



**SPECIAL POINTS OF INTEREST:**

- Are you adding value?
- Don't over-invest just to try to save on taxes.
- More wealth building during this recession.
- Becoming a "Wealth Magnet"
- Reliable Professionals

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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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## According to Dave—How NOT To Avoid Paying Taxes

*Gimmie an I! Gimmie an R! Gimmie an S!  
Whatcha got? Taxes!*

Not exactly a cheer that will get people fired up is it? Most people want to avoid paying taxes as much as possible, and they may go so far as to invest money in something just to avoid Uncle Sam. Here are some ways they do it, and why none are a good idea just for income tax savings.

### Opening a traditional IRA

Some people looking for a way to put themselves in a lower tax bracket will open a traditional IRA and write off whatever money they put in there. While it's good to save money, **there is a problem with this strategy.** The first place you should put money for retirement is into a matching 401(k) plan, and then a Roth IRA, which grows tax free. Any money that goes into a traditional IRA is tax-deferred, which means you pay taxes on it when you take it out (when you'll most likely be in a higher tax bracket). You are **saving money now only to pay it later**, so it's not the best deal.

### Annuities

Keeping with the theme, an annuity is simply a **savings account with an insurance company.** It can be tax-sheltered, but the problem is that you usually pay an extra fee to get that shelter. You can save on taxes but pay money out to save, and that doesn't help you. The only time it might be good to use a variable annuity is when you've maxed out all other retirement savings and house is paid for, and most people aren't there yet. **Don't open one just to save on April 15<sup>th</sup>.**

### Whole life/cash value life insurance policies

A salesman might pitch to you that the interest accumulated on the savings portion of a whole life or cash value policy does so free of taxes, so it's good to save your money there. However, that "good" isn't just bad - it's ugly. **The rate of return on whole life is about 2.6%.** If you invested your money at 12% in a mutual fund and had to pay taxes on the gains, you would still net about 9.6%. Why earn 2.6% on one tax-free investment when you can net 9.6% on another?

*Continued on page 2* ➔

## The Secret to Increasing Your Income At Will

In his book *"The Ultimate Success Secret,"* Dan Kennedy exposes the truth that "no politician, few economists, few teachers want to tell people, and fewer want to hear: certain jobs are only worth a certain, maximum number of dollars per hour, whether you've been doing it one year, ten years, or thirty years. Longevity does not necessarily increase the real value of getting that job done."

However, hidden inside this uncomfortable truth, is the secret to increasing your income literally at will.

In his book *"Earl Nightingale's Greatest Discoveries,"* Earl noted that "every field of human endeavor has its stars; all the rest in these fields are in a descending order of what we might call 'the service-reward continuum.'" He went on to point

out that the reason some people earn more money than others is that they have made themselves more valuable. He observed that, for the most part, the size of a person's paycheck is determined by this question—how difficult is he or she to replace?

According to Kennedy, the harsh reality is that one year, three years, and five years from now, the particular job you do will not have appreciably increased in value. YOU will either have stayed the same in value or increased in value through your own initiative; that's the only way. If you have not increased in value, at some point, your employer won't pay any more—regardless of inflation.

*Continued on page 3* ➔

## How to Get Rich During the Recession—Part 4

By Bill Glazer

Every hour you spend doing \$20 an hour work – you lost what you could have earned doing something else. Like taking this time and strategizing on how to attract the right clients.

Who are these “right” clients and where can you find them?

To explain, allow me to tell you about...

### The Best And Most Expensive Hotel In The World!

Burj Al Arab Hotel, located in Dubai EEUU is the first 7 star hotel in the world. The cheapest room is \$1,500 per night... and... Royal suite goes for an eye-popping \$28,000 per night.

I went online and checked out getting a room and here’s what I found.

