

**Meeting Minutes**

August 13, 2019

9:00 a.m. at the WSBA offices

Members Present

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Crystal Flood, Chair | <input checked="" type="checkbox"/> Scott Osborne |
| <input checked="" type="checkbox"/> David Bastian        | <input checked="" type="checkbox"/> Tom Peterson  |
| <input checked="" type="checkbox"/> Tina Carroll         | <input checked="" type="checkbox"/> Bill Ronhaar  |
| <input checked="" type="checkbox"/> Shelley Miner        | <input type="checkbox"/> Shauna Schraft           |

WSBA staff and others present

Renata Garcia, Innovative Licensing Programs Manager, and Katherine Skinner, Innovative Licensing Analyst

Board Business:

- The June 11, 2019 meeting minutes were approved
- The Board discussed FIRPTA Tax Forms and whether or not an LPO can prepare this form. Bill Ronhaar suggested that the Board should reach out to the taxation section at the WSBA for additional information and feedback.
- Katherine Skinner provided a summary of exam comments received from a survey on the July 2019 examination.
- The Board went into an executive session to review and grade summer 2019 LPO examinations.
- The Board nominated David Bastian to serve as chair of the Limited Practice Board for FY 2020.

Announcements:

- The next LPB meeting is on October 8, 2019.

Respectfully submitted,

Katherine Skinner



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Page 2 of 4

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1. FIRPTA Tax Forms (9:10 am)
2. "It is important to discuss FIRPTA"
3. Should the LPB overrule the federal requirements? – Bill
4. Every commercial deal I do is a FIRPTA – Scott
5. How is it any different than filling out any other forms
6. 1099 is something we already complete"
7. Former LPO is bills office
  - The lpb should put which documents are approved on the website
  - Strictly to the reporting of the sell
  - LPO should not handle FIRPTA
  - Lpos challenge is difficult bc they cannot give legal or tax advice
8. Either not approve any IRS forms or go through each IRS form to decide which documents an LPO can complete
9. Other states don't deal with FIRPTA
10. IS there any other good reasons not to let lpo do it
  - Other than accounting skills – no –scott
11. Certain amount of decision making
12. Should appoint a committee and reach out to the bar for a tax committee – Bill R
13. Taxation section on the Bar – reach out to that special group
  - Advise whether this is a big deal or not
14. Take inventory on what forms are being asked to fill out – Tom
15. David – if we represent the buyer after closing, ask escrow if firpta has been collected with tax id and if not they don't close it at his office
16. The FIRPTA form is completed by the seller, delivered to LPO, they say they are foreign, then you need to go in and fill out these
  - Does an lpo have the authority to complete this form?
  - If not, tell them to consult a CPA
  - Tina – I don't think we should make this an LPO form
  - Tom – it is an exotic transaction
  - Bill – LPOs will be relieved that it is not approved
  - If we tell the LPOs it cannot be completed, it needs to be told to them FIRMLY
  - Crystal – the issue that will arise is if we say no that you cannot prepare these forms. Everyone will be upset for about the first 6 months on how to handle it
    - i. Make a decision that isn't effective for a period of time
    - ii. David – but they don't have the authority to do it, so that doesn't make sense
    - iii. As a practical matter – the implementation of the lpo rule itself, had a period window – Bill
  - David agrees with Crystal, for 6 months everyone will be out of sorts bc it is so different, but everyone will settle into it after a year
  - Shelley – the biggest problem for escrow is cleaning it up when something goes wrong
    - i. Shelley explains what can go wrong
  - The sellers don't have an identification number



- Tom – when it is handled by escrow, it is done correctly
  - i. Shelley – but it is a pain in the neck
- Crystal, if everything is there, the form is easy to fill out. It is hard when they don't have ssn, haven't talked to a cpa, want to close next week...etc. But in box A, it seems fine to complete.
- Some escrows will not do it if there is no SSN
- Renata brought up the PTIN FAQ
- Good question to ask tax specialist
  - i. 8288 a & b
- David – what are the consequences if you prepare and don't have the PTIN?
  - i. Penalty and disciplinary action
- Tom – can't do it at all if you don't have the PTIN
- In order to get a PTIN
  - i. 18 y/o
- Scott
  - i. Two concerns
    1. By throwing this on to a CPA, if something goes wrong with the payment, does the liability come back to the escrow and are not doing anyone any favors.
    2. Want ppl to encourage lpos to participate in transactions and don't ask them to engage in a lot of discretionary decisions, can an lpo reasonably carry out the task to encourage the use of lpos instead of limiting them to only filling in blanks
- Reach out to taxation groups for thoughts
  - i. PTIN – should be asked about
- Renata – Scott and Tom are on the forms committee
  - i. Reach out to WSBA tax committee
  - ii. Schedule a call with this person
  - iii. **ACTION – add to October meeting agenda, invite others to beginning of next meeting to discuss. The board will do some research from their internal procedures at work.**
  - iv.
    1. Should we continue the process of checking in to the forms committee?
    2. Is this something we should just clarify to the person asking, or on the website?

Shelley – the general feeling about the new excise is not good. LPOs need to be prepared. Is there anyone in the Bar that has a relationship with the DOR.

Renata – there is a bi-annual reinstatement course, but the board can propose a CLE

Crystal – excise tax and FIRPTA would be good for CLE

Renata – the taxation section has seminars



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Page 4 of 4

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**Executive Session 10:00 a.m.**

1. Summer 2019 Exam Overview and Grading
  - a. Note on grading guideline: see April 18, 2017 meeting minutes
  
2. Board Chair Nomination
  - a. Discussed responsibilities of the chair
  - b. David is unanimously recommended – ACTION – EMAIL PAM
3. Committee
  - a. Bill – Discipline committee
  - b. Will wait until new person
4. Review committee rosters

