

LINDA'S ACCOUNTING SERVICE
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LINDA'S # ACCOUNTING SERVICE *You Can Count On Us!*

January 2008

Number 3

As 2008 begins, you can't help but feel a little melancholy as you reflect on the events of the past year and the excitement of a new beginning. For us here at Linda's Accounting Service, the new year is exciting as we plan and begin a new tax season. A time to look forward to seeing old friends as we review their year and a time to meet some new ones.

As we look back over this past year, we do have a lot to be thankful for. We have grown in our business, helped some new businesses get started, moved Peggy into her own office so that she can see her clients within the privacy of an office and took over the whole lower level of our suite. This was a bit of a stretch for us, but it feels good as we do hope to keep growing. We hired an administrative assistant, Cindi Cooke, who many of you will greet as you come through the doors in the next few months. Christine continues to work hard in the accounting field and with the clients we serve offsite. I am so fortunate to have my staff. Day in and day out, I have the honor of working with two of the best people in accounting and tax. Coming to work is truly a treat for me each day. They always come through for me and are there when I need them. Beginning in 2008, we are blessed to add Cindi to our team.

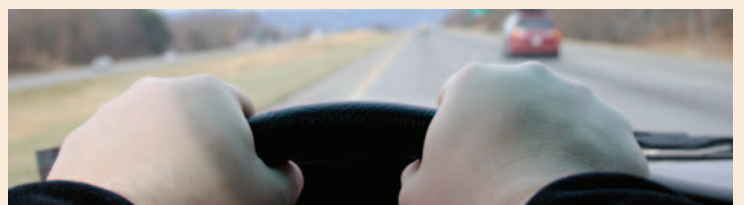
And finally, I'd like to thank all of you. It is a privilege to help you tax plan or help you maintain your company's books. After all, if it wasn't for all of you, I wouldn't have a job! Thank you for your continued trust, loyalty and for passing our name to others who are in need of our services. #

What Do You Need to Get Ready for the Next Tax Filing Season?

If I have given you a 9x13 organizer envelope, this is an excellent roadmap of items to be aware of. If you need this organizer, or a more personally tailored one based on last year's return, please call our office and we will gladly send you one. Get your appointment scheduled as soon as you can so your date is saved for you. When you schedule an appointment, we will send out a reminder postcard that has a list of items printed on the back that has proven to be very helpful to our clients. **Another reminder:** If you have a lot of details in your return, we need to see you prior to March 31st to have your return completed by April 15th. We cannot guarantee a timely filed return if your appointment is after April 1 and you have a small business, rental property or a return that requires research on our part. We do not automatically file extensions on your behalf. If you feel you need to extend the filing deadline of your return, you need to call us and request that we do so. If you are

going to owe tax, extending the deadline does not extend the time you have to pay, so we will still need to see you to ascertain how much money needs to be sent in with the extension request. An extension gives you until October 15th to file your tax return. Both the IRS and the Minnesota Dept. of Revenue recognize this tax filing deadline if the extension has been filed prior to April 15th. #

WOW—Mileage allowance for 2007 was 48.5 cents a mile. I hope all clients with unreimbursed business miles have kept a good log. **Double WOW**—the mileage for 2008 is 50.5 cents a mile. Need a mileage log? Contact our office and we'll be sure to send one out to you. Charitable or volunteer miles will stay at 14 cents per mile. Miles driven in 2008 for medical and moving purposes will decrease to 19 cents per mile, down from the 20 cents per mile rate in 2007. #



Alternative Minimum Tax

Several decades ago, a law was passed to ensure that wealthy individuals, who could claim many itemized deductions and tax-sheltered transactions, paid at least some minimum tax each year. It was called the Alternative Minimum Tax (AMT). This tax was not indexed to inflation, so now it is about to affect 23 million unsuspecting middle-class taxpayers with unintended higher taxes as a result. Another 25 million taxpayers will face higher taxes because several credits, such as the child tax credit and ten other such credits expire at the end of 2007. **You may be among those affected.**

For years Congress has been aware of this problem and has passed an annual patch in the law to extend the credits so that unintended taxpayers would not be affected by AMT. The number of potential taxpayers falling victim to AMT has grown so dramatically that a more complex fix is required this year. Unfortunately, Congress can't agree on how to remedy this situation, so it appears that it could be late this year or early in 2008 before this happens. This will cause a delay in tax return processing. It will take the IRS up to ten weeks to prepare its system for a fix, making it potentially unable to accept individual returns until mid-February.

