

Carr Talks

TAXLOGIC



Finance and Taxes

How to Get Your Prior Year Tax Information from the IRS

Taxpayers who need certain prior year tax return information can obtain it from the IRS. Here are nine things to know if you need federal tax return information from a previously filed tax return.

1. There are three options for obtaining free copies of your federal tax return information – on the web, by phone or by mail.
2. The IRS does not charge a fee for transcripts, which are presently available for the current tax year as well as the past three tax years.
3. A tax return transcript shows most line items from your tax return as it was originally filed, including any accompanying forms and schedules. It does not reflect any changes made after the return was filed.
4. A tax account transcript shows any later adjustments either you or the IRS made after the tax return was filed. This transcript shows basic data – including marital status, type of return filed, adjusted gross income and taxable income.
5. To request either transcript online, go to <http://www.irs.gov> and look for a new online tool called "Order a Transcript". To order by phone, call 800-908-9946 and follow the prompts in the recorded message.
6. To request a 1040, 1040A or 1040EZ tax return transcript through the mail, complete IRS Form 4506T-EZ, Short Form Request for Individual Tax Return Transcript. Businesses, partnerships and individuals who need transcript information from other forms or need a tax account transcript must use the Form 4506T, Request for Transcript of Tax Return.
7. If you order online or by phone, you should receive your tax return transcript within 5 to 10 days from the time the IRS receives your request. Allow 30 calendar days for delivery of a tax account transcript if you order by mail using Form 4506T or Form 4506T-EZ.
8. If you still need an actual copy of a previously processed tax return, it will cost \$57 for each tax year that you order. Complete Form 4506, Request for Copy of Tax Return, and mail it to the IRS address listed on the form for your area. Copies are generally available for the current year as well as the past six years. Please allow 60 days for actual copies of your return.
9. A reputable tax preparation company should be able to provide you with either, access to your tax return copies online at no charge, PDF copies emailed to you, prior year copies burned to a CD, or for a small additional charge (less than IRS's) a hard copy print out of the prior years – many going back a decade or more.
10. You should keep copies of your returns for seven (7) years.

WEEKLY SUMMARY

This week may be seen as a turning point in a very slow grind out of the longest recession since the great depression. However, it was more that there was little bad news this past week, than there was a positive outlook. Facebook (you have an account right?) was able to get a valuation of upwards of \$50 BILLION dollars, without even touching the domestic market. Groupon (you have used it right?) spurned a \$6 BILLION offer from Google, feeling they would rather stay private for another year and not have to report to analysts and Wall Street every quarter.

Having said all of that, anecdotally, there is a lot of mistrust on Main Street towards Wall Street. Many people have been burned by the stock market. A lot of 401(k)'s have yet to recover. The Flash Crash in May '10 unsettled investors.

The housing market has yet to show any sign of a recovery. It may have bottomed, but there is no sign yet of any improvement, mainly because loans are very difficult to qualify and valuation are still trending downwards.

Employment is showing some signs of life, albeit though at lower wage levels. It would appear that it is an employers' market for at least 2011, with wage pressure on the downward side.

Investing

Does it feel that stocks are up nearly 100% since their lows in March 2009? Most retail investors are sitting on the sidelines, not convinced. So what are your investment options?

- a) Paying down debt. If you have any debt that is costing more than 6% - it has to be your first priority. The best rate of return on your money, will be the 18% credit card debt that you cannot even deduct for taxes,
- b) if you want almost absolute security – US Savings bonds. You can buy them online and buy inflation protected bonds whose interest rate and return is tied to the CPI.

c) Next in terms of safety would be an FDIC insured bank account Certificate of Deposit. Your returns reflect the risk taken. The lower rates of return are directly correlated to the security of your principal. Higher returns on an investment equate to a higher risk of default, delay, adjustment, or even total loss.

d) Annuities. Fundamentally, you give a lump sum now, to a financial institution, (generally an insurance company) in exchange for a future stream of payments. There is some State Insurance Commission oversight, but generally high commissions are paid to the financial planners offering these products.

www.carr.co.nz/stats

	Last Week	End of Week	Next Week	12/31/2011
Gold	\$1,361.40	\$1,342.40	\$1,320.00	\$1,600.00
Oil	\$91.40	\$88.11	\$92.00	\$120.00
Dow Jones	11,787.38	11,871.84	11,925.00	12,250.00
Prime Rate	3.25 %	3.25 %	3.25 %	4.00 %
Unemployment	9.40 %	9.40 %	9.40 %	9.50 %