The cheapest room I could find, to stay for dates that I wanted for 4-nights was going to cost me \$9,265.32. If I wanted a “step-up” in my room... it would run me \$18,530 for those four nights. And that’s just for the room. Take a look at what’s on the first page of their website:

### Voted The Worlds Most Luxurious Hotel

**Designed to resemble a billowing sail, Burj Al Arab soars to a height of 321 meters, dominating the Dubai skyline. Illuminated at night by a choreographed lighting representing water and fire – Burj Al Arab is simply individual, inspired and impressive.**

**This all-suite luxury hotel in Dubai reflects the very finest that the world has to offer. With a discreet in-suite check-in, private reception desk on every floor and a brigade of highly trained butlers, you can be assured of the ultimate in personal service throughout your stay. Upgrade your experience at Burj Al Arab with your chauffeur driven Rolls Royce.**

And here’s what it says in their web site:

### Anniversary Special

**Experience culinary excellence in Burj Al Arab’s world-famous seafood restaurant and discover the mysterious magnificence of the world under the sea. Delight your partner with a six-course gourmet dinner accompanied by a complimentary glass of Champagne and special Anniversary gift.**

**Price: AED 1,650.00 per person**

**Time: 07:00 pm – 11:30 pm**

**Comments: Children below 12 years can unfortunately not be accommodated. Continued on page 3 ➔**

## According to Dave—continued from page 1

### Keeping the mortgage

This one is a little more long term, but it’s important to address. Don’t keep a mortgage for the tax deduction. Your deduction isn’t dollar-for-dollar, which means you’ll pay more in interest than you save with Uncle Sam.

As an example, if you have a \$200,000 balance at an interest rate of 5%, that’s \$10,000 a year that you pay to the bank. If your income puts you into a 25% tax bracket, then not having a mortgage (or interest to go with it) means you pay \$2,500 to the government on that extra \$10,000 in the form of taxes. Do you really think it’s smart to pay the bank \$10,000 so you don’t have to pay the government \$2,500? We didn’t think so. Pay the mortgage off and be done with it.

Reprinted with permission from *Dave Ramsey’s free eNewsletter*, March, 2010. **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 [daveramsey.com](http://daveramsey.com).



## The \$ecret to Increasing Your Income At Will—*continued from page 1*

This is true of the self-employed, the business owner as well. If you are not increasing your value to your customers, if you are not making yourself indispensable to them all over again, every day, then you are declining in value to them. You are either increasing in value or declining in value.

How many people do you think have this “add value” idea straight in their minds? Well look around. In most big companies, there are masses of people doing the very same jobs, the very same way year after year, even decade after decade, shocked when cheaper foreign labor or automation or some other replacement boots them out on the street. Small business owners suddenly find themselves vulnerable when a major, mass retailer or chain or aggressive new competitor comes to town.

Everyone of these people has one very distinctive thing in common; from one year to the next, they have not taken any initiative, not done anything, nor invested any time or money in increasing their own personal value. YOU need to look very closely at all these folks and avoid following their example at any and all cost. And if you really would like to double your paycheck, simply take action to triple your value; one of three things will absolutely happen: (1) your present employer will respond with raises, bonuses and advancement; (2) a new employer will find and grab you; or (3) you'll discover some entrepreneurial opportunity and move on to writing your own paycheck. And if you already own a business and would like to double your paycheck, simply take action to triple your value to your customers. Your compensation will always catch up to your value. ☼

*“If everything's under control,  
you're going too slow.”*  
- Mario Andretti,  
American race car driver

## Buster's Corner

I gave Richard a new sign for his office the other day: “**Your tardiness does NOT become our emergency.**” I also went to help him hang it since I have such a level head. No bragging, just fact. BTW, have you ever seen the pictures in that boy's office? I swannee, they need straightening every time I go over there. But anyway, back to the new sign. I got it for him because I almost never get to see him during the spring 'cause he's so busy and 'cause, well you know, everyone goes to their accountant on the 14<sup>th</sup>.