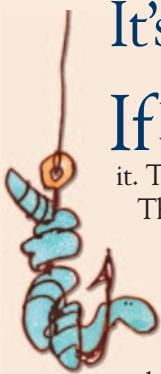
This news may come as a disappointment to you, especially if you are expecting a refund, but please know that as your tax advisors we are committed to staying on top of this issue and will continue to give you honest information and keep your best interest in mind. Our suggestion is that you **schedule an appointment** with us to go over your filing materials. It is a priority for us that your return is ready to file as soon as it becomes possible to do so.

If you have any questions regarding this or any tax issue, please contact us. As always, it is our pleasure to serve you. #

It's called Phishing

If you have received an email from the IRS telling you that you are entitled to a refund, do not believe it. This is bogus. The IRS never contacts you via email.

They always send written communication through the US Mail. If you are married, filing jointly, you will both get a letter. Should you receive one of these bogus emails, forward it to phishing@irs.gov. The IRS does want to know about these scams and works hard at trying to stop them. #



Computer and Cell Phone Guidelines

Did you buy a computer that you would like to deduct? Use the following guidelines to determine what is deductible. **If you are an employee:** a computer must be required as a condition of employment, and for the convenience of your employer to be deductible. **If you are self-employed:** the business percentage of computer usage, measured by time, is deductible. If you use your computer for investment reasons, the business percentage of use may also be deductible if you itemize. It is wise to keep a log of computer usage to support your deduction. The same documentation rules for computers apply to cell phones as well. Your records should show time, place and purposes of deductible business calls. The IRS has a hard time believing that any cell phone is used 100% for business. #



New Employee: Cindi Cooke



I will be joining Linda's Accounting Service in January of 2008. I obtained a B.S. in Science Teaching from Clemson University in Clemson, S.C. and have worked as a teacher and in research. I was raised in the South and have lived in Minnesota for 8 years. One of the nicest things about this area is the change of seasons.

I was looking for a place to grow professionally as I re-entered the work force. This seemed like a good place for me to continue being a mom and wife as well as start a new career. Although this is a different field than what I trained for, I am looking forward to growing in the field of accounting.

I enjoy my family, friends and dog, as well as knitting, gardening, and outdoor activities. I have been married for 24 years and we have 2 children, one in college and one starting soon. #

SPOTLIGHT ON YOU: OUR CLIENTS

The Chocolate Spoon Cafe

Located in historic downtown White Bear Lake, The Chocolate Spoon Cafe is owned and operated by husband and wife team, Jeff and Nancy Pofert. Nancy is the main operator, while Jeff provides behind the scenes support. The cafe is the only independent coffee shop in downtown, but it is so much more. It is a great community gathering space. The food is made on-site and the scones have been rated by customers as the best in the world. In addition to the cafe, Nancy has a sister business within the walls of the Cafe called Uno Carina Tre with café partner Gianna Ianos. Uno Carina Tre provides the art ambiance and boutique to the mix. The boutique is as much a part of the cafe as the food. It carries exclusive, one-of-a-kind artist original works. And we would be remiss if we didn't identify that, yes, The Chocolate Spoon Cafe does have chocolate. They carry a complete line of truffles from the famous St. Paul chocolatier—JusTruffles. #



ADLFitness Studios LLC

ADLFitness Studios is a boutique-style personal training studio that caters to the busy adult. Our focus, using a 30 Minute customized program design, is to help people achieve the fitness level they need to enjoy all their currently Activities of Daily Living (ADL), from chasing children and grandchildren to recreational activities such as golf. Kim Drumm, ADLFitness's owner and founder offers an alternative to the big club environment by focusing on productive use of your time at a more reasonable cost. When inquiring about our services, mention this ad, and receive 2 free personal training sessions. Contact Kim at: 612-396-2396; kdrumm@adlfitness.com; or www.adlfitness.com #



We'd love to share your story. If you'd like the "Spotlight" on your business, please, contact us!

Referrals are the best compliment you can give us, we thank you in advance for all the referrals you pass our way.