

LOOKING AHEAD: FOUR KEY ECONOMIC AREAS

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By Chris Kuehl

As we approach the New Year there are all manner of traditions. Some are more fun than others. The economists of the world are called upon to make predictions and forecasts as if



the passing of an old year into a new one actually mattered to the drivers of the economy but it is tradition and who am I to argue? This is what I see ahead in four key economic areas.

Number One: Interest Rate Policy - The Federal Reserve has been chanting the mantra of "higher for longer" through the majority of the last several months and that will be their position through at least the first half of 2024. It is true that inflation has dipped a little (more about that in the next paragraph) but it is still well above the ideal level set by the Fed. The central bank mantra is that they raise rates until they break something and then they set about lowering rates to fix what they broke. The prime indicator of whether they have broken enough is unemployment. When that rate goes up the assertion is that the economy has been slowed enough. Right now, the U-6 rate is as low as it has been in years. The Bureau of Labor Statistics releases six cuts of their data and U-6 is the most complete as it picks up the discouraged worker and the involuntary part time worker. It is sitting at 6.7% and the long-term average is 10.1. As long as that rate is this low the Fed will have room to move. Beyond that there is the fact the economy was growing at 5.2% in the third quarter. These are not numbers that suggest imminent recession and therefore the Fed is not feeling intense pressure. It seems likely that rates will start

to decline slowly by the middle of the year – maybe three or four quarter point cuts by the end of 2024.

Number Two: Inflation – There are some interesting theoretical conversations taking place that could affect the reaction of the Fed to inflation. It has been assumed for years that the "neutral" Fed Funds rate is 1.0% and that is what prompts the Fed to set its inflation target at 2.0%. There is mounting evidence suggesting the neutral rate might be 2.0% or even 2.5%. The neural rate means that anything over that rate slows the economy and anything under that level stimulates. If the neutral rate is higher than assumed the Fed could shift its inflation goal to 3.0%. Right now, the inflation rate as measured by Personal Consumption Expenditures is just slightly over 3.0 (at the six-month level as of September). It is close to 4.0% on an annual basis and core rates rose a little in the last month. The drivers of inflation now are housing and wages and both of these will be factors next year as well. The factors that have lowered inflation threats have been energy and food. Neither of these are counted in figuring core inflation rates as these are intensely volatile. Inflation will keep falling next year but any shift in energy or food will drive prices back up in a hurry.

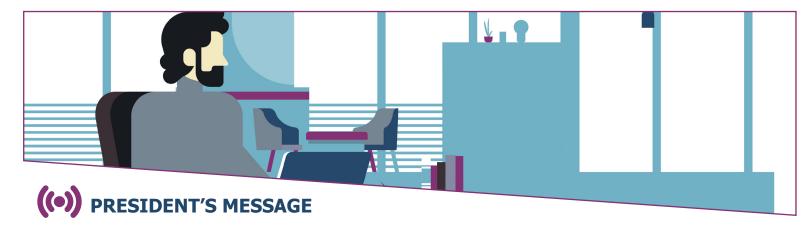
Number Three: Threat of Recession – Economists have been predicting recession for the last five quarters and have yet to be on target. In Q3 of this year the assumption was a decline of over 1.0% and what we actually got was growth of 5.2% Now we have economists predicting a shallow recession at the start of 2024 (negative 1.0% in Q1 and negative 0.7% in Q2). But that is hardly a universal opinion as many have watched these dire

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predictions fail. The more optimistic assessment is growth around 2.0% (close to the twenty-year average of 2.5%). The two factors that have kept us out of a downturn thus far have been consumer spending and inventory build. If the consumer starts to falter under that \$1.8 trillion credit card debt and the \$17 trillion overall debt their contribution could falter fast. If business stops inventory accumulation the economy also starts to retreat. At the moment there is not a lot pointing to an imminent recession as corporate investment remains robust and other growth indicators are positive.

Number Four: Unemployment and Worker Shortage – The jobless numbers are historically low and there have been job gains every month despite the predictions of decline. The U-6 rate is as low as it has been in years and the U-3 rate is still well under 4.0% (remember when 6.0% was considered low). The very low rates have been propelling wage inflation and the fact is that worker shortage will dominate next year and for many years to come. The quit rate is as high as it has been in years. Lately there have been some high-profile layoffs but in general the job market remains extremely tight.



