

Virginia NATP

CONGRATULATIONS ON 35 YEARS!



From the Chapter President:

Dear Fellow Members,

Tax season is behind us - and if you're anything like me, that's reason enough to celebrate. The months leading up to April 15th are a marathon for all of us, and I want to recognize the hard work and long hours each of you put in on behalf of your clients. You showed up, delivered, and made our profession proud. Take a moment to recharge - you've more than earned it.

Now that we're on the other side, the chapter is shifting into a busy stretch of its own. **Conference planning is well underway**, and the committee has been putting together what I think will be one of our best programs yet. We'll be sharing details on the agenda and registration in the coming weeks, so stay tuned. Remember the 2026 conference is in Woodbridge, VA on November 5th and 6th. If there are topics you'd like to see addressed- whether it's the latest regulatory changes, practice management, or something else entirely - please reach out to Heidi Sutton at vanatptax@gmail.com. Your input shapes the agenda.

On that note, we're also looking ahead to 2027 and beginning the search for our conference location. Becoming a Virginia NATP Board member is a great opportunity for members to get involved.



No More Pennies

Page 3 - A why about the discontinued currency.



Impact of AI on Tax Preparation

Page 4 - A look into AI uses in the industry.

Navigating IRS Uncertainty

Page 2 - A look ahead for tax preparers.

Considering becoming an Enrolled Agent (EA)?

As a member of the National Association of Tax Professionals (NATP) you have access to materials and resources to help you with the journey.

The national website has a step-by-step roadmap to becoming an EA. Just search 'Enrolled Agent' from the main page at www.natptax.com.

Thank you, as always, for your engagement and commitment to this chapter. I look forward to connecting with many of you at this year's conference.

Until then, take care of yourselves - tax season will be back before we know it.

Warm regards,

Chris Smith



Navigating the IRS Operational Uncertainty in 2026

If there is one theme that has defined the tax professional's experience in 2026, it is uncertainty—and much of it traces directly back to the IRS.

Staffing reductions, outdated technology, shifting priorities, and budget pressures have created an agency that is, by many accounts, struggling to keep pace with the demands placed on it. For practitioners, that means adapting to a new normal where timelines are longer, guidance is slower, and nothing can be taken for granted.

Processing delays are perhaps the most immediate frustration. Correspondence that once moved through the system in 30 days is now taking 90 or more. Amended returns, penalty abatement requests, and responses to IRS notices are sitting in queues far longer than clients expect — or than professionals can comfortably promise. Setting realistic expectations has become as important a skill as preparing an accurate return.

The guidance vacuum is equally challenging. When the IRS is slow to issue regulations or clarify new legislation, practitioners are left making judgment calls without the comfort of clear answers. This is particularly acute in the wake of major legislative changes, where questions outnumber answers and the cost of a wrong interpretation can be significant. The professionals who are navigating this best are those who document their reasoning carefully — not lengthy memos, but clear, traceable notes that show what facts were considered and why a position was taken.

Audit activity, meanwhile, has not slowed down. In fact, the audits that are happening tend to be more detailed and data-driven, with agencies leaning heavily on analytics and cross-referencing to identify discrepancies. The combination of slow guidance and aggressive examination creates a difficult environment for clients and advisors alike.

The practical response is preparation. File early. Document everything. Build extra time into any workflow that touches the IRS. And don't wait for problems to surface before communicating with clients — proactive conversation now prevents a much harder one later.

The IRS is not broken, but it is strained. Tax professionals who plan accordingly will be far better positioned to protect their clients and their practice.

-Chris Smith

No More Pennies: The Small Change Creating Big Business Shifts

At first, it sounds like a fun fact. "The U.S. is phasing out the penny." Interesting... but relevant, right? Not quite.

Because this tiny shift-literally one cent-has a ripple effect on:

- How customers pay
- How businesses price
- How money flows through your business.

And if you run a small or mid-sized business? This is one of those small changes that quietly adds up.

Why the penny is going away (and why it matters)?

Here's the irony: It costs more to make a penny than the penny is worth. For years, producing a one-cent coin has cost multiple cents-turning it into a built-in loss.

What actually changes for your business?

Cash payments will be rounded

Without pennies, cash totals round to the nearest nickel. A few cents may seem minor, but across hundreds of transactions, the impact adds up.

Pricing strategy matters more

Price endings now influence rounding outcomes:

\$9.99 > rounds to \$10.00,

\$9.96 > rounds to \$9.95,

\$9.95 > stays the same.

