

**SPECIAL POINTS OF INTEREST:**

- Inspiring Leadership
- Starting a business?
- What is considered wealthy?
- Reliable Business People
- Points to Ponder
- Life lessons to remember

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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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## Thoughts On America

By: Martin Buxbaum

During the past 200 years we have had many men representing us at all levels of government. Very few, however, have made the personal sacrifices comparable to those who signed our Declaration of Independence.

The faith, courage, honesty, determination, and adherence to principle of *these* men will always remain as an unblemished example of the highest form of leadership.

On July 4, 1776, the Continental Congress approved Thomas Jefferson's draft of the Declaration of Independence with only minor changes. It was then signed by 56 members who represented all levels of our society.

As these men penned their signatures, one by one, they must have been very conscious of the great step they were taking. This was no *idle* declaration. In the eyes of the Crown, it was a direct act of treason and each knew it would be dealt with as such.

As each man completed his signature, he knew that he had signed away the safety and security of his family, all of his possessions, and possibly his life—yet each man signed without hesitation.

The British retaliated swiftly, as the signers knew they would. The interior of George Clymer's spacious house was literally torn apart by angry Hessian troops . . . Francis Hopkins and his family were forced from their home at bayonet point . . . Thomas McKean and his family moved five times



to escape the constant persecution . . . Lewis Morris, who owned a 3,000-acre estate, watched as the British troops set fire to a thousand acres of woodland around his home. The troops then went inside and destroyed everything in Morris' fine manor house . . . John Hart (Honest John) saw his grist mill and sawmill burned. He and his 13 children fled their home as troops set fire to the house.

During this persecution, nine of the signers died from wounds or hardships . . . 12 had their homes burned to the ground . . . five were imprisoned . . . several of the wives

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## Six Tax Tips for New Business Owners

Are you opening a new business this summer? The IRS has many resources available for individuals that are opening a new business. Here are six tax tips the IRS wants new business owners to know.

1. First, you must decide what type of business entity you are going to establish. The type of business entity will determine which tax form you have to file. The most common types of business are the sole proprietorship, partnership, corporation and S corporation.
2. The type of business you operate determines what taxes you must pay and how you pay them. The four general types of business taxes are income tax, self-employment tax, employment tax and excise tax.
3. An Employer Identification Number is used to identify a business entity. Generally, businesses need an EIN. Visit IRS.gov for more information

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## Thoughts On America— *continued from page 1*

and children died or were imprisoned . . . all lost property beyond price, and yet— *any one of these men could have, at any time, saved himself from this death and destruction.* Each was offered immunity, rewards of money, restoration of his home, release of his loved ones, and a fine position with the Crown if he would but switch allegiance.

History records with pride that not a single man among the 56 accepted the offers! Their individual honor, like their new nation, remained intact.

Because of the great dedication, honesty, and courage of their leaders, the people of this new nation were able to maintain *their* courage and determination.

Had any one of these 56 men been less courageous, less honest, less sacrificing, or less principled, the whole cause of freedom might have been lost.

These 56 men are long dead, but that is not important, for all men die. What *is* important is that each was truly dedicated to serving his *country's* interest and not his *own*. Each was willing to give up everything he possessed for the sake of the people he represented and his country. For this, these 56 will be remembered as long as there is a United States of America! ❁

### Warning:

### Ignore This Book at Your Own Risk...

Since hitting the best-seller list with my newest book, *Breaking the Tax Code*, I've been interviewed as a guest tax expert on the radio in addition to the magazine and other small business tax expert interviews I gave before the book was even published.

If you're interested in discovering proven strategies to

- \* Avoid being a tax victim,
- \* Legally minimize your taxes, and
- \* Keep more of what you've earned

Then this book is for you!

Get your copy today on Amazon.com or through our office.



## ARE YOU WEALTHY AND DON'T KNOW IT?



IT SEEMS MANY WEALTHY AMERICANS DON'T CONSIDER THEMSELVES SO. A RECENT ARTICLE ON FINANCIAL-PLANNING.COM REPORTED ON A SURVEY BY THE SPECTRUM GROUP IN WHICH ONLY 10% OF AMERICANS WITH \$5 MILLION TO \$25 MILLION IN INVESTABLE ASSETS CONSIDERED THEMSELVES AS "VERY WEALTHY." TWENTY-EIGHT PERCENT CONSIDERED THEIR WEALTH AS "MODERATE."

MOST OBSERVERS WOULD HAVE LITTLE DOUBT THAT THE SURVEY PARTICIPANTS WERE "VERY WEALTHY." ACCORDING TO THE U.S. CENSUS, ONLY 2.1% OF HOUSEHOLDS HAVE AN ANNUAL INCOME GREATER THAN \$250,000. RESPONDENTS TO THE SPECTRUM SURVEY HAD AN AVERAGE PRE-TAX INCOME OF \$448,000 WHILE MOST PROFESSIONALS SUCH AS DOCTORS AND LAWYERS (AND SUCH) EARN AN AVERAGE OF \$125,000 PER YEAR.

WHAT DOES THIS ULTRA-WEALTHY GROUP HAVE TO BE CONCERNED ABOUT? BECAUSE OF THEIR LACK OF CONFIDENCE IN THIS ECONOMY THEY REMAINED CONCERNED ABOUT THE FINANCIAL WELL-BEING OF THEIR CHILDREN AND GRANDCHILDREN.