As I sit down to write this newsletter's article in early December, I can't help but have mixed feelings about the upcoming holiday season. The Christmas season is one of my favorite times of year, but it also always comes with a healthy dose of the "tax season scaries." At times, I forget that the entire world doesn't interrupt their regularly programmed life for "tax season" but am quickly always reminded in February when it seems everyone and their dog are enjoying a warm weather vacation and so graciously sharing their smiles and relaxation with me through social media.

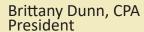
All jokes aside, the thing that is scaring me the most these days, especially heading into a tax season, is our CPA pipeline shortage and what that could mean for the future of our profession. Although, I find the meme's posted by Instagram accounts like @thebig4accountant detailing the sometimesmiserable existence of a CPA very funny and oddly comforting, it seems our talent pipeline is also following those pages and are finding those meme's a little too discouraging! So, what can we do to change this? We've got two problems to address, the narrative we tell and the reality we live.

We are bad at telling the right narrative. There are many of us who continue to work in this profession for some reason other than the love of deadlines and long hours. So, what is it that we love about this profession? We need to tell that story. In my role, I get to work with closely held businesses that are deeply integrated into the lives of the business owners and their families, sometimes for generations. The work I do as a CPA to assist them in achieving success is important and impactful to their family. These relationships are rewarding to me, as well. I learn from my clients and find purpose in the long hours when I see how we can contribute to their success and receive their appreciation for it. The way businesses work and how the business community operates together is fascinating to me and something that my profession allows me to play a small part in. These are

just a couple examples of the stories we need to be telling and certainly, there are many more that we can share with the next generation of CPAs, rather than just the long hours sitting at a computer. We compete with technology and data science professions for talent. Surely, their jobs aren't all fun and games launching exciting products like ChatGPT, the latest phone app, or working for the latest start-up company who is going to save the world. They've just figured out how to share the parts of the story that the next generation wants to hear, and we need to do the same.

The other aspect we need to address is our reality. The potential pipeline of students is telling us what they value in a career and frankly, what an acceptable sacrifice is for a career. As partner in a CPA firm, I understand this doesn't happen overnight and is also an extremely challenging task. I also know that there are small steps being taken in the right direction based on conversations I've had with other professionals at AICPA council meetings. For example, I sat with a tax partner in a regional firm on the east coast at the last Council meeting and he was sharing with me that they had gone to a maximum of 52 hours per week during tax season and were having success with that, from both a staffing perspective and a client work perspective. That firm was working through the AICPA's PCPS "Transforming Your Business Model" practice tool and had positive things to say about that process. If this piques your interest at all, I'd recommend you check it out. It's a free tool for AICPA members and available on their website.

Happy Holidays! Wishing everyone the best of luck as we tackle another calendar year end, enter the new year, and another busy season!







WELCOME NEW MEMBERS

Lori Artz	Dickinson
Odella Fuqua	Grand Forks
Brady Grefsrud	Fairmount
	Bottineau
Ashley Heide	West Fargo
	Fertile, MN
	Brainerd, MN
Zack Houge	Jamestown
Kael Jenison	Grand Forks
Jamey Kragh	Minot
	Bismarck
Anna Masseth	Mandan
Kelsey McCloud	Halliday
	Grand Forks
	Eden Prairie, MN
	Jamestown
	Jamestown
	Ahmedabad**
	Castle Rock, CO
•	Scobey, MT



Nathan Benson
Erika Brantner
Alicia Butterfield
Mallory Carlson
Maitri Darji
Eric Fettig
Jennifer Gerlach
Vivek Gupta
Tyler Hermanson
Kayla Hermanson
Chad Leskiw
Akshay Radhakrishna
Zachary Weber



IN MEMORY

NICK HAY passed away on September 17th. NIck was certified in 1970 and youngest person to ever pass the exam in North Dakota at that time. Nick was a member of the CPA society for over 53 years. His farther Oscar was also a member of the CPA Society and a past president in 1974.

