

LINDA'S ACCOUNTING SERVICE, INC.

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

July 2008

Number 4

"In the Summertime when all the trees and leaves are green and the red bird sings; We'll be blue cause we still have work to do!"

When April 15th comes I think we have all the time in world to get the extensions done and move on to the tax planning aspect of our business and we will have lots of time for other personal interests. It is beginning to dawn on me (after 5 years having an outside office with staff) that our days move just as quickly outside the tax filing season as they do between January 1st and April 15th. The only difference being we do not work seven days a week and we no longer work 12 and 14 hour days and we do make time for our families once again. We do however staff our office for the most part five days a week and eight hours a day. If you are one of our treasured clients who is still waiting for your corporation or personal return to be completed it isn't because we are not working, it is because we are working normal hours and doing the best we can to get everyone their returns on a timely basis. Thank you so much for your patience and rest assured that we are doing our best to complete an accurate return for you and that you are very important to us. Because we are a year-round tax and accounting office please feel free to call our office with questions, concerns, referrals, or to set up a tax planning visit to see if you are on track for your 2008 tax liability or if you're contemplating a change in your life that could implicate your tax liability. The best time to make changes is before the end of the calendar year for businesses as well as individuals. We as a staff are here to serve you! **Linda, Christine, Peggy and Cindi**



Wedding Bells are Ringing

On June 14th my youngest son, Ryan married Elizabeth Miller. The wedding was beautiful and we were able to share that day with lots of friends, and family from near and far. On August 30th, my nephew Jonathan will marry Melanie and my family has the pleasure of sharing the occasion and helping to make it special for them. On October 11th my son Joe will marry Julia and that memorable event will take place in Algonquin, Illinois. The end of July my husband and I will host Grandma and Grandpa Camp for our two grandchildren and have camp activities such swimming, fishing, arts and crafts, identifying nature and reading some books. That's the personal side of my life. #

Education Update

As many of you are already aware keeping my EA (enrolled agent) certification mandates I get 26 education credits per year. That is not difficult for me as I value education not only for myself but for my staff as well. In September, 2008 I will attend the IRS Forum in San Diego followed by a visit to my aunt in Hemet, California. At the IRS forum I am hoping to find out the latest information on AMT tax and what both houses will agree on for the 2008 tax filing season. I am also enrolled in a class to learn more about the 990(non-profit) tax return which has been totally revamped for the 2008 tax filing year. Also in September, all of the staff will be in St. Cloud learning about immigration, day care issues, foreclosures, bankruptcy and mortgage debt forgiveness and how these issues relate to taxes. In October, I will attend a seminar on trusts and estates and Peggy and I will get the updates for upcoming tax season. In January of 2009 – Peggy, Christine and I will attend the University of Minnesota Short Tax Course to get the latest tax information and review. We devote so much time to education because we only want to do the very best for our clients. #



Economic Stimulus Rebates

Hopefully the majority of you that were entitled to a stimulus rebate have already received it. I know there was some confusion as to when you were going to get the payment, how you were going to get payment, how much you should be receiving and what happens if you don't get a rebate now. **WHEN:** If you received a refund from your 2007 tax return and it was directly deposited, your stimulus rebate will also be directly deposited and all direct deposit payments should have gone into bank accounts by May 16th. If you had to pay a tax liability for the 2007 tax year your stimulus will be mailed by a paper check based on the final two numbers of your social security number. These checks will be mailed through July 11th. If your return has not been filed yet but will be filed before October 15th you will receive your stimulus before the end of the calendar year. If you are entitled to a stimulus payment but did not get it for whatever reason you shall receive it when we file your 2008 tax return. #



For those business clients who used standard mileage rates for business expense of their vehicles:

Instead of using the business portion of the actual expenses of operating a vehicle, the IRS permits taxpayers to use a standard mileage rate. IRS has issued new rates that are effective for travel on or after

July 1, 2008.

