



SPECIAL POINTS OF INTEREST:

- 2012 year-end tax planning strategies
- Financial advice
- Words of wisdom
- Referrals
- Other points of interest

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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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Perfect Storm Predicted to Produce Widespread Damage

2012 began with great uncertainty over federal tax policy and now, with the end of the year approaching, that uncertainty appears to be far from over. A host of reduced tax rates, credits, deductions, and other incentives (collectively called the "Bush-era" tax cuts) are scheduled to expire December 31, 2012. To further complicate planning, over 50 tax extenders are up for renewal, either having expired at the end of 2011 or scheduled to expire after 2012. At the same time, the federal government will be under sequestration, which imposes across-the-board spending cuts after 2012. The combination of all these events has many referring to 2013 as "a massive fiscal cliff" or "taxmageddon."

But it really shouldn't come as any surprise. Economists like Nouriel Roubini have predicted this "perfect storm" of global weakness for quite some time.

Known for seeing the financial crisis before it hit in 2008, Roubini said that nations like the US, European nations and others have become adept at forestalling their problems. In a June 2011 interview with CNBC, Roubini predicted the storm would hit in 2013.

According to Roubini, "Every economy in the world [is] trying to push their problems to the future. We start with private debt, public debt, supra-national debt - we're kicking the can down the road and eventually this is going to come to a head in 2013." The damage will be widespread.

Head's up --- 2013 is almost here! Have you completed your preparations? Have you done any planning?

Congress could address some of the tax cut and extender issues in a lame duck session after the election. But who knows what the outcome will be?

Here are a few ideas to consider in your 2012 year-end planning.



You Could See a 15% Cut in Your Social Security

If you owe money to the IRS and you are receiving Social Security benefits due to **Federal Old-Age and Survivors Trust Fund or Disability Insurance Benefits**, the

IRS can take 15% of your Social Security payments to satisfy your tax debt. Prior to 1996, there was a \$750/month "off limits" amount that had to be left for the Social Security recipient. That changed with the introduction of the Federal Payment Levy Program, which allowed for 15% of the total monthly payment to be collected—regardless of the amount left after the Social Security levy...NO amount is off limits! ☹

How Much are Misplaced Priorities Costing You?

Shouldn't I be placing my kid's welfare above my own? Shouldn't I be funding their college plan before I worry about my retirement? After all, college is going to be here much sooner. There'll be time after college for me to save for retirement, won't there?

In his best-selling book, Financial Peace, financial expert Dave Ramsey sets out a formula for getting rich he identifies as seven baby steps. In laying out the baby steps he emphasizes that the order of implementation is paramount. Complete baby step one before proceeding to baby step two, and so forth.

In the book, and his teaching through Financial Peace University, saving for retirement is baby step four while saving for your kid's college is baby step five. Many have asked why.

According to Dave...

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Continued on page 2 ➡

The Goose Story

By Dr. Harry Clarke Noyes
ARCS NEWS, Vol. 7, No.1, January 1992

Next
fall, when
you see Geese
heading South for
the Winter, flying along
in V formation, you might
consider what science has dis-
covered as to why they fly that way:
as each bird flaps its wings, it creates an
uplift for the bird immediately following. By
flying in V formation the whole flock adds at least
71% greater flying range than if each bird flew on its own.

***People who share a common direction and sense of community
can get where they are going more quickly and easily
because they are traveling on the thrust of one another.***

When
a goose falls
out of formation,
it suddenly feels the drag
and resistance of trying to go it alone
and quickly gets back into formation to take
advantage of the lifting power of the bird in front.

***If we have as much sense as a goose,
we will stay in formation
with those who are headed the same way we are.***

When
the Head Goose
gets tired, it rotates back
in the wing and another goose flies point.

***It is sensible to take turns doing demanding jobs
with people or with geese flying South.***

Geese
honk from behind to
encourage those up front to keep up their speed.

What do we say when we honk from behind?

Finally,
and this is important,
when a goose gets sick, or is
wounded by gunshots and falls out
of formation, two other geese fall out with that
goose and follow it down to lend help and protection.
They stay with the fallen goose until it is able to fly, or until
it dies. Only then do they launch out on their own, or with another
formation to catch up with their group.

**IF WE HAVE THE SENSE OF A GOOSE,
WE WILL STAND BY EACH OTHER LIKE THAT.**

**This month's Special Gold Member
call-in times for Lindsey's Insider Circle
will be 10/29/12 from 2:00 to 4:00 pm.
To schedule your appointment,
contact Kristen at
(251) 633-4070.**

Perfect Storm Predicted... *— continued from page 1*

Income tax withholding – The current two percent payroll tax holiday is scheduled to expire at the end of the year. While this won't directly affect your income taxes it will affect your take home pay. If the rates increase, your withholding will automatically increase as well, but it may not be enough if you have income outside of your paycheck.

Shifting income – Traditional year-end planning was to shift income into a future year. However, you may want to consider shifting income into 2012 when lower rates are going to be available.

Harvesting losses – Now is a good time to consider tax loss harvesting strategies to offset current gains or to accumulate losses to offset future gains which would be taxed at a higher rate.