SCHUMACHER NOMINATED TO AICPA BOARD OF DIRECTORS

Michelle Schumacher has been nominated to the AICPA Board of Directors for a three-year term that begins in May 2024. The AICPA is governed by a Board of Directors and Council. These volunteers influence and guide the profession's direction and promote the interest of CPAs. All members of the AICPA Board of Directors are also members of the Association of International Certified Professional Accountants Board of Directors. The Association Board of Directors is composed of 26 leaders in the profession and public at-large. The Association Board promotes the best interest of the global accounting profession and is responsible for addressing international issues impacting CPAs, CGMA designation holders and/or public and management accounting.

Michelle served as ND CPA Society President in 2021-22. She is also a current member of the AICPA Board of Examiners and Board of Examiners – Financial Oversight Group. She is the Chief Financial Officer at Stoneridge Software and Levridge Inc.



SCHIMITZ DUNKED FOR A CAUSE



Bismarck Mayor and CPA, Mike Schimitz, gets dunked for a Cause! Mike recently volunteered his time at Haven Hills Foster Care Community. Haven Hills is a nonprofit working to establish a neighborhood of foster homes and on-site services built on 80 acres of land, 10 miles north of Bismarck.

BUSINESS AND INDUSTRY COMMITTEE

The group recently met in November to discuss the 2024 Management Conference.



Left to right: KaSaundra Peterson, Dee Ann Ellingson, KrisCinda Erickson, Sheldon Kauk, Barry Maring, and Brittany St. Bernard. Not pictured: Karla Mongeon-Stewart and Sherre Sattler.



8 THINGS WE ARE EXCITED ABOUT FOR 2024

"Life moves pretty fast. If you don't stop and look around once in a while, you could miss it" – Ferris Bueller

The Society Board of Directors met in December. Preparing for that meeting gave us the opportunity to reflect on some great things that happened this past year. We are excited about the progress and looking forward to building momentum in 2024!

Here is a look at some good things that made the Society's list this year:

New Website and Association Management System In July we transitioned to our new website. If you haven't had a chance to check out the "Learn" section, you are missing out! The page opens to our local events and some other special selections that we have manually added. This is so you can find your favorite events like our Business and Industry Miniseries or Farm Tax Conference quickly! If you click on the "View All" tab, you will see over 1000 webinars options! The best part is there are several different search options to help narrow down by topics, date range, and even credit amounts. The new website has a great member directory and it also allows you to make more changes on your own. If you are having any issues with your new login - please let us know. Watch for more good things to come!

Advocacy Efforts Legislative years are always interesting but 2023 felt like we took a crash course in law making. Perhaps the number one takeaway was knowing who to turn to for information. I was thankful for many of our members who took the time to explain various aspects of tax law and government accounting. Their expertise helped us determine when and if action was needed. I was also glad to have national contacts who shared successes and failures we could learn from.

Newsletter Changes Coming! As I write this, we are coming to the end of our newsletter naming contest! We've had some interesting results that will be revealed in our March newsletter. Besides the name – we are changing up our delivery. Moving forward, we will have 4 paper newsletters (January, May, July, November) and 2 digital versions (March, September). Why the change? There are benefits to both – we know a good portion of our members still prefer to have a physical newsletter yet the ability to include links and have up to the minute information makes digital a great option. For those of you who prefer to be fully paperless – you will be able to opt out of the four paper issues and instead receive all versions digitally. Watch for instructions on this in the March delivery.

Young Professionals Committee Mentors

This project is a work in progress. We had a little success on our first try but we are hoping to see real progress in year two! Our YP Committee members are reaching out to recent exam passers from North Dakota and border cities. We know it can be overwhelming when you first join the profession, so this group hopes to share reminders on important dates like the CPE reporting deadline, local chapter activities and upcoming events. If you are a new CPA – take advantage of the opportunity to meet someone new and ask questions.

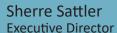
"Become a CPA" Website Upgrade Part of the Society's work on the CPA Pipeline is help clear the path for students interested in becoming a CPA. Unfortunately, the process can be complicated. Each state has slightly different rules and regulations. Our new page is about providing easy to follow steps to help students and educators navigate their way to CPA. One improvement coming soon in this section is easy access to internship opportunities. If your

business or firm is interested in participating, contact KaSaundra Peterson at cpe@ndcpas.org.

Event Updates Our Management Conference and CPA Convention get a lot of attention but we are very excited about some new and/or improved events that happened this year. We just held our second Business and Industry Miniseries. These one-day, virtual events include multiple speakers. They are spin off of our Management Conference sessions. Attendance and evals have been great! In addition, we held a Small Firms miniseries event in November and plan to hold an in-person conference next June. Also on the docket for 2024 is a Client Advisory Services (CAS) event.

