

Carr Talks

TAXLOGIC



WEEKLY SUMMARY

It was a subdued week on the global stock exchanges. Greece appeared to be lurching toward a debt forgiveness and haircut to its lenders of \$123 billion. A proposal from Germany that the Greeks allow Germany to dictate budget policies was dead on arrival in Athens, The Euro situation will be much clearer by the end of February,

Unlike the US presidential campaign. With Newt Gingrich unlikely to go down without a fight, it will be a drawn out a damaging process. Mitt will win Florida and take all the delegates, but Newt will fight on.

It appears that Facebook will finally go public and announce plans on Wed this week as the most hyped stock offering (of all time?). What ever it lists at, expect a first day pop of 20 – 30% as investor mayhem takes over from reality. It may well turn out to be the next Google. Time will tell if it is a fad or a long term part of the fabric of our society.

While the 4th quarter came in stronger than generally accepted, there is general nervousness across the world as to how 2012 will fare. Most central banks are forecasting interest rates to stay at these historically low levels through the beginning of 2013 – indicating a lot of uncertainty as to the pace of any global recovery. With Iran rattling sabers, nothing is impossible.

Information you need to know about Identity Theft - II

9. Show your Social Security card to your employer when you start a job or to your financial institution for tax reporting purposes. Do not routinely carry your card or other documents that display your Social Security number.

10. For more information about identity theft – including information about how to report identity theft, phishing and related fraudulent activity – visit the IRS Identity Theft and Your Tax Records Page, which you can find by searching “Identity Theft” on the IRS.gov home page.

11. IRS impersonation schemes flourish during tax season and can take the form of e-mail, phone websites, even tweets. Scammers may also use a phone or fax to reach their victims. If you receive a paper letter or notice via mail claiming to be the IRS but you suspect it is a scam, contact the IRS at <http://www.irs.gov/contact/index.html> to determine if it is a legitimate IRS notice or letter. If it is a legitimate IRS notice or letter, reply if needed. If the caller or party that sent the paper letter is not legitimate, contact the Treasury Inspector General for Tax Administration at 1-800-366-4484. You may also fax the notice/letter you received, plus any related or supporting information, to TIGTA. Note that this is not a toll-free FAX number 1-202-927-7018.

If you get caught up in this situation – you have to be prepared for it to take time to get this resolved. It will not happen over night and you should be prepared for it to take 6 months, delaying your refund in the process. You can ask for hardship partial releases of your refund, but insist on getting a PIN number to prevent the issue recurring in future years.

Four Tax Tips Regarding Tip Income

If your pay from work involves compensation through tips, then the IRS would like you to be aware of a few facts about tip income. Here are four key points to keep in mind:

1. Tips are taxable Tips are subject to federal income, Social Security and Medicare taxes. The value of non-cash tips, such as tickets, passes or other items of value, is also considered income and subject to tax.

2. Include tips on your tax return You must include in gross income all cash tips you receive directly from customers, tips added to credit cards, and your share of any tips you receive under a tip-splitting arrangement with fellow employees.

3. Report tips to your employer If you receive \$20 or more in tips in any one month, you should report all of your tips to your employer. Your employer is required to withhold federal income, Social Security and Medicare taxes.

4. Keep a running daily log of your tip income. You can use IRS Publication 1244, Employee's Daily Record of Tips and Report to Employer, to record your tip income.

	Last Week	End of Week	Next Week	12/31/2012
Gold	\$1,671.10	\$1,740.40	\$1,750.00	\$1,950.00
Oil	\$97.93	\$99.76	\$105.00	\$120.00
Dow Jones	12,720.48	12,660.46	12,500.00	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@psspayroll.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