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NEWSLETTER
MERRY CHRISTMAS 2006

WE WILL BE CLOSED MONDAY DECEMBER 25, A NATIONAL HOLIDAY

CORPORATIONS

Please remember that corporations are required to hold annual shareholder and director meetings prior to their year end of December 31, 2006. Failure to do so may jeopardize your corporate status.

CHARITABLE CONTRIBUTIONS

For donations after August 17, 2006, no deduction can be claimed for clothing or household items unless the item is in at least "good" used condition. Beginning in 2007, cash donations of **any amount** will need to be substantiated with either a canceled check, bank statement or a receipt from the charity.

RESIDENTIAL ENERGY TAX CREDIT

For 2006 and 2007 energy improvements on your principal residence can lead to tax credits: \$200 for exterior windows, \$50 for advance main air circulating fan, \$150 for a qualified furnace or hot water boiler or \$300 for any qualified central air conditioner, heat pump or water heater. Maximum amount limited to \$500.00 for all taxable years.

IRS MILEAGE RATES

For 2006 and 2007 IRS mileage rates are: Auto, 44.5 cents; Charitable purposes, 14 cents; and medical and moving, 18 cents per mile.

REFUND OF TELEPHONE EXCISE

IRS will allow up to \$60 or the amounts you actually paid for the 41 month period if it is greater.

KIDDIE TAX

If your child was under age 18 on January 1, 2007 and had more than \$1,700 of investment income, your child will be taxed at your tax rate.

BUSINESS EQUIPMENT WRITE-OFF

For 2006, the limit on the first-year expensing deduction for qualified business equipment is \$108,000. The limit is reduced if the cost of qualifying property placed in service during the year exceeds \$430,000.

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