Student Outreach Perhaps one of the most dramatic changes we saw this year was the number of students we encountered. The CPA Pipeline is a primary focus at the Society and this year we saw some great improvements. Our NextGen Committee has been busy speaking to accounting clubs and classrooms. Ryan, our Membership and Pipeline Manager, has been attending FBLA, DECA and various Expos and is now referred to as the "Accounting Guy." November was Accounting Opportunities Month and we were thrilled to get CPAs into classrooms. We are busy developing helpful resources to make these visits easier for our members. If you have the opportunity to share your love of the accounting profession, we are here to help!

The best part of reflecting on good things is making plans to build on the successes! Here is hoping that the good things from 2023 bring you excitement for 2024. Cheers!





SAVE THE DATES!

SMALL FIRMS CONFERENCE

DATE LOCATION June 5-6, 2024

Baymont Inn - Mandan

MANAGEMENT CONFERENCE

DATE LOCATION

June 17-18, 2024 Fargo Holiday Inn

June 17-18. 2024

ANNUAL CONVENTION

DATE LOCATION August 11-13, 2024

I Medora

FARM TAX CONFERENCE

DATE LOCATION September 9-10, 2024 Alerus Center

BUSINESS & INDUSTRY MINISERIES

SPEAKERS & TOPICS:

Nathan Mueller | Ethics Dr. Michael Kiefer | Motivating Remote Teams David Peters | CFO & Controllers Updates Elaine Nissley | Internal Controls & Risk Management King Banaian | Economic Update

8 CPE | Virtual | Tuesday, February 13, 2024



ACCOUNTING OPPORTUNITIES EXPIERENCE MONTH

The North Dakota CPA Society was excited to partner with the AICPA and state societies across the nation to raise awareness of the accounting profession among high school students. This collaboration is aimed to educate and encourage career opportunities in accounting.

This was the first year ND took part in the campaign. Although it originally started as accounting opportunities week, we now focus on the entire month of November and the event has been renamed Accounting Opportunities Experience. Our outreach to North Dakota high schools resulted in 13 requests for speakers.

Nationally, about half of the states have reported so far. To date, 524 volunteers have given 509 presentations in 434 high schools to 13,781 students!

Thank you to all the volunteers that presented in the class rooms. We hope to continue to grow this campaign in the years to come.

BOARD OF ACCOUNTANCY RULE CHANGE SUMMARY

The North Dakota Board of Accountancy has given notice to amend administrative rules. Written or oral comments on the proposed rules should be received by the Board no later than January 15, 2024. Representatives from the CPA Society were present during the Board of Accountancy meetings where these rule changes were discussed. We offered input and support on some items including the changes in conditional credit length and the Retired and Inactive status. For a copy of the proposed rules contact the Board of Accountancy by emailing mandyharlow@nd.gov or calling 800-532-5904.

Here is a summary of the changes noted by the Society:

- Removes limitation of only 3 economics credits in other business credits
- Changes the conditional credit length from 18 months to 30 months
- Changes the start date of the conditional credit from date of exam to the score release date
- Removes specific language on application fee time frame

- CPE and License renewal will be due on June 30
 - o July 1 late fee
 - o August 1 involuntarily relinquished
- A record of attendance needs to be maintained
- Formal evidence of course attendance or completion must be provided as required by the Board

Retired Status

- Upon written request
- Performs no compensated accounting, auditing, management or financial advisory, consulting, bookkeeping, or tax services
- Must adhere to the code of ethics
- No CPE
- Must be 60 years of age
- No License fee

Inactive Status

- Upon written request
- Performs no compensated accounting, auditing, management or financial advisory, consulting, bookkeeping, or tax services
- Must adhere to the code of ethics
- No CPE



HONORING OUR 60 YEAR MEMBERS!

Brief synopsis of work history: I came out of UND in 1958 and got a job offer 3 days after with Paul McCann and company, a firm in Bismarck. Besides Paul, there only 3 other CPAs working there. I went out on my own in 1970 and started my own firm in Bismarck. I had the firm until the year 2000. I had at one time three CPAs working for me until ten years ago. At that time it was just my son and I.

