

Tips & Tidbits

Financial Newsletter For «Name»
Issue 6 - December 2005

Tax Deadlines

Personal Deadlines:

Jan. 15 - Pay 4th Qtr. Est. Tax Payments

Tax Tip - To increase this year's itemized deduction for state taxes pay your 4th qtr. state est. tax payment before Dec. 31st.

Business deadlines:

Dec. 15 - 941 Payment - Monthly Payers
- MN Withholding Payment
Monthly Payers

Dec. 20 - MN Sales & Use Tax
Monthly Payers

Jan. 15 - 941 Payment - Monthly Payers
- MN Withholding Payment
Monthly Payers

Jan. 20 - MN Sales and Use tax
Monthly & Quarterly Payers

Jan. 31 - 4th Qtr 941 Report Filed
- File form 940 or 940-EZ
- File 4th Qtr MN Withholding and SUTA Reports
- W2's & 1099's must be mailed

Feb. 15 - 941 Payment - Monthly Payers
- MN Withholding Payment
Monthly Payers

Feb. 20 - MN Sales & Use Tax
Monthly Payers

Feb. 28 - File Federal copy of W2's
and 1099's

Mileage Rate Increase

For those of you that take the standard mileage deduction for business use of a vehicle, we have some good news. The IRS has increased the standard mileage rate from 40.5 cents to 48.5 cents per mile for the last four months of 2005.

In addition, The rate for deductible medical or moving expenses is increased from 15 cents to 22 cents per mile while the rate for charitable mileage is set by statute and remains at 14 cents per mile.

Itemized Deductions & The Red Flag Myth.

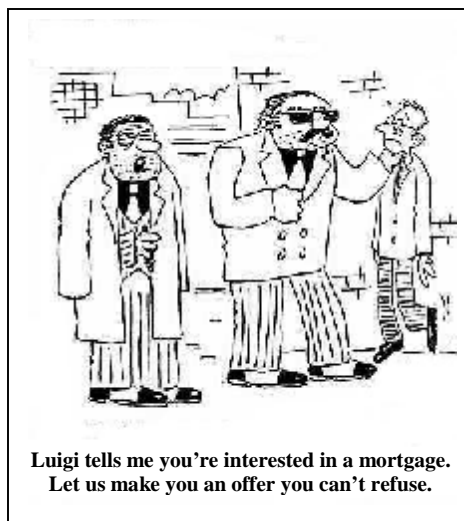
I have had many clients ask me, "I know I've spent a lot in this area, how much can I deduct before I'll get a Red Flag that will trigger an audit.

The truth of the matter is that, while the IRS does look for numbers that seem outside a range in various categories,

there is absolutely no reason not to take every legitimate deduction regardless of the dollar amount.

The important thing to remember is to make sure you keep adequate records to support every deduction you take. Then if you are audited, you can provide the IRS with the documentation they request and substantiate the deduction.

Please note, if you ever receive an audit notice, only provide them with exactly the information they are asking for and no more. Please remember, if we prepared your tax returns, our assistance is included at no extra charge so contact us immediately so we can help you respond in the proper manner.



Mortgage Loans - Bank vs Broker

You have decided you want to purchase a new home, refinance your mortgage, get a second mortgage or HELOC (Home Equity Line Of Credit) and you now ask yourself, do I go to my bank or seek out a mortgage broker.

There are many instances where going to your bank may be the quickest and easiest process. However, when you go to your bank, your options are limited to the loan programs they have to offer. While this may be great in some instances, there are many times where special needs dictate programs the bank does not have to offer.

In addition, bank rates are often higher than those offered by a broker.

Brokers deal with many different lenders, each with unique programs and/or loan requirements. Brokers then use their expertise and knowledge of those programs to find the right program to fit your situation and in many cases can give you several alternatives.

We want to assure you that we always keep your best interest as our top priority and will not hesitate to recommend alternatives such as your bank when appropriate.

Please remember, we offer a free no obligation consultation to help you sort through all the details. We will provide you with the information you need to make an informed decision and never strong arm you like Luigi.

Purchasing A New Home Or Vacation Property

You have made the big decision to buy your first home, upsize, downsize or get that vacation cabin. You ask yourself "what do I do now?"

Besides the obvious decisions, location, size, style and the various amenities you want, there are many other things to think about.

Some things to think about

- Ø Use a realtor or do it on your own?
While you may save money doing it on your own, you lose the expertise of a good realtor and will spend more time in your search.
- Ø Get a pre-approval as it can strengthen your buying power.
- Ø Talk to your insurance agent to get proper coverage and insure all paperwork is ready for the closing.
- Ø Obtain certified funds for closing.
- Ø Make a list of all utilities and other bills that will need to be set up or have addresses changed.
- Ø Consult a tax advisor to discuss effects on your tax situation.
- Ø Conduct a walk through of property prior to closing.

Steven Specktor & Gary Quam
Tax & Business Solutions, Inc
4021 Vernon Avenue South | Suite 208
St. Louis Park, MN 55416

«Name»
«Street»
«City», «State» «Zip»

