



SPECIAL POINTS OF INTEREST:

- Our country is looking for additional revenue.
- What is your Unique Selling Proposition?
- Are you stepping over dollars for pennies?
- More outstanding professionals for all of your needs.
- Kind words from clients.

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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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Taking the Shirt Off Your Back, But No Deduction

In what may come as a shock to many of you, the country is broke and is looking for additional revenues. You should know, it will be looking in every nook and cranny to replenish the federal coffers. What you may not know is the Internal Revenue Service seems already to be engaged in revenue-finding-missions. Among the objects of their affection – in the tax audit – are sole proprietors filing Schedule C and substantiation requirements for every possible deduction.

The IRS now views the Schedule C as the repository of all manner of evil taxpayer intentions to reduce their tax liabilities (and, from the perspective of the IRS, federal revenues). IRS agents are reportedly beating the bushes of sole proprietors primarily to reduce or eliminate claimed deductions as unsubstantiated to increase both income and self-employment tax liabilities.

All deductions are a matter of legislative grace, and that grace comes with a price: at a minimum to maintain books and records to support the expenditure, and in many cases to meet more exacting substantiation standards than the Code imposes as a condition to deductibility in various circumstances. One might not think of charitable contributions as a source of major contention with the IRS, but in the case of non-cash contributions, the taxpayer is technically required to establish, both the fair market value of the property and the property's adjusted basis. In some cases, the Code requires an appraisal of property (where the value exceeds \$5,000) contributed to a charity.

However, the property's adjusted basis comes into question in two cases: first, in most cases where the property is inventory in the hands of the donor, and secondly, if tangible personal property that is unrelated to the charity's exempt function, the amount of the contribution is limited to the donor's adjusted basis in the property. For example, if a taxpayer donates used clothing to a charity that does not distribute them to poor or indigent individuals, the deduction is limited to the lesser of your basis or fair market value. Now it may seem like common sense that the current value of almost all used clothing is less than what was

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Dear Richard,

I want to take a moment to thank you and your staff for your excellent service over the years. I wish I had known you before I bought my first business. Because I inherited several problems and managed to create even more along the way by using the wrong tax professional.

But, with the switch to Zevac and Lindsey, my taxes are always completed on time and my mountain of problems were quickly organized, manageable and explained to me in a clear and concise manner with an effective plan of action.

You made my life easier and I have more peace in an overwhelming sea of IRS confusion because now I have someone I can trust. And someone who knows how to treat each client as their best client whether large or small.

At Zevac and Lindsey, you not only see the numbers and opportunities, more importantly, you also see the people.

Thanks again for your passion for your profession.

Yolanda Richardson
Digidraft, Inc.

How to Get Rich During the Recession—Part 2

By Bill Glazer

Listen. A few years ago – no matter how much everyone complained – had been a cake walk. Money was knee deep in the streets. All you had to do was get in the flow, bend over...

And Pick the Darn Stuff Up!

The biggest problem I've had with my members has been to get them to stop stepping over dollars to pick up the pennies.

If you had been a member for a while – you know I've said this over and over. I said it was a perfect time for Business Owners to get filthy rich. And I also warned to take advantage of the situation because it was not going to last forever. One of the universal truths of the business, success and money-making universe is...

Nothing Lasts FOREVER!!!

And I was right.

And I am warning you right now to get off your butt and adapt with the changing times. Or this recession may make you a dinosaur.

Fact of the matter is: Some fortunes were made during the great depression of the 1930's while the majority starved. For example... take two Rockefellers. As you should know, John D. Rockefeller was the first billionaire and the richest American of all

times before he gave away his fortune, half to his family and the other half to the Rockefeller foundations.

Percy Avery Rockefeller, a relative, lost his entire fortune during the stock market crash of 1929. On the other hand, his cousin, John Davidson Rockefeller, Jr. made a wiser decision with his fortune. He funded the building of Rockefeller Center and became one of the largest real estate holders in New York.

One of the most astute statements I've ever heard is: **Small hinges open big doors.** And it is also true that one seemingly insignificant decision can be the difference between a fortune or poverty.

And just like the Great Depression of the 30's... the 70's were a very rough economic period. But not for everyone...

This recession isn't anything like the Great Depression. Or even the Jimmy Carter years. Not even close. But times could get much tougher than they are right now.

The bottom line is: You can either be on the struggling side... or... the prosperous side. It's really up to you and the decisions you choose to make – starting right now. The time to prepare and start building a reliable income stream that will

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Don't criticize your competition's weaknesses, implement their strengths.

Looking for Someone You Can Rely On?

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.

