

## Client NEWSLETTER

July 2008

IRS SETS NEW MILEAGE RATES BEGINNING JULY 1, 2008 ~ SEE BELOW!



### Mileage Rates

	2007	2008
Business	48.5	50.5
January-June	48.5	50.5
July-December	48.5	58.5
Medical	20.0	19.0
January-June	20.0	19.0
July-December	20.0	27.0
Moving	20.0	19.0
January-June	20.0	19.0
July-December	20.0	27.0
Charity	14.0	14.0

(cents per mile)

Business

January-June 48.5 50.5

July-December 48.5 58.5

Medical

January-June 20.0 19.0

July-December 20.0 27.0

Moving

January-June 20.0 19.0

July-December 20.0 27.0

Charity

14.0 14.0

### IMPORTANT DATES

Extended individual tax returns due:

**October 15, 2008**

Individual federal/state estimated tax payments due:

**September 15, 2008**

**January 15, 2009**

Extended corporate tax returns due:

**September 15, 2008**

Extended partnership/estate/trust tax returns due:

**October 15, 2008**



### GOING GREEN ~

### The Quest for "Less Paper"

According to The Environmental Paper Network, the paper industry is the 4th largest contributor to greenhouse gas emissions. 42% of industrial wood harvest is used to produce paper and, already, 50% of the world's forests have been cleared or burned while what remains is badly damaged.

If office paper usage is cut by 10% in the United States alone, the Network estimates that emissions of greenhouse gases will be reduced by 1.6 million tons.

#### What We're Doing:

For many years we have been part of the Internal Revenue Service's electronic filing program.

Transmitting returns in this manner saves a great deal of paper while also saving you a trip to the post office. This past tax season, we encouraged e-filing by making it free-of-charge.

Two years ago we implemented a "paperless" filing system. All of your data is scanned into this system and the originals returned to you. Should you need a copy of your tax return or other document, it can be securely faxed or emailed at the click of a button. No additional paper copy is made.

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## STRUCTURED ANNUITY SALES

In the past, business and real estate owners had three options upon selling:

1. Recognize capital gains in the year of sale,
2. Create an installment sale and collect payments from the buyer, or
3. Acquire like-kind property in a Section 1031 exchange.

Now there is a fourth option: the structured annuity sale. This option is good for the owner who does not immediately need the cash from the sale and is looking to retire and/or wants a fixed income for a period of time.

### **How It Works:**

The buyer writes a check for all or part of the agreed-upon price to a third party assignment company. The third party assignment company purchases an annuity designating the seller as the sole beneficiary. The seller begins collecting annuity payments on a monthly or yearly basis, recognizing a portion of the payments as capital gains each year. Full title passes to the buyer at the closing.

### **Benefits:**

There are many benefits to the structured sale annuity. The seller recognizes no capital gains in the year of sale. Similar to an installment sale, capital gains are recognized as the annuity payments are received. The buyer receives full title immediately rather than waiting until the installment sale is complete. The seller receives guaranteed payments, which will pass to his/her heirs if necessary.

### **Caveat:**

The portion of the selling price intended for the annuity must not pass through the seller's hands. It must go into the annuity through a third party assignment company.

*(Going Green... continued from page 1)*

Beginning with the 2009 tax filing season, tax organizers and completed tax returns can be made available on a secure web server. With a username and password of your choice, simply log-in and retrieve your information. Organizers may be completed online, at your own pace, and saved at any point in time. When the organizer is complete, simply click a button. The web server sends us a notification and the information is downloaded into our tax software and paperless filing system. Once the tax return has been completed, you may opt to have us post it to the secure web server where you can retrieve it at any time by logging into your account. This system saves us countless reams of paper.

### **What You Can Do:**

Ask us for your tax return on CD-ROM instead of a paper copy.

Email us your tax documents by scanning them into a PDF file.

Ask for your returns to be filed electronically at no additional charge.

Notify us that you will be filling out your organizer online or would like it emailed to you.

Opt-out of credit card and mortgage loan offers by going to [www.optoutprescreen.com](http://www.optoutprescreen.com).

Eliminate unwanted catalogs from your mailbox by going to [www.catalogchoice.org](http://www.catalogchoice.org).

Receive bills via email and pay them online.