That makes pricing both psychological and mathematical.

Digital payments become even more dominant

Rounding only affects cash. Card and digital payments remain exact, accelerating the shift away from physical currency.

Most systems will adjust automatically

POS and accounting software will likely handle rounding automatically, but businesses should still monitor:

- Cash vs. digital payment trends
- Rounding impact on margins
- Pricing consistency

Final Thought

The bigger lesson isn't about the penny - it's about efficiency. The penny is going away for one reason-it stopped making economic sense. That's a useful lens for your business too. Where are you holding onto processes... pricing...or habits...that no longer make financial sense?

-Manisha Elhance

How AI is Shaping Tax Preparation

Artificial intelligence is transforming the way tax professionals work - not by replacing them, but by making them sharper, faster, and more strategic.

At the most basic level, AI-powered tools are automating the time-consuming data entry and document processing that once consumed hours of a preparer's day. Receipts, W-2s, 1099s, and financial statements can now be scanned, categorized, and populated into returns with minimal manual input. The result is fewer errors and more time for the work that actually requires human judgement.

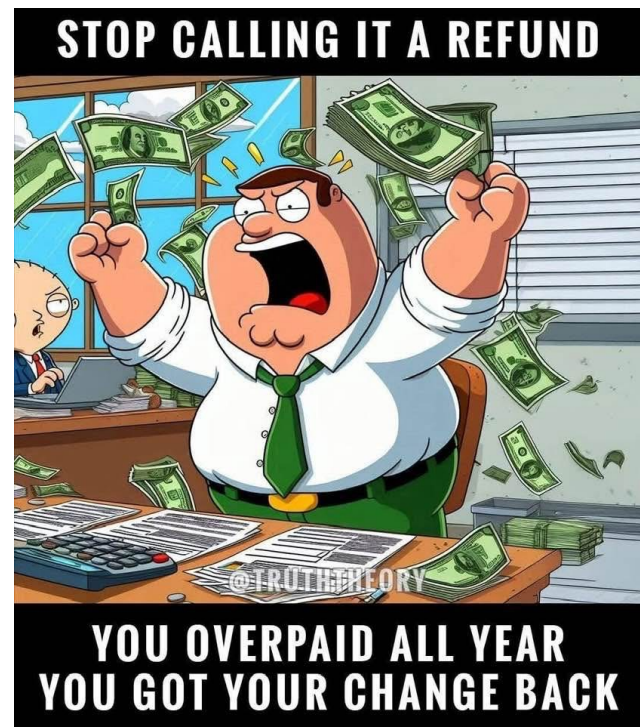
Beyond data entry, AI is changing how professionals identify issues and opportunities within a return. Machine learning algorithms can flag inconsistencies, spot potential audit triggers, and surface deductions that might otherwise be overlooked. These tools don't just check math - they analyze patterns across thousands of similar returns to provide smarter, more informed guidance.

Client communication is evolving too. AI-driven chatbots and virtual assistants are handling routine questions - status updates, document checklists, deadline reminders - freeing up staff to focus on more complex client needs. Larger firms are already seeing meaningful gains in efficiency and client satisfaction as a result.

Of course, AI is only as good as the professional behind it. Tax law is nuanced, client situations are unique, and judgement cannot be automated. The professionals who will thrive are those who embrace these tools while continuing to deepen their expertise.

AI isn't the future of tax preparation - it's already the present. The question is how well we're keeping up.

-Chris Smith



2026 Virginia Chapter Annual Conference

November 5 & 6, 2026

Hilton Garden Inn
2500 Neabsco Common Place
Woodbridge, VA 22191

2026 Board of Directors

President - Chris Smith

Vice President - Manisha Elhance

Treasurer - Justin Smith

Secretary - Teresa Steiniger

Directors:

Joe Parker

Amanda Mitchell

Keith Tucker

Mark Setaro

Debbie Watson

Latia Rowland

Meet and Greet at Taxposium

The Virginia Chapter will have a Meet and Greet for its members on July 14, 2026 during the Taxposium. Please join us at 6:30p in the Pavilion at the Great Room.

Have an idea for a class or a speaker at the 2026 VA Chapter Annual Conference?

Send all suggestions to vanatptax@gmail.com

Your Virginia photos in the Newsletter

We'd love to post your photo in the next newsletter. To have your photo considered, please email the photo and the city in Virginia where it is taken to vanatptax@gmail.com. No compensation is offered for printed submissions.



Carter's Mountain, Virginia