



**SPECIAL POINTS
OF INTEREST:**

- 15 million people could owe more tax than expected
- Thousands may be eligible for new tax deduction – If they know about it
- Tax Software vs. Tax Pro; which is right for you?
- The tax rules pertaining to sales of your residence have changed — again
- Zevac & Lindsey guarantees peace of mind

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Taxing Times

Dedicated to helping our clients keep the money that belongs to them through a focus on tax.

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Stimulus Surprise:

Millions May Have to Repay Part of Tax Credit

You would think a tax break should be simple. However, more than 15 million taxpayers could unexpectedly owe taxes when they file their federal income tax returns according to a Treasury Department inspector general report issued last November. The government was, apparently, too generous with their Making Work Pay tax credit.

The taxpayers most vulnerable include those who have more than one job, couples where both spouses work, and those who receive Social Security benefits while working. The tax credit, which is supposed to pay individuals up to \$400 and couples up to \$800 (6.2% of earnings), was President Obama's signature tax break in the massive stimulus package enacted last February. Most workers received the credit through

small increases in their paychecks made available through new withholding tables issued by the Internal Revenue Service (IRS).

The withholding tables, however, do not take into account taxpayers with multiple jobs or marriages in which both people work. They also don't take into account Social Security recipients with jobs that provided taxable income.

The IRS said in a written response that the agency believes the number of people impacted is inflated and that the majority who might be would see "a reduced refund and not an out-of-pocket [tax] liability" come April 15.

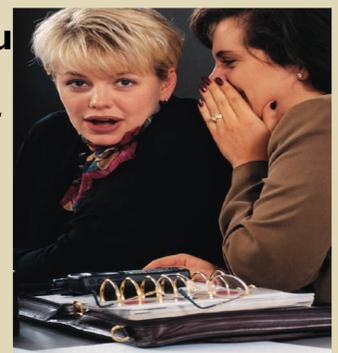
Nothing with taxes is ever simple—even when you're supposed to be getting a break. ☼

Discover the SECRET Health Care Deduction the Tax Man Doesn't Want You to Know About

Thousands May be Eligible to SAVE MONEY With This NEW Tax Deduction—But Never Know About It

To be a competitive employer and hire talented employees you must offer benefits. This usually includes vacation days, sick days, and often health insurance coverage. With the skyrocketing cost of health insurance it is difficult for many small businesses to offer this.

"The cost [for health care premiums] is just astronomical for a small business," according to Lynda Burkett, owner of Mobile's Marshall A. McLeod Land Surveyors. However, for some employers in *Continued on page 3*



It's no longer a secret: Alabama small businesses and their employees may be able to deduct 150 percent of their healthcare premiums.

According to Dave -Tax Software vs. Tax Pro: Which is Right for You?

Tax season is here again. If you're smart, you'll start making plans now to avoid future headaches. But should you use tax software or a tax professional?

Dave Ramsey always leans toward hiring a pro for anything important. By hiring the right professional to do an important job, you will **save more time, money and stress** than you would by trying to learn how to do it yourself. Tax software can save you a little money on the front end, but that doesn't mean it's the right choice for you.

Here are some situations that can help you decide which option is best for you.

You're young, single and don't own a home. Your tax return will probably be simple and straightforward. This is especially true if you plan to take the standard, no-questions asked deduction.

Solution. *Your return may be simple enough to choose software. However, the potential savings may not be enough to justify the risk of doing your taxes on your own.*

Forms make you nervous. If you're not comfortable sorting through documents, typing in numbers, and proofreading your forms, then avoid all tax software.

Solution. *Get a tax pro to give you peace of mind.*

You have no idea what you're doing. Most people fall into this category. If you've ever tried to read the U.S. tax code, you probably got confused. It's so complicated that it can drive a Harvard graduate to fits of rage.

Solution. *If you don't want to spend days and weeks researching your deductions, then get a tax pro.*

You're older, married, and own a home. You can expect a complicated tax return if you bought or sold a home, own rental property, are self-employed, trade stocks, or have a lot of itemized deductions.