LIKE OTHER AMERICAN HOMEOWNERS, THIS GROUP EXPRESSES THAT A SIGNIFICANT LESSON WAS LEARNED WITH THE BURSTING OF THE HOUSING BUBBLE: DON'T RELY ON YOUR HOME AS A STABLE FINANCIAL ASSET.

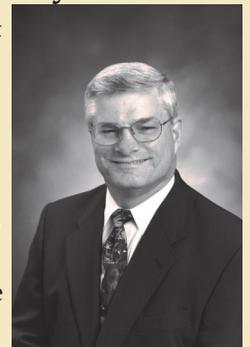
"MILLIONAIRES EXPERIENCED SIGNIFICANT LOSSES ON THE VALUE OF THEIR HOMES AND ARE UNLIKELY TO INCREASE THE AMOUNT INVESTED IN THEIR PRIMARY RESIDENCES," SAID CATHERINE MCBREEN, MANAGING DIRECTOR OF SPECTRUM GROUP.

JUST HOW MUCH MONEY DOES IT TAKE TO FEEL SECURE? ❁

## 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.



- ◆ Veterinarian
- ◆ Land Surveyor
- ◆ Printer
- ◆ Air Conditioning
- ◆ Window Treatments
- ◆ Auto / Home / Life insurance
- ◆ Handyman
- ◆ Architect
- ◆ Florist
- ◆ Realtor
- ◆ Plumber
- ◆ Real Estate Investor
- ◆ Cultured Marble
- ◆ Home Builder
- ◆ Home Inspector
- ◆ Lawn Service
- ◆ Remodeler
- ◆ Financial Advisor

## 10 Thoughts to Ponder

### Number 10

Life is sexually transmitted.

### Number 9

Good health is merely the slowest possible rate at which one can die.

### Number 8

Men have two emotions: Hungry and Horny.  
If you see him without an erection, make him a sandwich.

### Number 7

Give a person a fish and you feed them for a day, teach a person to use the Internet and they won't bother you for weeks.

### Number 6

Some people are like a Slinky... not really good for anything, but you still can't help but smile when you shove them down the stairs.

### Number 5

Health nuts are going to feel stupid someday, lying in hospitals, dying of nothing.

### Number 4

All of us could take a lesson from the weather. It pays no attention to criticism.

### Number 3

Why does a slight tax increase cost you \$200.00, and a substantial tax cut save you \$30.00?

### Number 2

In the 60's, people took acid to make the world weird. Now the world is weird and people take Prozac to make it normal.

### Number 1

Life is like a jar of Jalapeno peppers; what you do today, might burn your ass tomorrow.

- - - and as someone recently said to me: "Don't worry about old age; it doesn't last long."



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## Six Tax Tips - continued from page 1

- about whether you will need an EIN. You can also apply for an EIN online at IRS.gov.
4. Good records will help you ensure successful operation of your new business. You may choose any recordkeeping system suited to your business that clearly shows your income and expenses. Except in a few cases, the law does not require any special kind of records. However, the business you are in affects the type of records you need to keep for federal tax purposes.
  5. Every business taxpayer must figure taxable income on an annual accounting period called a tax year. The calendar year and the fiscal year are the most common tax years used.
  6. Each taxpayer must also use a consistent accounting method, which is a set of rules for determining when to report income and expenses. The most commonly used accounting methods are the cash method and an accrual method. Under the cash method, you generally report income in the tax year you receive it and deduct expenses in the tax year you pay them. Under an accrual method, you generally report income in the tax year you earn it and deduct expenses in the tax year you incur them.

IRS Publication 583, Starting a Business and Keeping Records, provides basic federal tax information for people who are starting a business. This publication is available on IRS.gov or by calling 800-TAX-FORM (800-829-3676). Visit the Business section of IRS.gov for resources to assist entrepreneurs with starting and operating a new business.

\*\*\*Richard's Note: Of all the tips I could ever give you, #4 is the most important. If you need help getting that started, contact our office's QuickBooks advisor, Paula Waldo.\*\*\*

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We would like to wish you all a very safe  
and Happy 4th of July!

## Great Advice for All Managers

It's said that when former Atomic Energy Commission Chairman Gordon Dean died in a plane crash in 1958, an envelope was found among his personal effects.

In the back of the envelope, Dean had scribbled nine lessons that he had learned in life. Every manager would be wise to take note of each one:

Never lose your capacity for enthusiasm.

Never lose your capacity for indignation.

Never judge people—don't type them too quickly. But in a pinch never first assume that a man is bad; first assume that he is good and that, at worst, he is in the gray area between bad and good.

Never be impressed by wealth alone or thrown by poverty.



*Gordon E. Dean, Former  
Atomic Energy Commission Chairman*

If you can't be generous when it's hard to be, you won't be when it's easy.

The greatest builder of confidence is the ability to do something—almost anything—well.

When confidence comes, then strive for humility; you aren't as good as all that.

The way to become truly useful is to seek the best that other brains have to offer. Use them to supplement your own, and be prepared to give credit to them when they have helped.

The greatest tragedies in world and personal events stem from misunderstandings. So communicate!

"Having the world's best idea will do you no good unless you act on it. People who want milk shouldn't sit on a stool in the middle of a field in hopes that a cow will back up to them."

~ *Curtis Grant*

"You can make excuses or money, but not both."  
~ *Dan Kennedy*