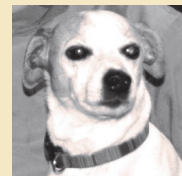
Now responding to true emergencies is ok but when was the last time you went to the Emergency Room at a hospital?

They've got some real big ones calling that thing an Emergency Room. It should be called a waiting room, right? Because that's what it is. I mean 'cause 90% of the people that show up there, the first thing find out is that their definition of an emergency doesn't meet the hospital's definition of an emergency.

You gotta have like a spike sticking out of your body and blood spurting up into the air before anybody is going to pay any immediate attention to you. And even then they might give you a bag of ice, roll you over into a corner and tell you the doctor will be with you shortly. And again they have a completely different definition of shortly. Their definition of shortly seems to mean the doctor is under five foot eight. It has nothing to do with time, that's a foreign concept to them.

Kinda like dogs I guess. I can't tell you what time it is on your watch, but believe me, I know when it's time for Richard to come home, when it's time to get up and most of all, when it's supper time. But that's based more on predictability and rhythms than on the 24 hours it takes the earth to circle the sun.

And I know when it's supposed to be play time. That's all the time other than sleeping or eating time, right? Speaking of which, this is too much like work. Until next time...



Buster



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

\$1,650.00 AED is equal to about \$435 American dollars. So, that's \$870 for Karen (my wife) and me.

So... after you factor in food for the rest of the trip, airfare, spa, etc. etc. etc... my tab would be well over \$30,000.

So... Am I going?

No... I'm not. Why, Mainly because I hate to fly; especially long flights... but I wanted to prove a few very good points to you.

**The first is:**

**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 it's release in 2009.

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## HAPPY ST. PATRICK'S DAY

### Discover How You Can Become a Wealth Magnet

Our next Business Building Lunch and Learn will likely give you pause for thought. I'm going to challenge your thought process about the whole concept of money and wealth attraction.

We've been taught since early childhood that money follows hard work. Now don't get me wrong – I'm not saying you don't have to work hard – but if money simply followed hard work there would be a lot more millionaires out there.

The idea of working hard for money is a myth. Money generally eludes those who chase after it. With that being said, you also can't just sit in the corner and wait for it to come to you. Instead you must go out and do things that would attract money to you.

Our kickoff session last month was a huge success. We had a full room and had to turn people away. But why should you come? You may be thinking, "I'm too busy to spend time away from the office learning more "stuff."

I don't blame you for instantly coming up with reasons for not coming. You are, after all, very busy. You probably already think you're a very smart, savvy business professional. But here is the **cold hard truth...**

Unless you are completely satisfied and happy with the trends you see in your business, your present sales and income, your ability to get new customers....**YOU MUST DO SOMETHING DIFFERENT** in order to get different results!

And the emphasis is on YOU and DIFFERENT.

At our next Business Building Lunch and Learn mini-workshop, at noon on Friday, March 18, 2011, we will be discussing some of the wealth magnets in the book "*No B.S. Wealth Attraction in the New Economy*" by Dan Kennedy. Lunch will be provided and seating is limited, so reservations are required. If you're willing to risk a little bit of your time to work on and execute a new game plan, I guarantee you can Have Your Best Year Ever.

To make your reservation email your request to [zevaclindsey@comcast.net](mailto:zevaclindsey@comcast.net), call 633-4070 or fax it to 633-4071.

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 businesspeople 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.

- ♻ Mortgage Broker
- ♻ Attorney
- ♻ Welding Supplies
- ♻ Lawn Service
- ♻ Life Insurance
- ♻ Bathroom Remodeler
- ♻ Financial Advisor
- ♻ Medicare Advantage Programs
- ♻ Advertising Specialties
- ♻ Realtor
- ♻ Plumber
- ♻ Window Treatments
- ♻ Auto / Home / Life insurance
- ♻ Termite and Pest Control
- ♻ Veterinarian
- ♻ Land Surveyor
- ♻ Printer