

Taxing technology

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Paula Singer didn't just write the book on nonresident tax law; she wrote six of them. And while her tomes are unlikely candidates for any best-seller list, the Newton tax attorney is considered such an authority on the subject that the Internal Revenue Service buys her books as references and employs her as a trainer.

Singer is known for making frequent suggestions to the IRS for improving tax law pertaining to foreigners and their American employers, with no fewer than 30 of her proposed tax changes filed with the IRS today. She can also make the unique claim that a high-level IRS official once paid her a visit, not for a retaliatory audit but to offer praise for her constructive criticism.

Asked if the IRS loves her or hates her, she says, "they know I'm not going away." All of this makes her software company, Windstar Technologies, rather credible.

Singer founded the company with her husband, Gary, in 1994, combining their joint computer programming experience and skills with her tax know-how (she's a partner in Newton tax law firm Vacovec, Mayotte & Singer), to develop a smart tax program. The couple spent a year designing the software while at the same time working other full-time jobs.

When it came time to name the company, the couple couldn't come up with one that hadn't already been claimed, so they stopped trying to work the words "tax" and "soft" into a name and went with the one they'd already given their sailboat: Windstar. Keeping with the nautical theme, the couple named their patented software Tax Navigator and worked a compass rose into their logo.

This year they traded their sailboat for a motorized trawler but are so busy with work that they haven't boarded once. But business is good, with about 700 users and counting. Most, like their first customers,



COURTESY PHOTO

Paula and Gary Singer of Windstar Technologies have developed smart tax software that helps nonresidents reach compliance with their federal taxes.

come from higher education.

And with the IRS planning to audit more than 250 colleges and universities for nonresident alien tax compliance, it's currently training agents using Windstar literature.

Tax and immigration laws related to foreign nationals visiting the United States to work and/or study are growing increasingly complex, Singer says. Not to mention tougher, since post-Sept. 11 regulations mean compliance is crucial.

Payroll managers and human resource professionals from the colleges and universities using Tax Navigator offer praise. One of those is Laurie Murphy, payroll manager for the Woods Hole Oceanographic Institute.

"We've had the software for over two years and I can't say enough about it," she says. "Everything from determining residence analysis to tax treaty updates to producing the 1042s."

The software determines tax residency, rates and exemptions, then completes

proper IRS and Immigration and Naturalization Services (INS) forms. Information can be collected from the foreign nationals through Windstar's web-based Foreign National Information System.

Automating accurate and up-to-date tax filings is Windstar's niche, and Singer says institutions and businesses can benefit if they employ foreign nationals, pay honoraria to visiting persons from abroad, pay foreign researchers, make royalty payments to foreign nationals or award taxable scholarships to foreigners.

Benefits can also be realized by companies paying foreign suppliers for U.S. services, paying foreign performing artists or athletes, hiring J-1 employees or paying gaming winnings to foreign nationals.

The gaming example is a hint at a future target market: casinos. Singer's work as a tax attorney has shown that "there's a lot going on there," with foreign seasonal employees and foreign artists and athletes, such as the Cirque de Soleil. She says she also hopes to expand sales in the corporate arena.

The Singers' books fall under the collective title "U.S. Tax Guides for Foreign Persons and Those Who Pay Them" and were written in part to keep people from inundating them with requests for free tax advice.

"I didn't mind when it was foreign students," Singer says. "But then it became attorneys and consultants. That's the reason I started writing my books. I just couldn't continue to practice pro bono. And there should be good information out there."

Admittedly, some of Singer's clients approach meetings with her like they would a visit to the dentist. And sometimes tax language and regulations can get the best of even this expert.

"At some stages, even my eyes glaze over," she says. "But it's a lot of fun. People think I'm crazy."