Current Residence: Bismarck, North Dakota

Alma Mater: University of North Dakota

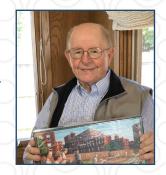
Community Activities: Belong to Corpus Christi Church and an

American Legion Veteran.

Favorite thing about your career as a CPA? Following the tax regulations and helping clients to keep in order with the tax code. I Liked working with tax more than auditing.

DONALD WOLF

Words of advice for those currently in the profession? Look forward in continuing improvements in our professional ethics and the services we are able to provide.



Thoughts on how the Society benefited you? I believe we had some great leaders that started the Society. Being part of the organization helped me get to know people in my profession.

Tell us about your family: I have 3 children (Kelly, Pam, Don J.) all of which are graduates of UND and all have accounting degrees. My wife (Georgie) and I have been married for 67 years.

Something most people don't know about me: I was drafted in 1952 to the Korean War. During my time in the Army I was a cryptographer, in which I worked with coding and decoding of secret messages.



ROLLAND WILLIAMS

Brief synopsis of work history:

- Upon college graduation, my work history is as follows:
- Boeing Airplane Company –
 Seattle, WA (Accountant; Internal Auditor/Supervisor)
- Self-Employed as Public Accountant Devils Lake, ND
- Honeywell, Inc. Minneapolis, MN (Accountant in Financial Planning and Reporting; Internal Auditor)
- Western States Life Insurance Company Fargo, ND (started as Controller; appointed to Vice President and Controller)
- After retirement and move to West Des Moines, IA:
- Part-time consulting for various companies specific to Accounting and Reporting

City and State where you currently live: Ames, Iowa

Alma Mater: University of North Dakota

Community Activities: Enthusiastic supporter of Iowa State

University activities

Favorite thing about your career as a CPA? I have always been

proud of the hard work that was required by me to attain the CPA designation and the value and respect the designation provided to me in my career.

Words of advice for those currently in the profession? Keep up with new requirements and developments in your profession not only to continue your own professional growth, but to ensure you'll be able to meet your client's needs.

Thoughts on how the Society benefited you? Gave me the ability to become aware of new and updated information in the profession which allowed me to then continue my own learning and development.

Tell us about your family: My family has always supported me in my profession which sometimes included late nights, weekend, and travel. Their support allowed me to pursue my profession to the fullest. My family includes my wife, two daughters, one son-in-law, and two wonderful grandchildren.

Something most people don't know about me: Since I took exams in the states of WA and ND, it was necessary for the WA exams to be transferred to ND. With the help and friendship of R.D. Koppenhaver, this process was completed quickly and allowed me to attain my CPA Certificate.



AICPA TAX CONFERENCE UPDATE

By Steve Britsch, CPA - Tax and Legislation Committee Chair

The 2023 AICPA National Tax Conference started with looking at the Internal Revenue Service and the changes being made within that organization. The first presenter was Erin Collins the National Taxpayer Advocate. She recognized the difficulty of the last three years and was thankful to the profession for its patience. Amended returns remain an issue with processing delays. We learned the e-filed amended returns are processed manually. As many of you know the tax practitioner priority line is still an issue with long delays and is a work in process. Ms. Collins did mention they would love several CPAs who are in the latter part of their careers to consider coming to work for them.

Next up was a panel of department heads at the IRS: David Padrino - Chief Transformation Officer, Amalia Colbert Small Business and Self-Employed Commissioner, Guy Fico - IRS Enforcement Deputy Chief, Edward Killen -Tax Exempt and Government Entities Commissioner and Holly Paz - Large **Business and International Commis**sioner. During this period much of the discussion focused on the "resources" now available to the IRS. After what has been years of underfunding, the overriding theme was more dollars for enforcement, the challenges of hiring and training new employees and the use of technology in enforcement. There was one question to them about customer service, but it was taxpayer services in the context of an enforcement action.

