mind with the start of the new year:

The SECURE (Setting Every Community Up for Retirement Enhancement) Act is effective January 1, 2020.

- Required Minimum Distributions (RMDs) are delayed to Age 72 (previously was 70½)
- No age restriction on contribution to retirement plans (previously no contributions could be made to IRAs after 70½)
- Penalty-free distributions (up to \$5,000) from an IRA account if money used for qualified birth or adoption
- Non-spousal inherited IRAs must be withdrawn in 10 years (previously used life expectancy table)

Form 1040 changes

- Taxable income calculated on page 1 and signatures are on page 2
- Number of associated schedules is reduced from six to three
- Form 8995 and 8995-A are new forms for claiming the QBI deduction

New Form 1040-SR, Income Tax Return for Seniors

- Available to taxpayers who are age 65 or older
- Form has an increased font size and includes a standard deduction chart

Beginning January 1, 2020 Hawaii County GE surcharge is .5%
(increased from .25%)

Mandatory E-filing for taxable periods beginning on or after January 1, 2020 for:

- Corporate Income tax (Form N-30) returns due starting April 20, 2021
- Monthly GET and TAT filers (annual tax liability greater than \$4,000) – annual return (G49) and monthly returns starting July 1, 2020
- Employer withholding tax returns if annual liability exceeds \$40,000 (Forms HW-14 and HW-3)

There are more changes and new laws that I haven't mentioned, but these are the ones that I thought would impact most of the readers. Thankfully, this year's tax law changes were not as drastic as last year, but still a lot to digest.

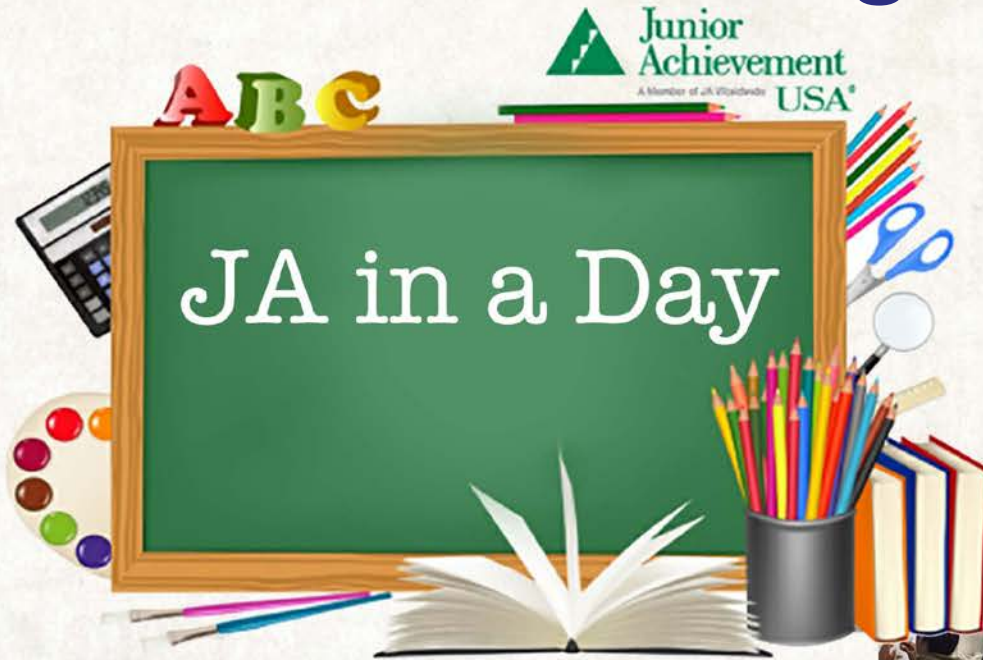
CPE 3 WAYS
CLICK BELOW TO SHOP!

HSCPA SEMINARS **WEBINARS** **UNLIMITED PACKAGES**

*In Memory Of
Eugene S. Mukai
1936 - 2020*

Our sincere regret at the loss of a colleague, friend and member of the HSCPA since 1966. We wish to express our deepest sympathy to his family and friends.