Solution. *Hire a tax pro and save yourself a headache.*

You experienced a major life change in the past year. Did you get married or divorced? Did you start your own business or receive an inheritance? These life changes cause confusion when it's time to file taxes.

Solution. *Get a tax pro to make sure you file your return correctly under your new circumstances.*

Your Next Step. If you think tax software is the right choice, you'll have no trouble finding options. However, if your situation requires a tax pro's help, make sure you **get someone who is reliable and trustworthy**. Dave recommends that you talk with one of his Tax ELPs—certified professionals with the heart of a teacher. They'll save you time, money and stress this tax season.



The tax code is so complicated that it can drive a Harvard graduate to fits of rage.



Dave Ramsey, is a personal money management expert, national radio show talk host, television host, and New York Times bestselling author. He's helped millions of people get out of debt and build wealth. He is today's voice of financial wisdom and he exclusively recommends me to help you! *To learn more about Dave Ramsey visit him online at www.daveramsey.com.*

Discover the **SECRET** Health Care Deduction ... *(continued from page 1)*

Alabama it may have become a little easier in 2009. Back in June 2008, Alabama Governor Bob Riley signed a bill into law that expanded the tax deductions small businesses can take for their employee's health care costs, but almost nobody has written or talked about it since.

The Small Business Health Insurance Premium Deduction Enhancement Bill, which was effective January 1, 2009, allows qualified small business owners to deduct 150 percent of the amount they pay for a qualified employee's health insurance premium from their Alabama state tax return. In addition, the bill also allows qualified employees of these qualified businesses to

deduct 150 percent of what THEY pay for health insurance. So what everyone wants to know is "what qualifies a small business and an employee?"



- **A qualified small business** is one that has less than 25 simultaneously paid full-time employees. No part-time employees are considered. There is no income limitation. This seems pretty straightforward.
- **A qualified employee** is an Alabama resident that works for a qualified business. Also, this employee can not earn more than \$50,000 in wages and can have no more than

\$75,000 of adjusted gross income on the Alabama individual income tax return (\$150,000 if married filing joint). This too sounds clear.

It seems fairly uncomplicated from the above descriptions to know who is qualified to take these deductions. However, because the employer can only take the deduction for qualified employees and the qualified employees can only take the deduction if they work for a qualified employer, the tricky part of this deduction is in knowing who is qualified.

Knowing if your employer qualifies may not be quite as difficult since it is easy to observe if there are less than 25 employees at any given time. However, employers knowing the Alabama adjusted gross income of their individual employees is tougher. So what is the solution? The solution lies in communication by both parties. If your business is a qualified business, draft a letter stating that you are and distribute it to the employees. In this letter, give a brief explanation of what this means for both you and your employee. Inform the employee that they too may qualify for the 150 percent deduction. You should list the items that make them a qualifying employee. Ask that they sign an enclosed statement informing you, the employer, if they are or are not a qualifying employee. You do not need to know the specifics of their income situation, just if they qualify, again explaining to them that this deduction could benefit both of you.

This is a great deduction opportunity from the state of Alabama that does not cost anything. Do not let this one get away! ☼

What Our Clients Say About Us...

As a long time client of Richard Lindsey, Mike and I have referred many friends, family and customers to Zevac & Lindsey. With Richard's vast knowledge in tax matters, he has saved thousands of dollars for some of them.

One friend had a long standing tax problem with the IRS from a failed business venture, owing the IRS a considerable amount of money. Foreclosure and bankruptcy were right around the corner. Richard's professional expertise in taxes helped our friend unravel his IRS problems, make payments, and file an acceptable tax return. By doing so, our friend was able to purchase another home for his family.

You can be relieved of the stress and strain of dealing with your tax situation when you have your tax returns done by Richard Lindsey. He will make sure you have the tax benefits due you.

We feel confident in sending our friends, family and customers to Richard Lindsey at Zevac & Lindsey.
— Debbie G. Realtor

[Richard's note: I used Mike and Debbie Gautreaux to sell a house I had in an estate I administered and they helped me get a sale on what can only be generously referred to as a fixer-upper in almost no time at all. They are consistently among the top ReMax agents in Alabama and tops on my referral list. When you have a need to buy or sell real estate, let me know and I'll introduce you to these spouses that sell houses.]

