



# The Payroll Post

Volume 8, Issue 3

*A publication for and by the members of the Atlanta Chapter of American Payroll Association*

From your President...

What an exciting month for our chapter! Our first ever meeting on a weekend for RCH credits, which comes from a result of your feedback requesting networking and educational offerings on a Saturday. We look forward to seeing many of you there and please bring a colleague with you that might also be looking into their payroll certification or wondering how important it is to maintain it.

Speaking of payroll certification, are you considering obtaining your payroll certification, looking for RCHs to maintain it or want to volunteer to lead a study group session? Take a moment to complete our very brief survey to aid our planning for our summer study group sessions. Next month, we will transition our board members and I am looking forward to working with the board to lay out a year full of activities for all of us.

*Ameligh*

### Inside this issue:

Upcoming Events.....	2-3
IRS Updates .....	4-7
New Officers.....	7
PayTalk .....	8
2023 Congress .....	8



### **Upcoming Events:**

Embassy Suites – Perimeter  
1030 Crown Pointe Parkway, Atlanta, GA 30338

**Saturday, March 25, 2023** – Quarterly Meeting - In Person! 10.00 a.m.

**Part 2 of 3 Part Series: The Importance of CPP/FPC Certifications**

Levi Meeske, CPP



**April 13, 2023** – Monthly Meeting – In Person! 5.30 p.m.

**Part 3 of 3 Part Series: Explore Your Future**

CJ Easterling, CPP

Our April Community Service Project will be to We will be collecting gift cards for the graduating students of the families that receive help with this program.

## Free Webinar for National Members!

**March Webinar:** Are Paycards and Earned Wage Access Synonymous? This webinar will cover: Why paycards and EWA are being handled together in the marketplace. Which vendors are subject to licensing requirements by the California Financing Law or the California Deferred Deposit Transaction Law. Register [here](#).

## Upcoming Events

### Summer Study Group!

CPP's – you are NEEDED - Join us to contribute to the minds of future Payroll Professionals. Click [here](#) to contact CJ!

**FPC AND CPP  
STUDY GROUP**

Allow us to assist you on your journey to payroll certification.

**2 OPTIONS:  
VIRTUAL ON TUES & THURS  
IN PERSON ON SAT**

- \$200 NON-MEMBERS
- \$175 MEMBERS

**REGISTER NOW**

**AMERICAN PAYROLL ASSOCIATION**

AMERICAN PAYROLL ASSOCIATION ATLANTA

**THE PAYROLL SOURCE**  
A TEXTBOOK AND DESK REFERENCE  
2023 EDITION

QR CODE

## Available in multiple formats for your convenience:

- Interactive Virtual classes beginning April 11
- Webinar Series beginning April 18
- Webinars on Demand available April 20



[Foundations of Payroll Analytics](#). Data drives everything, including payroll. And today, every payroll staff member is accountable for understanding and interpreting that data. Through payroll analytics, you can strategically provide valuable insights that contribute positively to your organization's bottom line. Interactive Virtual begins **April 3-6, 2023** and in person **August 7-9, 2023** in Las Vegas.

Avoid the potholes and pitfalls encountered when paying employees in multiple states. [Payroll Issues for Multi-State Employers](#) takes you through state income tax withholding issues, child support withholding orders, fringe benefits issues, and much more!

[APA Bookshelf Tutorial](#) (Not eligible for RCH). **April 12, 2023 at 1:00 p.m. EST**. Are you already using APA's Online Payroll Compliance and Research Ready Library, but would like to learn more about its features? Or are you thinking about buying one of the online products and are curious about how the platform works? If so, join Laurel Serra, CPP, APA Director of Payroll Training, and Laura Lough, Esq., APA Director of Publications, for this exclusive in-depth look at all the features and capabilities of the online product suite.

[The Annual Meeting of Members](#) of American Payroll Institute, Inc. ("API") will be held online on **Tuesday, May 2, 2023 at 11:00 a.m. EDT**. To attend the annual meeting, you must register by clicking on the "ADD TO CART" with link above. Prior to the meeting, registrants will be sent login information, instructions for using the virtual meeting platform, and the handout for the meeting.

