

Carr Talks

TAXLOGIC



WEEKLY SUMMARY

The downgrade of almost 50% of the Euro countries sovereign credit ratings will add further pressure to an already deteriorating global economic position.

China announced further slowing of their economy while they try and position for a soft landing in their building and housing sector.

Retail sales continue to struggle and the momentum built up coming out of Christmas seems to be falling flat already.

The bigger concern is that Congress is back in session. After a 3 week break the first thing they have to address is the extension of the FICA cuts. With half of January gone already and partisan positions entrenched – the next 6 weeks will be a roller coaster. It seems inevitable that the extension of the 4.2% Employee FICA position will be extended – but what compromises will be extracted we will have to wait and see.

With the Republican nomination coming to a head, it would seem that Romney is the clear favorite and will increasingly focus on the administration in coming weeks.

The fear is that 2012 will be another challenging year with taxes and politics front and center. Banks remain constrained in their lending and without credit companies cannot expand and take on more workers.

Tips to help choose your tax preparer

Tips to Help You Choose Tax Preparers

Many people look for help from professionals when it's time to file their tax return. If you use a paid tax preparer to file your return this year, the IRS urges you to choose that preparer wisely. Even if a return is prepared by someone else, the taxpayer is legally responsible for what's on it. So, it's very important to choose your tax preparer carefully.

This year, the IRS wants to remind taxpayers to use a preparer who will sign the returns they prepare and enter their required Preparer Tax Identification Number (PTIN).

1. Check the preparer's qualifications.

New regulations require all paid tax return preparers to have a Preparer Tax Identification Number. The IRS is also phasing in a new test requirement to make sure those who are not an enrolled agent, CPA, or attorney, have met minimal competency requirements. Those subject to the test will become a Registered Tax Return Preparer once they pass it. **(A CPA reviews all returns, attends ongoing CPE and each return has a valid PTIN)**

2. Check on the preparer's history.

Check to see if the preparer has a questionable history with the Better Business Bureau and check for any disciplinary actions and licensure status through the state boards of accountancy for certified public accountants; the state bar associations for attorneys; and the IRS Office of Enrollment for enrolled agents. **(We have no issues with the BBB)**

3. Ask about their service fees. Avoid preparers who base their fee on a percentage of your refund or those who claim they can obtain larger refunds than other preparers. Also, always make sure any refund due is sent to you or deposited

into an account in your name. Under no circumstances should all or part of your refund be directly deposited into a preparer's bank account. **(We do this upfront)**

4. Ask if they offer electronic filing. Any paid preparer who prepares and files more than 10 returns for clients must file the returns electronically, unless the client opts to file a paper return. More than 1 billion individual tax returns have been safely and securely processed since the debut of electronic filing in 1990. Make sure your preparer offers IRS e-file. **(We were the first to offer efile 14 years ago)**

5. Make sure the tax preparer is accessible. Make sure you will be able to contact the tax preparer after the return has been filed, even after the April due date, in case questions arise. **(We are available year round via many means of communication)**

6. Provide all records and receipts needed to prepare your return. Reputable preparers will request to see your records and receipts and will ask you multiple questions to determine your total income and your qualifications for expenses, deductions and other items. Do not use a preparer who is willing to electronically file your return before you receive your Form W-2 using your last pay stub. This is against IRS e-file rules. **(We ensure that we are comfortable with information provided before submitting the return.)**

8. Review the entire return before signing it. Before you sign your tax return, review it and ask questions. Make sure you understand everything and are comfortable with the accuracy of the return before you sign it. **(We ask – encourage you to do this)**

	Last Week	End of Week	Next Week	12/31/2012
Gold	\$1,615.90	\$1,635.50	\$1,650.00	\$1,950.00
Oil	\$101.28	\$98.70	\$105.00	\$120.00
Dow Jones	12,359.92	12,422.06	12,300.00	12,000.00
Prime Rate	3.25 %	3.25 %	3.25 %	3.25 %
Unemployment	8.60 %	8.60 %	8.60 %	8.30 %



Services that we provide:

- Tax preparation, individuals, corporations, LLC's, partnerships, overseas residents, non resident aliens, prior year returns
- Annual minutes for your company
- Ability to use QuickBooks and Quicken files, Online QuickBooks
- Certified QuickBooks Pro Advisor
- Monthly accounting – we will prepare your financial statements, bank reconciliations and depreciation calculations
- Payroll preparation and filing – we offer turnkey payroll solutions
- Human Resource Management – we can prepare an employee handbook for your particular situation
- Entity selection and compliance with various State and Federal regulations
- Efficient tax strategies – we can **recommend** the most appropriate strategy for your particular situation
- Financial planning - we can give you appropriate financial planning and budgeting information
- Forensic accounting – we can investigate “white collar” crime committed against you, or your business
- Valuation services – we can assist with the valuation of your business and investment assets for specific applications, estate planning, divorce, buy and sell agreements

New for 2010 tax year in 2011:

- You will be able to check on the status of your refunds www.irs.gov
- We will store your source documents online in a PDF file format for easy access in future years
- Electronic filing of Sub S and C Corporations and Partnerships
- We will be able to file multiple state returns this year – in the past we were limited to the number of state returns we could file for you
- Medical records – we are giving you the opportunity to have all your medical records in one secure location – www.allmymedicalrecords.com
- Charitable donations. Maintain your charitable deductions during the year at www.allmydeductions.com. In that way whether you use cash, credit card, debit card, checks, or donation of clothes etc you won't miss any deductions. Use our convenient list of accepted valuations to value your donated goods to Goodwill, Salvation Army, church, etc
- Entity selection – we have extensive information on company formation, whether it is an LLC, S Corporations, or C Corporations. Once you are incorporated we will walk you through the setup process
- Federal Identification applications – we can file and receive federal identification numbers – all on line for your convenience
- On line legal forms – we have the ability to prepare basic legal forms online
- Payroll preparation – we offer a comprehensive, competitively priced online payroll preparation service



Payroll Processing Services

You provide:

- Hours worked and employment information and forms for the staff. You can email, (Karen@psspaysroll.com) fax (580) 286 5818 or call toll free (800) 937 8868 to give us this information

We will provide the following services:

- No long term contract
- Payroll preparation for your employees and direct deposit of payroll checks and ACH transfer of payroll amount
- Payroll calculation within 24 hours
- Compliance with all government and state withholdings requirements
- Detailed invoice for all payroll related costs

Each Pay Period you will get:

- Payroll stubs for employees
- Management report detailing cost breakdown but only one amount to pay for all federal and state taxes
- Direct deposit of net payroll

Each Quarter

- We will file all required state and federal quarterly reports

What we need to get started:

- W4's for each employee
- I-9's for each employee
- Direct deposit information for the employees
- Bank details for the company's payroll account
- Your Federal ID number for the business