

# Tax & Financial Guide

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



## Economic Stimulus Payments

Second quarter tax estimates are due June 16, 2008. If you want us to prepare them for you, we need your income, deductions and withholding amounts in our office by June 11, 2008.

The federal government has had some problems stimulating us. About 1,500 stimulus payments were deposited into the wrong bank accounts. The IRS is sending out 350,000 additional payments to those people who did not get the correct amount of stimulus payment.

Problems were created by incorrectly prepared tax returns as well as errors caused by certain tax preparation software. Aren't you glad you have Murphy Financial Services prepare your return?

If you get your rebate in check form, there are businesses that are offering an extra 10% buying power if you bring the actual check to their establishments. Many



taxpayers who paid with their original returns could get an extra bonus since they have been receiving checks instead of direct deposits.

Taxpayers who filed for an extension and submitted their returns after April 15 will still get their stimulus payments.

If you did not qualify for a rebate in 2008, you may qualify in 2009. Taxpayers who were dependents on their parents' return, or taxpayers whose income was below the necessary level, may qualify for a rebate when they file their 2008 tax return. Children born or adopted in 2008 could get you an extra payment.

## Identity Theft On The Rise

The IRS is doing a poor job of preventing identity theft. Not only has it gotten easier for IRS employees and contractors to gain unauthorized access to taxpayer files, but there were nearly 500 laptops that became misplaced. Many of them contained encrypted taxpayer data.

Identity theft is clearly increasing. Make sure you shred anything that has your personal information before recycling it or putting it in the garbage. Why make it easier for the thieves? After their identity is stolen, it takes people several years to regain their safe, secure and unencumbered identity.

Be aware that the IRS does not contact people by email or telephone to request personal information in order to send any payment. Such contacts are made by scammers and can lead to loss of your money and/or your identity.

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



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## New Service Offered: Development Of Personal Budgets

Murphy Financial Services now offers a new service. We are preparing budgets for your personal situation.

Since the economy has become so challenging, we are getting more requests for help from clients who are finding it

increasingly difficult to handle expenses with their current earnings.

We will work with you to develop a personal working budget to help you with your finances. Contact us if you are interested.

## IRS News

The IRS needs to keep better tabs on its spending.

Over the past four years, inspectors have found that millions of dollars have been paid to contractors without the IRS substantiating the invoices. One contractor bilked the IRS out of \$1.3 million. That money is coming out of our pockets.

The IRS is planning to unveil a secure internet portal by the end of the year that will let you view and print out three



years of tax returns and other account information. This will be a great way to replace lost tax returns quickly.

Wesley Snipes was sentenced to three years in prison for failing to file his tax returns for 1999 through 2001. His prison

sentence serves as a loud and crystal clear message to tax cheats that they will be jailed for not filing their returns. It is a crime to willfully fail to file tax returns.

There are a lot of tax change bills that have been passed in either the Senate or the House. Once the bills are approved by Congress, we will let you know what changes have become tax law.

## Freezing Expenses

If you are one of those people who abuse their charge card usage, try this tip.

Get rid of all your charge cards except one. Take that one card and put it in a quart container. Fill the container with water. Then put the container in your freezer.

You will not be able to use charge cards to make every day purchases. If you think there is



something you need to buy and charge, you will have to take the time to first thaw out your charge card. That time will give you the opportunity to determine if you really NEED to buy the item or if you can do without it.

If you do make the purchase, make sure you immediately put the charge card back into your solid "freezer container".

## Also Of Note

Since interest rates have been falling, this may be an ideal time to make gifts to those you would like to share your assets with, whether your heirs or your favorite charity.

If you haven't yet done it, now's a good time to prepare your will, medical power of attorney, and evacuation box.

Please contact us if you are getting married or divorced, buying or selling a business or rental property, or retiring.

*Murphy Financial Services, Inc.  
web site is at [www.murphyEA.com](http://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: [info@murphyea.com](mailto:info@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.



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