[Fringe Benefits Compliance](#) Issues for the Government/Public Sector, **May 25, 2023 at 1:00 p.m. EST**. Gain an understanding of how the taxation of unique fringe benefits is handled in the government/public sector, including the taxation of cell phones, employer-provided uniforms, and vehicles. Ensure you are correctly handling fringe benefits through reporting and withholding properly, timely, and accurately.

Free Webinars still on Demand (for National APA members):

- [401\(k\) Plans](#): What You Always Wanted to Know but Were Afraid to Ask – available until 7/31/2023. Get answers to your questions about how your company's 401(k) plan integrates with the payroll process.
  - [Benefits of Cloud-Based Employee Management](#) for Payroll from Onboarding to Annual Forms. Available until 7/31/2023. The world is quickly moving to an online, interconnected place because of technology. This webinar will explain the federal and state requirements for providing employee payroll information online. Discover the benefits that offering employee payroll forms electronically can provide.
- 



## **Dirty Dozen: Beware of abusive tax avoidance schemes**

WASHINGTON – Today the Internal Revenue Service closed out the 2023 Dirty Dozen campaign with a warning for taxpayers to beware of promoters peddling bogus tax schemes aimed at reducing taxes or avoiding them altogether.

These schemes can take many shapes, ranging from abusive deals involving syndicated conservation easements and micro-captive insurance arrangements. They can also involve an international component, such as hiding cash and digital assets offshore or using Maltese foreign individual retirement accounts or foreign captive insurance.

“These tax avoidance strategies often target high-income individuals seeking to reduce or eliminate their tax obligation,” said IRS Commissioner Danny Werfel. “Sometimes taxpayers are conned into believing they can participate in these schemes. People should always look for advice from an independent, trusted tax professional, not a promoter focused on aggressively marketing and pushing questionable transactions.”

This marks the final day of the IRS annual [Dirty Dozen](#) campaign - a list of 12 scams and schemes that put taxpayers and the tax professional community at risk of losing money, personal information, data and more. Some items on the list are new and some make a return visit. While the list is not a legal document or a formal listing of agency enforcement priorities, it is intended to alert taxpayers and the tax professional community about various scams and schemes at large.

Today, the IRS highlights the following Dirty Dozen items:

### **Bogus tax avoidance strategies**

#### **Micro-captive insurance arrangements**

Also called a small captive, a micro-captive is an insurance company whose owners elect to be taxed on the captive's investment income only. Abusive micro-captives involve schemes that

lack many of the attributes of legitimate insurance. These structures often include implausible risks, failure to match genuine business needs and in many cases, unnecessary duplication of the taxpayer's commercial coverages. In addition, the "premiums" paid under these arrangements are often excessive, reflecting non-arm's length pricing.

Abusive micro-captive transactions continue to be a high-priority enforcement area for the IRS. The IRS has won all micro-captive Tax Court and appellate court cases decided on their merits since 2017.

### **Syndicated conservation easements**

A conservation easement is a restriction on the use of real property. Generally, taxpayers may claim a charitable contribution deduction for the fair market value of a conservation easement transferred to a charity if the transfer meets the requirements of Internal Revenue Code section 170.

Syndicated conservation easements are arrangements that make the Dirty Dozen list again in 2023. In abusive arrangements, promoters are syndicating conservation easement transactions that purport to give an investor the opportunity to claim charitable contribution deductions and corresponding tax savings that significantly exceed the amount the investor invested. These abusive arrangements, which generate high fees for promoters, attempt to game the tax system with grossly inflated tax deductions.

As part of the Consolidated Appropriations Act of 2023, Congress amended section 170 to curb certain abusive conservation easement transactions. The IRS is committed to ensuring compliance with the conservation easement deduction law as amended in the 2023 legislation and will continue to scrutinize transactions that are "too good to be true."

### **Schemes with international elements**

#### **Offshore accounts & digital assets**

International tax compliance remains a high priority for the IRS. The IRS continues to scrutinize taxpayers attempting to hide assets in offshore accounts and accounts holding digital assets, such as cryptocurrency. The IRS reminds U.S. persons that they are taxable on their worldwide income, unless they can establish there is a statutory or treaty exemption.

