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NEWSLETTER
APRIL 2007

HAPPY APRIL FOOL'S DAY

Hopefully none of you will be fooled come April 17, 2007, due date for filing and paying any balance due. And don't forget, on that date you have to make your first estimated tax payment for 2007. If you are unable to come up with the money, for heaven's sake, file the return to avoid failure to file penalties. Arrangements for paying on the installment plan can be made with The IRS but penalties and interest will continue to accrue until you pay the full amount due.

FRIENDLY REMINDER TO PROCRASTINATORS

As in the past, April 10th is the cut off day for us to prepare your return by April 17th. After that date, your return will be put on extension.

CLAIMING THE HOME OFFICE DEDUCTION

When you sell your principal residence for a profit, up to \$500,000 (\$250,000 if not married) of the gain is excluded. However, if you have claimed the home office deduction, the portion of the gain attributable to depreciation will be taxed at 25% and not the favorable 15% capital gain rate.

INDIANA REAL ESTATE ASSESSMENT

Guess what you will be receiving in the mail shortly from your township assessor? Your annual trending which is nothing more than increasing your real estate assessment so you pay more real estate taxes. One client's land went up 97.6%!!! Is it time for a tea party?

HYBRID VEHICLE TAX CREDIT

For those of you who purchased a hybrid vehicle in 2006, don't be surprised if you are unable to claim the credit. Why, you ask. Because a limitation was applied to your particular situation. Sorry.

DIRECT DONATIONS FROM YOUR IRA

For 2006 and 2007, taxpayers' over 70 1/2 can avoid tax up to \$100,000 of otherwise taxable traditional or Roth IRA distributions. The distribution must be directly transferred from your IRA custodian to a qualified charity you choose. The amount so transferred is treated as meeting your required minimum distribution. And no, you do not get a charitable deduction too.

IF YOU LIKE OUR SERVICE, TELL OTHERS. IF YOU DON'T, TELL US.

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