Business rate is 58.5 cents per mile (up from 50.5 cents per mile from January 1 – June 30, 2008).

Charitable rate is 14 cents per mile and is set by Congress therefore does not change until Congress makes such a change.

Medical and moving rate is 27 cents per mile (up from 19 cents per mile for January 1-June 30, 2008).

Just a reminder – Although this is good news for taxpayers, this will again create a small tax headache since we will again need to have the number of miles our business clients drove before July 1st and the number after. It's a good idea to keep a daily mileage log in your vehicle to help you keep track. #



Economic Stimulus Business Incentives

There were two business incentives included in the Economic Stimulus Rebate Act. Both of these apply only to business assets purchased during the calendar year 2008. First is an increase in the Section 179 deduction to \$250,000.00 (up from the indexed amount of \$128,000 that was going to apply for 2008). The business assets have to be purchased and placed into service during the calendar year 2008. Call us if you want more information on the rules that apply. Second is a revival of the 50% bonus depreciation. This is available in the same manner as it was back in 2001-2004. It will be available for new equipment and that has a MACRS class life of 20 years or less, and must be placed into service in 2008. Again, give us a call for a full explanation of the rules.

The amount of depreciation you can take on business vehicles has been increased. The following numbers are based on 100% business usage. For passenger automobiles it will be raised from \$2,960 to \$10,960.00 and for trucks and vans it goes from \$3,160 to \$11,160.00. If you use your vehicle less than 100% it will be adjusted accordingly as long as the business usage is greater than 50%. #

2008 Contribution Limits:

Health Savings Accounts = Individual \$2,900.00 and Family \$5,800.00.

IRA and Roth IRA Contribution = \$5,000.00 up to age 50 \$6,000.00 over age 50.

SEP Contribution = 25% of your wages (or up to 20% of your Schedule C income) up to a maximum of \$46,000.00.

SIMPLE Contribution = \$10,500 up to age 50 and \$13,000.00 over age 50. Plus 3% of your salary can be matched by your employer.

401K Plans and Roth 401K Contribution = \$46,000.00 up to the age of 50 \$51,000.00 over age 50.

Coverdell Education Saving Accounts (ESA) = Up to \$2,000.00 per year can be contributed into a Coverdell Education Savings Account until the child is age 18, unless the child is special needs. Remember if Grandma and Grandpa contribute money and the parents do as well the maximum for all contributions is \$2,000.00.

All of these contributions currently have phase out limitation please be sure and check with us to determine how much you can contribute to your various accounts. #

SPOTLIGHT ON YOU: OUR CLIENTS

Author, Gianna Ianos

My passion for writing was always something I enjoyed even when I was young, growing up in New York. I would spend hours writing and reading in my room. so much so, my mother would come in and check on me to make sure I was still breathing!

I find writing gives me the play time in the Fantasy World instead the day to day doldrums we have to do! Creating a fun space of time and excitement for my self and my readers!

My characters are whimsical, curious & playful. The books foster love, kindness, forgiveness, & trust. They all have a message in each story, some are more obvious some more subtle, but always

reminding children to never- ever- stop reading...and imagining!

I hope all my books will bring a good laugh, joy and harmony to each and every person who picks them up...

The first two books are part of a trilogy of fairy books and can be found at the Chocolate Spoon Cafe in downtown White Bear Lake, or contact the author at flowerfairies@msn.com. #



Brian Wheeler Photography

Brian Wheeler Photography specializes in weddings and senior photos along with special events from your son or daughter's sporting events to your parent's 50th wedding anniversary. While you are "in the moment" of your child's winning goal or making memories at the reunion, I will be capturing those moments for your scrapbook. After your event, you will receive your photos on 2 disks; one for your viewing and one for safe keeping. I reside in Circle Pines with my wife and two daughters. #

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To see more of Brian's work, go to:
<http://www.pixamo.com/users/brianwheeler/view>



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