Beware of Gains When Selling a House

WHAT HAS CHANGED AND HOW THIS MAY AFFECT YOU

For many years, the income tax rule for profits earned on the sale of a house has been favorable for those who sold their primary residence. The income tax rule in effect through December 31, 2008 is a homeowner who sells a house can exclude up to \$250,000 (or up to \$500,000 for married couples filing jointly) in profit from their taxes if the property is considered their primary residence. For a home to be considered primary residence the taxpayer was required to live in the house for at least two years out of the five years ending on the date of sale. The use of the residence for the other three years did not affect the exclusion rule, with the exception of depreciation.

One part of the Housing Assistance Tax Act of 2008

changes this rule. Beginning January 1, 2009, the amount of profit from the sale of a house that can be excluded is now based on the percentage of time the house was used as a primary residence. If the house is used for anything other than primary residence, profits must be allocated between qualifying and non-qualifying use. Any non-qualifying use can possibly reduce the amount of profit that can be excluded. Non-qualifying uses are second homes, vacation homes, and rental properties.

Taxpayers planning to sell a non-qualifying property may want to move in and make the property their primary residence starting January 1, 2009, to gain as much qualifying use as possible before selling. ❁

We Believe in Referrals

We really believe in the process of referrals, so part of the service we provide is to be sure to refer our clients and associates to other qualified business people in the community. Below you'll find a list of areas in which we know very credible, ethical and outstanding professionals. If you're looking for a professional in a specific area we've listed, please feel free to contact us. We will be glad to put you in touch with the people we know who provide these services.

- * Nail Salon
- * Used Auto Dealer
- * Caterer
- * Landscaper
- * Bathroom Remodeler
- * Home Builder
- * Plumber
- * Photographer
- * Veterinarian
- * Air Conditioning
- * Printer
- * Termite and Pest Control
- * Chiropractor
- * Pressure Cleaning Service
- * Window Cleaning
- * Massage Therapist
- * Auto/Home/Life Insurance
- * Building Materials and Supplies
- * Medicare Advantage Program
- * Realtor
- * Mortgage Reduction Software
- * Financial Advisor
- * Advertising Specialties
- * Mortgage Broker

Alabama Tax Preparer Gets Jail Time for Fraud

On February 26, 2009, in Montgomery, Alabama, Keshia Brayboy was sentenced to 30 months in prison, to be followed by three years of supervised release, and ordered to pay \$148,000 in restitution to the Internal Revenue Service (IRS). Brayboy pleaded guilty in October 2008 to a charge of filing a false claim against the United States related to her filing of fraudulent income tax returns. Brayboy was previously indicted on 20 counts of filing false claims with the United States and 10 counts of identity theft related to filing the fraudulent returns using the social security numbers of taxpayers without their permission. The allegations in the indictment occurred in 2007 and 2008 when Brayboy was operating a tax preparation business called KTS Financial Services in Millbrook. ❁



YOU HAVE BETTER THINGS TO DO THAN SPEND TIME WORRYING ABOUT YOUR TAX RETURN

ZEVAC & LINDSEY GUARANTEES “PEACE OF MIND”

Yes, it's that time of year again...time to start thinking about your tax returns! By now you should be receiving tax information you'll need to prepare your tax returns from various sources.

Here are a few shortcuts to save you time:

- ◆ Designate one place to collect your tax information
- ◆ Include all your W-2's, Social Security and pension statements
- ◆ Include your investment account statements
- ◆ Include your “cost basis” if you sold any stocks or mutual funds or notify your broker it's ok to provide us that information.
- ◆ Include the dates and amounts of any quarterly estimated tax payments you made.
- ◆ Let us know about any life changes such as marriage, divorce, children, job change, etc.
- ◆ Use your personalized Zevac & Lindsey Tax Organizer to assist you in gathering all the information needed for a complete return.

NOTE: *If you would like to use your FREE, personalized Zevac & Lindsey Tax Organizer this year, but haven't received it yet, call us today at (251) 633-4070 and we will get it right to you.*



There's no need to worry about your tax return, Zevac & Lindsey make tax time easier.