- | | | |
|------------------------------|-------------------|---------------------------------|
| ➤ Advertising Specialties | ➤ Dentist | ➤ Welding Supplies |
| ➤ Realtor | ➤ Land Surveyor | ➤ Lawn Service |
| ➤ Plumber | ➤ Printer | ➤ Life and Disability Insurance |
| ➤ Massage Therapist | ➤ Mortgage Broker | ➤ Remodeling Contractor |
| ➤ Auto/ Home/ Life Insurance | ➤ Attorney | ➤ Financial Advisor |
| ➤ Photographer | ➤ Optometrist | ➤ Nail Salon |



If You Really Want To Stand Out Above The Crowd, Avoid These Four Very Common Selling Points

If you want your business to succeed you have to market. You can't build a better mousetrap and expect people to beat a path to your door. But before you lay out your first ad, before you contact your first prospect, you have to decide how to make your offer stand out. You need to form your USP.

A Unique Selling Proposition (USP) is that single, unique benefit that makes you stand out from your competition. You should be able to articulate in one or two concise sentences what the USP of your business or product is.

Lots of businesses try, ineffectively, to be all things to all people. The result is they look like every other business in their industry.

What is your USP? It should be that one unique strength or advantage you and only you deliver. Your USP might be: 1) Price—You are the cheapest, 2) Quality—You offer the best or highest quality, 3) Service—You offer the best service in the industry, or 4) Reliability—You are the most reliable in the industry.

However, to really stand out above your competition, don't mention any of those! At least 99% of all businesses mention one or all of those in their marketing. Your USP needs to be different, unique, relevant and special only to you. For example: a) You could offer a 100% money back guarantee and a FREE 30 day trial, b) You could offer more exceptional bonus reports, articles, tapes, gifts or premiums than anyone else, c) You could offer more choices or selections than anyone else, d) You could guarantee a 30 minute delivery time, or e) You could offer a FREE 24 hour online or onsite support service.

You get the idea. Spend some time developing your USP. Use it in all your materials, printed, online, whatever. If you have a website, remind visitors why they should do business with you - why you are different and how you can help them.

But first you have to decide what your USP is, has been, or should be before commencing your marketing activities. Then you can integrate your USP into absolutely everything you do.

Finally, a word of caution. Whatever you choose your USP to be, make sure you can deliver on every aspect of it. It's no good saying you're open 24/7 when you're not. ☸

Taking the Shirt Off Your Back, But No Deduction — *continued from page 1*

paid for it but technically, a claim for a deduction of such items requires some proof of both the fair market value and the cost basis of the property.

And such was the case I recently read about in *Surgent McCoy's Tax Issues Newsletter* where a taxpayer was denied a claimed \$850 deduction for clothing donated to charity. Yes \$850! The return was under audit and the taxpayer submitted photographs of all the clothing donated and matched them up to the current list of retail prices published by the Salvation Army and recognized by the IRS. But that wasn't enough. The auditor wanted purchase receipts of each item to establish the cost basis. Even if the taxpayer was in the 35 percent tax bracket, the amount of tax at issue was only \$298. The IRS correctly assumed the taxpayer would throw

in the towel rather than incur additional time, effort and costs to substantiate the deduction. So, the IRS pressed the issue hard enough to deny any deduction. Hooray, the deficit was reduced \$300!

From a practical standpoint, trying to establish the cost of most any item of personal property even shortly after its purchase, much less a couple of years down the road, is extremely difficult, so nothing prevents the IRS from using similar audit strategies where larger sums of money are involved.

Echoing the motivation Willie Sutton once famously gave for robbing banks, the Internal Revenue Service knows where the money is. ☸

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HAPPY NEW YEAR

I was not looking forward to the seminar, but found it to be informative and entertaining. There was nothing boring about it.

Lynne Price, Professional Remodeling and Repair, LLC

Your seminar was excellent! I knew it would be good...and what a crowd. That should make you feel so good that so many friends and business people respect your opinion and your 'smarts' to come listen to you for a couple of hours!

Theresa Orrell, PolySurveying

The reason Politicians try so hard to get reelected, is that they would 'hate' to have to make a living under the laws they've passed.



How to Get Rich During the Recession—Part 2 *continued from page 2*

not be affected by the bad economy is right now. The way to do that is by paying attention to the rest of this article and taking action IMMEDIATELY.

So let's get started with...

Talking Dogs!

To be continued...

Reprinted from "The No B.S. Not So Daily E-zine." **Bill Glazer**, one of the most celebrated Marketing Gurus in the world, who, along with the legendary Dan Kennedy have teamed up to provide advice to over 130,000 entrepreneurs worldwide in every possible industry and profession. Bill is a professional speaker, marketing consultant and coach, and a much sought-after copywriter. His book, "OUTRAGEOUS Advertising That's OUTRAGEOUSLY Successful," made four bestseller lists shortly after its release in 2009.