Y-CPAs On the Road Again . . .



On December 6th, the Y-CPAs participated in the Junior Achievement's "JA in a Day" project. It's about a 4.5-hour delivery method that facilitates the partnership between a business/profession and an elementary school to help educate and inspire youth about the connection between education and success in the workplace – and give them hope for the future.

This being one of their favorite service projects, the Y-CPAs spent a half-day with 2nd graders at

Ma'ema'e Elementary School. They teamed up to cover five classrooms and had a blast. The students were very engaging and smart. They were thrilled with the goodie bags from the HSCPA!

Thank you to Y-CPAs Kathy Fan, Jessica Gluck, Adrian Hong, Jill Ishimitsu, Kira Kaneshiro, Dayna Matsumoto, Tabitha Mitchell, Darryl Nitta, Trisha Nomura, MJ Saguid and Yumi Ueda for participating in this special program.





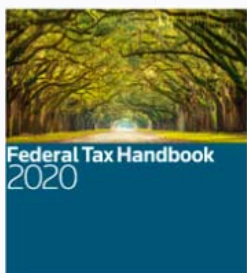
2020 TAX BOOK ORDER

ALL SALES FINAL



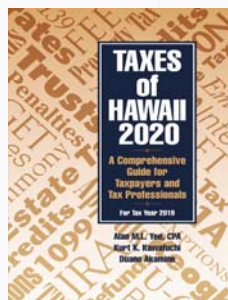
2020 CCH U.S. Master Tax Guide – \$78.00 / \$98.00

The nation's top federal tax resource, the **U.S. Master Tax Guide® (2020)**, has been updated to provide complete and reliable guidance on the historic Tax Cuts and Jobs Act, as well as pertinent federal taxation changes that affect 2018 returns. Virtually all taxpayers are impacted by the changes to the U.S. tax structure, with individual taxpayers and businesses witnessing the most significant changes.



2020 RIA Federal Tax Handbook – \$65.00 / \$85.00

You'll get specific guidance on key tax topics, including individual, trust, partnership and corporate taxation, deductions, credits, capital gains, IRAs, SIMPLE and pension plans, education incentives, passive activity losses, the Code Sec. 199A "pass-through" deduction for qualified business income, employee benefits, estate and gift taxes, and more.



2020 Taxes of Hawaii – \$27.00 / \$36.00

Every year since 1964, this annual publication is updated with all new state taxation laws and judicial rulings. *Taxes of Hawaii* is an invaluable tax-season tool used by Island and mainland CPAs, tax preparers and bookkeepers, as well as attorneys, small businesses, individual taxpayers and students. Includes income tax rate tables, specimen tax forms and vital information on income, General Excise use, estate, property, unemployment, transient accommodations and other taxes.

**LIMITED
SUPPLY**

**ALL
SALES
FINAL**

Quantity		Member	Non-member	Total
	2020 CCH U.S. Master Tax Guide	\$78.00	\$98.00	
	2020 RIA Federal Tax Handbook	\$65.00	\$85.00	
	2020 Taxes of Hawaii	\$27.00	\$36.00	
Mailing: Postage & Handling *				
	\$9.00 for 1st book (HAWAII ONLY)	1 - \$9.00	1 - \$11.00	
	\$4.00/book - 2nd book & thereafter	2+ - \$4.00	2+ - \$6.00	
*Mainland/International - contact for pricing				
TOTAL AMOUNT DUE				

Payment must be received to confirm order - while supplies last.

☐ No mailing necessary – will pick up at the HSCPA office on _____ (call before pick-up)

☐ Check # _____ ☐ ☐ Card No. _____ Exp. Date ____ / ____ CVV _____

Signature _____ Print name on card _____

Name _____ Firm _____

Address _____ Tel _____ E-mail _____

Please remit completed form with payment to:

HSCPA • P.O. Box 1754 • Honolulu, Hawaii 96806 • T - (808) 537-9475 • F - (808) 537-3520 • E-mail: info@hscpa.org