Next up was IRS Commissioner Danny Werfel who listed three priorities for the additional funding: 1) If you need to reach the IRS you can, 2) Equity in enforcement and 3) Tax Scams. Regarding priority one, the Service has hired 5,000 new customer service representatives and more are on the way. Again, the challenge is hiring and training them, but it is in process

as I write. For the second priority of equity in enforcement, Commissioner Werfel compared a fully funded IRS and an underfunded IRS. In an underfunded IRS they fall behind on audits for the very large and complex returns and are forced to focus on the easier returns. With a fully funded IRS they can equitably focus their time on both the easier returns and complex returns. As for the final priority of tax scams, a fully funded IRS can take the fight to the bad actors rather than merely issue a warning. Commissioner Werfel's presentation was well received by those attending online. The final topic of the day was the Corporate Transparency Act, more commonly referred to as Beneficial Ownership Information. Essentially, we have more questions than answers. The rules have yet to be completed, the forms have not been released and the start date remains January 1, 2024. The AICPA is asking for the implementation of this be delayed, but at the time of writing this it's unknown if this will happen. Oh, but wait, there's more. Even if we had all the above in place there still remains the question of whether a CPA can do the reporting for our clients. There is a concern that it might be considered practicing law without a law license. Many CPA Societies, including ours, have reached out to State Bar Associations to get a read on this. There have been no definitive answers and for those who have made formal requests, it appears as though it will be at least a year before the issue is answered. One suggestion before completing this for your

clients is to check with your professional liability insurance company to see their stance on coverage.





Your Charitable-Giving Experts in North Dakota.



Kevin J. Dvorak, CFP President & CEO Bismarck 701-222-8349 Kevin@NDCF.net



Amy Stromsodt, CFRE
Development Dir.
Larimore
701-741-3193
Amy@NDCF.net



Kara Geiger, CFRE Development Dir. Bismarck 701-222-8349 Kara@NDCF.net



John Heinen, CFRE
Development Dir.
Dickinson
701-590-4614
John@NDCF.net

We are your resource if your client has questions about charitable giving. Call us about:

- The 40% State Tax Credit for Gifts to Qualified ND Endowment Funds
- Donor-Advised Funds
- Charitable Gift Annuities
- Charitable Remainder Uni-Trusts
- The IRA Charitable Rollover
- How to discuss charitable giving with your client

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For more information about North Dakota's College SAVE Plan (College SAVE), call 1-866-SAVE-529 (1-866-728-3529) or visit www.collegesave4u.com to obtain a Plan Disclosure Statement. Investment objectives, risks, charges, expenses, and other important information are included in the Plan Disclosure Statement; read and consider it carefully before investing.

Before you invest, consider whether your or the beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in that state's qualified tuition program.

The College SAVE Plan (College SAVE) is a 529 plan established by the State of North Dakota. Bank of North Dakota (Bank) acts as trustee of College SAVE Trust, a North Dakota Trust, and is responsible for administering College SAVE Trust and College SAVE. Ascensus Broker Dealer Services, LLC ("ABD"), the Plan Manager, and its affiliates, have overall responsibility for the day-to-day operations of College SAVE, including recordkeeping and marketing. The Vanguard Group, Inc. (Vanguard) provides underlying investments for the Plan. College SAVE's Portfolios, although they invest in mutual funds, are not mutual funds. Units of the Portfolios are municipal securities and the value of units will vary with market conditions.





UPDATES FROM THE STATE TAX COMMISSIONER

Primary Residence Credit

The North Dakota Office of State Tax Commissioner recently began promoting the Primary Residence Credit. The new property tax credit passed during the 2023 Legislative Session, under House Bill 1158, has no age or income restrictions, and allows North Dakota homeowners to earn a credit of up to \$500. The amount of credit an applicant receives is based on the property taxes owed. The credit is available to one homeowner per household and would be reflected on the owner's property tax statement the following year.

Last month, the agency worked with the counties throughout the state to provide an insert in the property tax statements sent out by their assessing divisions or county director of tax equalization. The flyer provided general information about the credit including how to sign up online through the agency's North Dakota Taxpayer Access Point (ND TAP). The agency began accepting applications January 1, 2024 and will continue through March 31, 2024.

Homestead Tax Credit

Taxpayers 65 years or older or those permanently disabled have until February 1 to apply for the Homestead Tax Credit through their local assessor or county director of tax equalization. In addition to the requirements listed above, those applying will need to live at the property listed on the application and have an income of less than \$70,000 per year. Farm structure owners are exempt from the credit as farm structures are already not subject to taxation. Homeowners who opt to lease their property will also not qualify.

Applications are available at tax.nd.gov. Disabled applicants will need to submit a physician's certificate with their application.