The IRS continues to identify individuals who attempt to conceal income in offshore banks, brokerage accounts, digital asset accounts and nominee entities. The IRS scrutinizes structured transactions, private annuities, employee leasing schemes, foreign trusts, the use of nominee ownership and other arrangements used to conceal taxable income, beneficial owners and assets. To complement its enforcement investigations, the IRS requires individuals holding foreign assets and third parties to report to the IRS on foreign assets, foreign accounts, foreign entities and digital assets. Reporting requirements carry penalties for failure to file.

Asset protection professionals and unscrupulous promoters continue to lure U.S. persons into placing their assets in offshore accounts and structures, saying they are out of reach of the IRS. Similarly, unscrupulous promoters recommend digital assets as being untraceable and

undiscoverable by the IRS. These assertions are not true. The IRS can identify and track anonymous transactions of foreign financial accounts as well as digital assets.

Many of these schemes are promoted and advertised online, but all these schemes have one thing in common - they promise tax savings that are too good to be true and will likely cause legal harm to taxpayers.

### **Maltese individual retirement arrangements misusing treaty**

These arrangements involve U.S. citizens or residents who attempt to avoid U.S. tax by contributing to foreign individual retirement arrangements in Malta (or potentially other host countries). The participants in these transactions typically lack any local connection to the host country, and unlike U.S. law for individual retirement arrangements, the host country's laws allow for contributions in a form other than cash and do not limit the amount of contributions by reference to employment or self-employment activities. By improperly asserting the foreign arrangement as a "pension fund" for U.S. tax treaty purposes, the U.S. taxpayer misconstrues the relevant treaty provisions and improperly claims an exemption from U.S. income tax on gains and earnings in, and distributions from, the foreign individual retirement arrangement.

### **Puerto Rican and other foreign captive insurance**

In these transactions, U.S. business owners of closely held entities participate in a purported insurance arrangement with a Puerto Rican or other foreign corporation in which the U.S. business owner has a financial interest. The U.S. business owner (or a related entity) claims a deduction for amounts paid as premiums for "insurance coverage" provided by a fronting carrier, which reinsures the "coverage" with the Puerto Rican or other foreign corporation. Despite being labeled as insurance, these arrangements lack many of the attributes of legitimate insurance. Like the micro-captives described above, the characteristics of the purported insurance arrangements typically will include one or more of the following: implausible risks covered (or duplicative coverage of risks already covered by commercial insurance), excessive premiums indicative of non-arm's length pricing and a lack of business purpose for entering the arrangement.

Where appropriate, the IRS will challenge the purported tax benefits from these types of transactions and impose penalties. The IRS Criminal Investigation Division is always on the lookout for promoters and participants of these types of schemes. Taxpayers should think twice before including questionable arrangements like this on their tax returns. After all, taxpayers are legally responsible for what's on their return, not a promoter making promises and charging high fees. Taxpayers can help stop these arrangements by relying on reputable tax professionals they know and trust.

The IRS warns anyone thinking about using one of these schemes – or similar ones – that the agency continues to improve investigation and enforcement in these areas by utilizing new and evolving data analytic tools and enhanced document matching.

Whether anchored offshore or in the U.S., abusive transactions and schemes remain a high priority for the IRS. The IRS Office of Chief Counsel continues to hire [additional attorneys](#) to help

the agency combat abusive arrangements, including syndicated conservation easements, micro-captive transactions and others.

The IRS also created the Office of Fraud Enforcement (OFE) and Office of Promoter Investigations (OPI) to coordinate service-wide enforcement activities against taxpayers committing tax fraud and promoters marketing and selling abusive tax avoidance transactions and schemes to effectuate tax evasion.

### **How to report**

As part of the Dirty Dozen awareness effort, the IRS encourages people to report individuals who promote improper and abusive tax schemes as well as tax return preparers who deliberately prepare improper returns.

To report an abusive tax scheme or a tax return preparer, people should mail or fax a completed [Form 14242, Report Suspected Abusive Tax Promotions or Preparers](#) and any supporting materials to the IRS Lead Development Center in the Office of Promoter Investigations.

