

Tax & Financial Guide

Business and Personal ACCOUNTING, TAX,
SOFTWARE & FINANCIAL PLANNING SERVICES

Dealing With Casualty Loss

It seems like Mother Nature has been especially bad tempered lately. If you have been affected by “Acts of God” like hurricanes, tornadoes, earthquakes, floods, or other casualty losses like fires, make your life a little easier.

List everything you discard because of the loss. Make a list of anything you lose, from something big like a car or furniture, to all

the small things like your clothes. You may be able to get a tax deduction due to the loss.

If you have insurance that will cover part of the loss, we will want to determine everything you lost and what amount of insurance you received. Some losses are not covered by insurance and we want to get the largest deduction you are entitled to.



Plan Ahead And Be Prepared

You may not be thinking about your tax return right now, but Fall is a great time to start planning for next year. Organize your records now and continue through the rest of the year.

Then, when you need to submit your records to get your taxes prepared, you will be almost completely ready. This makes it easier to include all your deductions and not miss any.

Mileage Rates Up

The IRS has raised medical and moving mileage as of 7/1/11 from 19¢ per mile to 23½¢ per mile. Business mileage as of 7/1/11 from 51¢ to 55½¢ per mile.

If you use medical, moving, or business mileage deductions for your taxes, keep records for both the first and second halves of the year. Remember to write down your odometer reading each year on 12/31 so you have total annual vehicle mileage.



Withholding Up

Has your federal withholding increased this year? If your income is similar to last year, it should have increased.

There will be no Making Work Credit on your federal tax returns this year. That means the amount of federal withholding you need will be around \$400 higher for single people and \$800 higher for married people.



Third Quarter tax estimates are due September 15, 2011.

If you want us to prepare them for you, we need your income, deductions and withholding amounts in our office by September 10, 2011.

Please call our office to discuss any of the items in this newsletter that may pertain to you.



Sharon L. Murphy, EA

7118 West Center Street
Milwaukee, WI 53210

Phone: 414/453-8655
Fax: 414/453-6396

Email: sharon@murphyea.com
Web site: www.murphyea.com

*Murphy Financial Services, Inc.
web site is at www.murphyEA.com*

If you misplace your newsletters, or your information sheets that I have given you (i.e. contributions, enrolled agents, etc.), you will be able to find them on the web site.

Please note that our e-mail address is: sharon@murphyea.com.

PRIVACY POLICY

We do not disclose any non-public personal information about our clients or former clients to anyone, except as instructed to do so by such clients, or required by law. We restrict access to non-public personal information only to IRS or state authorities and we maintain physical, electronic, and procedural safeguards to guard your personal non-public information.

Record Keeping Tips

People often ask which records to keep and for how long. The IRS tells us to save all of our tax returns. In addition, here are some general rules. If you have specific questions related to your situation, please ask.

For at least four years, you should keep: Bills....credit card and other receipts.... invoices....mileage logs.... canceled, copied or substitute checks, or other proof of payment....any other records supporting deductions or credits you claim on your tax return.

Avoiding Identity Theft

Identity theft occurs when someone uses your personal ID information, like your name, Social Security number, or credit card number, without your permission, to commit fraud or other crimes. The FTC estimates that as many as 9 million Americans have their identities stolen each year. For more information visit FTC.com.

Identity theft can be catastrophic and take years to recover from. To protect yourself, shred anything containing your personal information before recycling it or throwing it in the garbage. And be aware that the IRS does not contact taxpayers by email or telephone to request

For at least four years after they are concluded, you should keep records pertaining to: Home purchase or improvements....stocks, bonds, or other investments....IRA transactions (whether ordinary IRA, Roth IRA, SEP, etc.)....rental property records.

Small Business Records

If you are a small business owner, keep the following for at least four years: Gross receipts....cash register tapes....bank deposit slips....receipt books.... invoices....credit card charge

personal information.

Here's one way to control your information. Go to www.allclearid.com to get a free credit check. Once you see that your credit is okay, you can freeze it so no one can run a credit check or steal your identity easily. If you plan to get a credit card, refinance your home, or obtain a loan, you can "thaw" your credit account.

Remember that you control who can access your credit.



slips....Forms 1099-Misc.

Proof of purchases: Cancelled checks....cash register tape receipts....credit card sales slips and invoices.

Expense documents: Cancelled checks....cash register tapes....account statements.... credit card sales slips....invoices and petty cash slips for small cash payments.

Documents to verify your assets: Purchase and sales invoices....real estate closing statements and canceled checks. Employment and employment tax records.

Need A Plant?

Many people have been jealous of my dieffenbachia plant in the office. I have started a lot of baby plants. If you are interested in adopting one, let me know. They love lots of light and need little care (other than the light).

2010 Taxes Still Due?

If you got a 2010 tax return extension but still haven't filed, your return is due October 17, 2011. If you are having us prepare the returns, I'm reminding you that I will be out of the office October 13-16. The later you get us your information, the more your preparation fee will be.



7118 West Center Street
Milwaukee, WI 53210

414/453-8655