Biennial Report

In December, the Office of State Tax Commissioner released their 56th Biennial Report. This publication is required by law to be released every two years. It features charts and graphs about the

state's tax types administered by the agency, along with a brief overview of changes made during the 2023 Legislative Session. Additionally, general information about the agency's structure, mission and statutory duties is included.

This year, the agency updated the layout of the report, making it similar to the agency's easy-to-read Microsoft Power BI reports. The publication is available online at tax.nd.gov. Those interested in receiving a paperback copy can contact the agency directly.

Taxable Sales and Purchases Continue to Show Overall Increase

Taxable sales and purchases continue to reflect an upward trend, at least for the third quarter of 2023. In November, the Office of State Tax Commissioner announced taxable sales and purchases were up 5.5% compared to the same timeframe in 2022. In total, taxable sales and purchases for July, August and September of this year were \$7.1 billion.

Tax Commissioner Brian Kroshus described the numbers as showing the state's economic activity as "moderating." This is attributed to the overall results remaining above normal, with most sectors showing increases over the last year. However, financial gains weren't as pronounced as in previous quarters.

Twelve out of 15 major industry sectors reported increases when compared to the third quarter of 2022. As noted in previous quarters, energy industries - mining and oil extraction, continue to see the largest increase at \$98.1 million (a 14.5% increase). The utilities sector also reflected a large increase of \$32.5 million (a 70.3% increase). Conversely, the con-

struction sector posted a 4.6% decrease.

The agency will be releasing numbers for the fourth quarter of 2023 in mid-February.



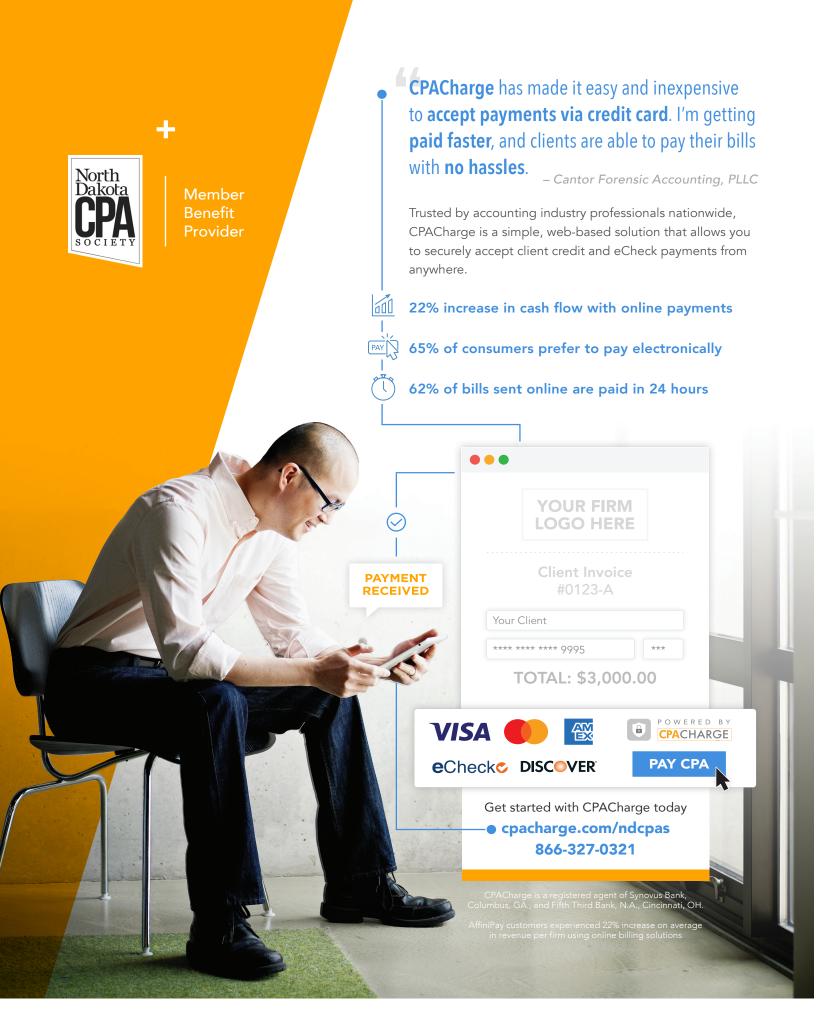
Brian Kroshus
Tax Commissioner



LEADERSHIP CONFERENCE 2023 AICPA/CPA-SEA

This annual event brings Executive Directors and President-Elect from the Societies together to prepare them for their upcoming presidency. It updates them on issues pertaining to the profession and provides the opportunity to share and discuss ideas with peers.