Capturing gains – It is also a good time to consider capturing gains to be taxed at a lower rate. Remember, the wash sale rules which prohibit you from claiming a loss and then reinvesting in the same security within 30 days don't apply to gains. YOU CAN lock in the gains, pay the tax and immediately reinvest in the same security.

Job search expenses – Job search expenses such as unreimbursed employment agency fees and travel expenses are deductible IF you are searching for a job in the same occupation that you held previously.

Gifts – Don't overlook gift giving as a year-end strategy. No gift tax is due on gifts up to \$13,000 per recipient. A married couple can make combined tax-free gifts of \$26,000 to each recipient.

Charitable giving – For many people, charitable giving is also a part of their year-end tax strategy. Under current law, the so-called "Pease limitation" (named for the Congressman who sponsored the law) is scheduled to return in 2013. This limitation generally limits certain tax deductions, such as charitable giving, for higher income earners.

If you'd like to sit down and discuss, in detail, how these issues might affect you, then call our office at 251-633-4070. ☎

How Much are Misplaced... *continued from page 1*

reaching retirement age. Retiring and eating are necessities. College is a luxury. Lots of people succeed in life without going to college, and thousands have worked their way through college. I worked 40 to 60 hours a week in college, and I still graduated in four years.

Having a college fund set aside by your parents is really nice, if they can afford that kind of thing. But you can go to school by getting good grades, applying for scholarships, working your tail off, and choosing a school you can afford. I believe in education, but there are lots of ways to get a college degree other than having your parents foot the bill.

The last time I checked, there aren't any good ways to retire except for getting yourself ready for retirement. I mean, you can always live off Social Security and buy that great cookbook, *72 Ways to Prepare Alpo and Love It*, but I don't consider that a plan.

In short, college funding is not a necessity. That's why it follows saving for retirement in the Baby Steps. Should you try to save up for your kid's college education? Sure, if you can. But there are lots of parents out there who won't be able to pay a dime toward someone's college education. And that doesn't make them bad parents.

Dave Ramsey is the author of The New York Times best-selling book Financial Peace. He is also a personal money management expert and national radio talk show host. 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.

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 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.

- 🔗 Handyman Services
- 🔗 Air Conditioning and Heating
- 🔗 Window Treatment Specialist
- 🔗 Advertising Specialties
- 🔗 Civil Engineer
- 🔗 Veterinarian
- 🔗 Bathroom Remodeler
- 🔗 Attorney
- 🔗 Medicare Advantage Plan Consultant
- 🔗 Home Insulation
- 🔗 Financial Advisor
- 🔗 Monogramming
- 🔗 Cultured Marble
- 🔗 Massage Therapist
- 🔗 Marketing Coach
- 🔗 Printer
- 🔗 Realtor
- 🔗 Hair Stylist

"Worried about an IRS audit? Avoid what's called a red flag. That's something the IRS always looks for. For example, say you have some money left in your bank account after paying taxes. That's a red flag."

- Jay Leno

"I love America, but I can't spend the whole year here. I can't afford the taxes."

-Mick Jagger

A Summer to Remember

off with a real change in the weather. That's a good thing.

Most of the summer, I dealt with a swollen and painful foot that was diagnosed as gout. It took a while, but my doctor's care did finally bring relief. He's got me on some medication and he's made some dietary recommendations that, admittedly, I don't always follow.

I'm working on it though. After thinking I was getting better and then having a flair up that might have been tied to what I ate, I've become more aware of, and more cautious of things that I really like that could literally hurt me.

It's a daily struggle, but I am paying more attention. I may be dense, but I don't enjoy pain. 🌟

I generally like summer, but I'm glad to see this one go. Fall is here and it's starting



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Have a safe and Happy Halloween!
-The Guys and Ghouls at Zevac & Lindsey

HAPPY HALLOWEEN

THANK YOU THANK YOU

Thanks to YOU, the word is spreading. Thanks to my clients and friends who graciously referred me to their friends, neighbors, customers and relatives last month. I enjoy building my practice based on the positive comments and referrals from people just like you.

I couldn't do it without you!

Jim Byrd Mike McNair

THANK YOU!

Looking for a Speaker for Your Club or Organization?

Richard knows how difficult it can be to find a good speaker – one that will educate and entertain. If your club or organization is looking for a seasoned speaker get in touch with Richard at richardlindsey@comcast.net for details.

Where will Richard be?

National Association of Retired Federal Employees

November 8

"The taxpayer—that's someone who works for the federal government, but doesn't have to take the civil service examination."

- Ronald Reagan

"I'm proud to pay taxes in the United States; the only thing is, I could be just as proud for half the money."

- Arthur Godfrey

More Places to Catch Us on the Radio

Richard is now co-hosting "Safe Investing in the New Economy" with Jim Byrd. The show can be heard each Sunday evening at 6:00 pm on WAVH FM Talk 106.5, each Tuesday morning at 10:05 WABF 1220 AM and NOW each Saturday morning at 10:30 AM on WBHY 840 AM and 103.5 FM.

