

# Tax & Financial Guide

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

## Keep Track Of Charitable Donations

Since the IRS is doing its best to make it harder and harder to write off contributions, I want to make sure that everyone gets credit for every charitable donation they make.

Each year, save your grocery receipts. When the scouts, your church or your place of employment collect food for the food pantries, you can take things from your cupboard, find the receipt, and circle the items you donated. This way, you will have a receipt for the donation you made. Make sure you save the receipts that include the donated items.

If you are giving items to Goodwill, Purple Heart, or other organizations, get in the habit of putting the items in a box. Keep a paper and pen

in the box or nearby. List the items you put in the box as you fill it. When you donate the items, get a receipt from the organization, if you can. Staple your list to the receipt. Then go to the Goodwill website, [www.goodwill.org/wpcontent/uploads/2010/12/Donation\\_Valuation\\_Guide.pdf](http://www.goodwill.org/wpcontent/uploads/2010/12/Donation_Valuation_Guide.pdf) to print their values for selected items. Add values to your list of items so you will be ready with your noncash donations when it is time to prepare your tax return.

You can determine your own values or use the Goodwill estimates. You need to have a list of what you think your donated items are worth, and it helps to show the IRS how you determined your values.

## Two Great Opportunities

I have a beautiful Wauwatosa brick duplex for sale at a discounted price. Each unit has 3 bedrooms, 1½ bathrooms, eat-in kitchen, built-in china cabinet, and tons of closets. There is a two-car garage with a new garage door opener. The house has gutter caps so you don't need to spend your time climbing a ladder and cleaning out the gutters.

I am offering a cash reward for anyone finding a buyer for the duplex. If you would rather rent than own, the upper unit is available for rent.

Call my office for information regarding either opportunity.

## Ghost Preparers?

The IRS is looking for "ghost" tax preparers. Those are people who prepare tax returns and charge clients for their work, but *do not* sign the returns they prepare.

The IRS is trying to stop these ghosts because their tax returns are too often erroneously prepared. The IRS hopes to make sure all tax preparers are licensed and educated on the current tax laws.

This will help protect people from submitting inaccurate returns that can cause tax overpayments and frustrating, time-consuming calls and meetings with the IRS.

Second Quarter tax estimates are due June 15, 2011. If you want us to prepare them for you, we need your income, deductions and withholding amounts in our Office by June 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

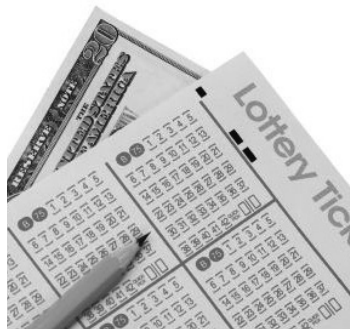
Phone: 414/453-8655  
Fax: 414/453-6396

Email: [sharon@murphyea.com](mailto:sharon@murphyea.com)  
Web site: [www.murphyea.com](http://www.murphyea.com)

## Lottery Credit Important

Make sure the real estate tax bill for your primary residence includes the lottery credit each year. We try to make sure that we catch tax bills missing the credit so we can prepare the form to send to the county to get the credit for the current year, and make sure it is set up for future years.

We have discovered if you change the mailing address on your real estate tax bill, the



municipality may remove the lottery credit from your real estate tax bill. Since we are all entitled to the lottery credit on our primary residence, we want to make sure you get all the credits due to you.

*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: [sharon@murphyea.com](mailto: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.

## Taxpayer Protection

**I am an Enrolled Agent.** Do you know what that means? An Enrolled Agent, EA, is a federally licensed tax practitioner with technical expertise in the field of taxation, who is empowered by the US Department of the Treasury to represent taxpayers for audits, collections and appeals before all administrative levels of the Internal Revenue Service.

EAs must take continuing education credits each year and report those hours to the IRS in order to renew their license. As a member of the NAEA (National Association of Enrolled

Agents), I am required to fulfill more continuing education credits than the IRS requires. These continuing credits help protect my clients. Many appreciate the fact that I keep up to date on all the tax law changes.

Enrolled Agents advise and represent, and prepare tax returns, for individuals as well as partnerships, corporations, estates, trusts and any other entity with tax-reporting requirements. EAs prepare millions of tax returns each year.

If you have any questions regarding enrolled agents, please contact my office.

## IRS Duped By Phony Credits

The IRS discovered that it paid millions of dollars for the first time homebuyer's credit to people who were not entitled to it. It is now working on getting some of that money back.

Then the IRS found they paid almost \$17 billion of earned income credits that taxpayers were not entitled to. Now the latest fraud showed up in energy tax credits. Because the IRS didn't require taxpayers to provide documentation with their tax returns, it paid people who didn't actually purchase energy efficient equipment.

The IRS will now probably



send letters to taxpayers asking for paperwork. If you had an energy credit on your 2007, 2009 or 2010 tax return, be forewarned that you may need to send copies of your receipts to the IRS. Please let us know if you get a letter regarding this. It certainly would be a lot cheaper for the country if the IRS could make changes to the tax code that are not easily open to fraud.

## Tax Tips

**Extensions** If we prepared an extension for you on April 18, 2011, make sure you get your records to us as soon as possible. If you deliver your information to us by the end of June, you can get your tax returns prepared without paying any late fees.

**Skilled Preparation** If you know anyone who needs their tax returns prepared, we are taking on new clients. We can prepare their 2010 taxes as well as any prior year tax returns. We also handle returns for all 50 U.S. states.

**Bug Spray?** The latest places to be hit with bedbugs are several IRS offices. They employ pest technicians and pest-sniffing dogs to find and kill the varmints. If the IRS calls you in for an audit, we may want to bring in bedbug spray.

## Help Fight Cancer

I am walking my eighth 60 mile walk for Breast Cancer Research this August in Chicago. I need help with donations to raise a minimum of \$2300. This provides needed funding for a great cause and is also an event that brings people together for a unified effort. All donations are tax deductible. Contact me if you'd like to help.



7118 West Center Street  
Milwaukee, WI 53210

414/453-8655