From left to right: Carla McCall (AICPA Vice Chair), Randy Heller (NDCPAS President-Elect), Sherre Sattler (NDCPAS Executive Director), Barry Melancon (AICPA President)





North Dakota Practices for Sale (with gross revenues): RE-DUCED- Southeastern ND CPA Practice \$905K; Southeast ND (within an hour of Fargo) CPA Tax Practice \$335K; For more information call 800-397-0249 or view listing details and register for free email updates at www.APS.net.

THINKING OF SELLING YOUR PRACTICE? Accounting Practice Sales is the leading marketer of tax and accounting practices in North America. We have a large pool of buyers, looking for practices to purchase. We also have the experience to help you find the right fit for your firm, negotiate the best price and terms and get the deal done. We welcome the opportunity to talk to you about our risk-free and confidential services. For more information, call Trent Holmes at 800-397-0249 or email Trent@apsholmesgroup.com.

University of North Dakota has a resource called the Freeman Professional Closet through which they accept donations of new or gently used professional clothing items that they give to Nistler students to keep to build their work wardrobes. If any members have donations of suits, blouses, button-ups, etc., that they'd like to donate, they can either be sent to UND Nistler College or if local, UND will pick up locally.

ETHICS CORNER The Case of the CPE Clique

Winnie DaPue, CPA, sat down at her desk to view an eight-hour on-line class on the Code of Professional Ethics. The test was administered by her state's CPA Society and, at random intervals, showed a prompt on the screen that had to be clicked as evidence of attendance.

Her managing partner asked her to come to her office so Winnie asked an associate Hugh Jego, CPA, to sit at her desk and make sure he clicked whenever a prompt occurred. Winnie thought she would be gone ten to fifteen minutes. She was gone three hours, Hugh clicked away the entire time.

Q Any unethical behavior here?

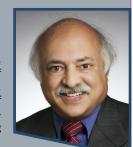
A. Yes For both Winnie and Hugh, at 1.400.020.026 it says:

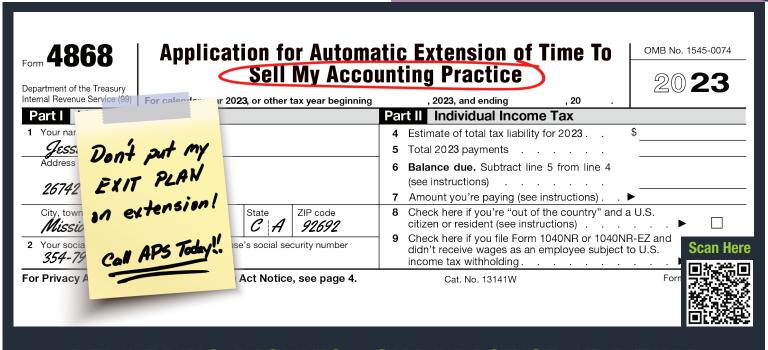
"A member should be considered in violation of the Acts Discredited Rule 1.400.01 if a member engagesin false misleading or deceptive actsrelated to professional qualification or competen-

cies. Examples of such false, misleading or deceptive acts include falsifying or misrepresenting attendance at a professional evaluation course."

Charles Selcer, CPA

Charles Selcer, CPA, has over 30 years of audit and business consulting experience. His areas of specialization include audits of distribution companies, SEC registrants, not-for-profit organizations & charities, including organizations subject to Circular A-133.





DELIVERING RESULTS - ONE PRACTICE AT A TIME



Trent Holmes

Trent@APS.net

800-397-0249

www.APS.net

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North Dakota CPA Society

3100 South Columbia Road, Suite 500 Grand Forks, ND 58201

Toll Free: 877-637-2727 Local: 701-775-7111 Email: mail@ndcpas.org

Find us on Facebook, Twitter, LinkedIn & Instagram



North Dakota CPA Society 3100 South Columbia Road, Suite 500 Grand Forks, ND 58201



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