As an even bigger shortcut to providing your tax information via our traditional paper organizer, we also offer Zevac & Lindsey's personalized Tax Notebook, the quick and easy way to get started on your taxes!

Tax Notebook allows you to submit your tax data through the convenience of the internet. The way it works **is simple:**

- ◆ Using any PC with an internet connection, you can access Tax Notebook directly off our web site, www.ZevacLindsey.com, with a unique Logon ID and Password that we provide.
- ◆ You are guided through a per-

sonal tax interview that is much more intuitive than the traditional paper organizer.

- ◆ When finished, simply click a button and send us your tax information via a secure link. You can also print a copy of your tax data for your records.

That's all there is to it!

Tax Notebook speeds the preparation of your tax return and ensures it's accurate. Rest assured you can ALWAYS count on the secure transfer of your data over the internet.

If you would like to set an appointment to bring in your tax data, or to discuss any tax matters with us, now is a good time to call. For your convenience, you may also choose our NO WAIT drop off service. Either way, you get Zevac & Lindsey's “**Never-Worry-About-Your-Taxes Again**” accuracy **Guarantee** and **we promise** you will experience **caring professionals** dedicated to providing you **stellar service**.

At Zevac & Lindsey we guarantee your “Peace of Mind.” With our NEW “**Never-Worry-About-Your-Taxes-Again**” accuracy **Guarantee** your tax return is guaranteed to be completely accurate. If we make a mistake that causes you to owe additional taxes, we will correct the mistake at no charge and pay all penalties and interest related to the error. ☀

Quote of the Month:

“Fundamental [tax] reform almost always runs the risk of making things worse.”

~ Dan Rostenkowski

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We Promise...

- ⇒ To make your tax time easier,
- ⇒ To help you save the money you've earned instead of giving it to the IRS,
- ⇒ To e-file your return and set up direct deposit for your refund for FREE,
- ⇒ To give you the opportunity to review your return for completeness and accuracy before it's e-filed,
- ⇒ To prepare your dependant's tax return for 50% OFF of our standard fees, and
- ⇒ To shred your personal and confidential documents for FREE.

Don't Overlook the Importance of Rapport Building Skills

- by Steve Clark

The dictionary defines rapport as: a relationship, especially one of mutual trust or emotional affinity.

There are many reasons prospects don't buy. Among the reasons are no need, need but no want, need and want but not able to buy, need and want but unwilling to buy and no trust of the person doing the selling. Of all of these, lack of trust is the overwhelming reason that most prospects who have a need don't buy. According to some studies, 83% of the prospects that do buy do so because they liked and trusted the sales person.

Since establishing rapport and creating trust in a selling environment is so important, you would think that companies and sales people would spend considerable time and effort engaged in professional sales training that teaches how to do this more effectively. The truth of the matter is that most sellers and managers have no clue how important this is or how to effectively improve these skills. So they bumble along oblivious to their incompetence.

In this New Economy, rapport building skills are more critical because buyers are more skeptical, jaundiced and fearful than at anytime in history. Fear, paranoia, and distrust is so rampant and exacerbated by this difficult economy that buyers are

gripping their pennies so tightly that it makes Lincoln weep. Prying those pennies from buyer's tightly clinched fist is no small task and requires sophisticated compliance skills applied with a delicate touch.

Ignorance and arrogance are both traits that have negative consequences in selling. When they are simultaneously possessed by the same sales person who thinks that these skills are not necessary for success in today's New Economy they are deadly. Unfortunately, I come across far too many of these sales types in my sales training and sales management training and consulting. It is my hope that these ignorant, clueless, lazy asses will be eliminated as the economy prunes business imposters. In my opinion, it can't happen fast enough and I will be happy to see these folks go hungry and get what they deserve.

Entrepreneur and Executive Sales Coach, Steve Clark publishes the highly acclaimed "Tips for Profitable Persuasion" weekly e-zine. If you're ready to explode your sales and skyrocket your income while working less get your FREE copy at

<http://kickstartcart.com/app/?af=1088968>.