Mail:  
Internal Revenue Service Lead Development Center  
Stop MS5040  
24000 Avila Road  
Laguna Niguel, California 92677-3405  
Fax: 877-477-9135

Alternatively, taxpayers and tax practitioners may send the information to the [IRS Whistleblower Office](#) for possible monetary reward.

For more information, see [Abusive Tax Schemes and Abusive Tax Return Preparers](#).

---

### **Meet your new Officers!**



Tereasa Herald, CPP  
Secretary



Michelle Denise  
Board Member



Levi Meeske, CPP  
Advisor

## National News

### "PayTalk"

**AMERICAN  
PAYROLL  
ASSOCIATION**



### EPISODE 36: Stepping Into Global Payroll: Part One

In this podcast:

- How to transition from domestic to global payroll
- Different processing models
- Skills needed, and more!



### EPISODE 35: Developing Payroll Competencies: How to Promote Full-Time Compliance

In this podcast: *(available March 3, 2023)*

- Key challenges to ensuring compliance
- Identifying core competencies needed to master compliance
- Competency measurements, data to use, and more!

**Congress 2023 – Hope to see you there!**



## Congress 2023 Speakers:



### **Bill Stainton, CSP, CPAE**

*Opening General Session*

***“Connect the Dots: The Art and Science of Innovation”***

What if everything you thought you knew about innovation was wrong? What if it was actually easier than you previously believed? How could that transform your business, your life, and your world? Get ready to re-imagine your innovative potential with this energetic and entertaining keynote program by 29-time Emmy Award winner and Hall of Fame speaker Bill Stainton. You'll learn why innovation is all about connection – including connection with your fellow attendees – and experience what the creative process really feels like, so you can reproduce it on demand.

Sponsored by



### **Seth Mattison**

*General Session*

***“The Heart of Futuristic Leadership: Reimagining Influence in Times of Transformation”***

As we enter a new era of work, leaders are making big bets on what's next for their industry, the future before us, and the world at large. Navigating this defining moment will require a bold vision, the courage to change, and a commitment to contribute to the evolution of work and leadership. Seth Mattison provides insights and surprising truths about where the world is moving next and explains the type of leadership skills needed most to meet the moment. You'll learn about the neuroscience of influence and discover why leaders must not only connect with the rational and logical parts of people's brains but also have the capacity to connect with their hearts to understand what drives human behavior.

Sponsored by



### **Tami Evans, CSP**

*Closing General Session*

***“Lighten Up and Lead: Leveraging Levity and Fun to Boost Engagement”***

A happy workplace is imperative to success, but how do you remain positive AND professional? Get ready to laugh and learn with Tami Evans as she shares key practices to create levity in the workplace. Discover how to develop a positive culture of engagement that empowers employees to collaborate through challenges, create innovative solutions, and communicate confidently. You'll learn how to foster a thriving team with Connected Autonomy and walk away with tools to help you reach your personal and professional potential through the power of fun!

## Atlanta Chapter of the APA

Meetings held the second  
Thursday of the month

Alternating Breakfast and  
Dinner Meetings

### We're on the Web!

See us at:

<https://apaatlantachapter.com/index.php>

Please visit the [Atlanta Chapter of the APA's Facebook Page](#) often to keep yourself up-to-date with the latest payroll information and information related to our chapter.

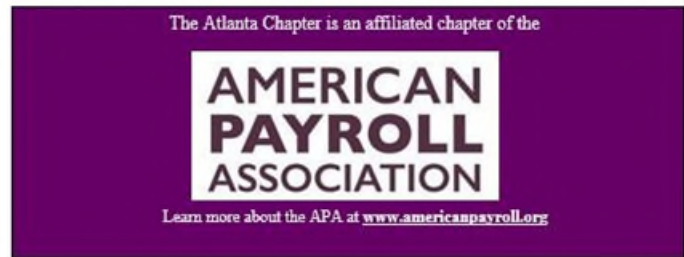
### Follow Us:



## About Our Organization



We are a nonprofit organization centered on providing continuing education to payroll, accounting and human resource professionals. Along with education, we offer community service opportunities for all members. We are an autonomous and independent Chapter of the American Payroll Association.



## Thank you to our Atlanta Chapter Partners!

### Titanium:



### Steel:

