

ZEVAC & LINDSEY

CERTIFIED PUBLIC ACCOUNTANTS

"You see the numbers, we look for the opportunities."



SPECIAL POINTS OF INTEREST:

- 1099 troubles are avoidable
- Buster's latest
- Standard Mileage Rate
- Referrals, funnies and other info

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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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Affiliate Marketing and the Trouble With 1099s

Affiliate marketing can be a great way to increase your sales by letting other people sell for you. Oftentimes you have to pay the affiliate a significant portion of your profits and you end up with a lower profit margin but a higher net profit. The general idea is that your affiliate may have a connection to markets you don't and they spend their time/money/efforts to reach customers you would ordinarily not be able to reach and make a connection with.

But it's important to keep abreast of regulations. If you aren't careful, your dream affiliate marketing campaign could turn into a nightmare encounter with the Internal Revenue Service. As your affiliates earn money from your business, there are obligations created for your business. Obligations to the IRS.

Whenever an affiliate earns more than \$600 in commissions during the calendar year the business has an obligation to send them (with a copy to the IRS) a Form 1099-MISC. Failure to keep good records and report this information accurately can result in stiff penalties.

This month's Special Gold Member call-in times for Lindsey's Insider Circle will be 2/27/12 from 2:00 to 4:00 pm. To schedule your appointment, contact Kristen at (251) 633-4070.

The penalty for failing to file 1099s can be \$50 per 1099 up to a maximum of \$250,000 (\$100,000 for a qualifying small business). However, if the IRS decides that your failure to file the required 1099s is due to intentional disregard, the penalty at least doubles to \$100 per return with no maximum penalty.

The trouble with 1099s is avoidable. It only takes a simple system in place and being adhered to. Unless your affiliate marketing program is limited to marketers you can count on your fingers, then I suggest using software to help you keep track of the amount paid to each affiliate. There is software out there designed to help you manage your affiliate program and most of those will help you with the reporting details, but not all do a good job. Consult with a professional to make sure you are fulfilling your obligations to the IRS.

Have each affiliate sign a W-9 for you when they first sign on. Make it a rule – no affiliate gets their first check, or any check without a W-9. The W-9 is designed to give you the necessary information, with regard to name, address and federal ID number, needed to complete an accurate 1099. Whether you use software or pay a third party to handle your affiliate tax reporting, ultimately, you are responsible. Make sure you understand what needs to be done even if you're not the one doing it.

This is a case where the best defense is a good offense. Make it your game plan to be sure your affiliate program is in compliance with IRS regulations and you can avoid the trouble with 1099s. ☼

"The way taxes are, you might as well marry for love."

-Joe E. Lewis

Thanks for the Referrals

We appreciate the opportunity we've been given to serve others by those who have taken the time to express their trust and confidence in us to their friends. Your referrals are our greatest compliment.

~Theresa Orrell~

CLIENT SPOTLIGHT

What's your story?

Think about Aesop's fable "The Fox and the Grapes". A timeless story. One of the most enduring messages in the history of mankind.

Now compare that story to the corporate memo communicating the same message...

"We discount the value of things we cannot attain."

Stories are essential. They are how we get remembered. Long before written history, stories were used to pass on culture, events, philosophy, and morals. Stories were used to get an idea consumed, remembered, and, most importantly, acted upon.

If you have an interesting story about you or your company that's simple, unexpected, credible, concrete and emotional, we'd like to shine our spotlight on you! Share your story with us and we'll share the best with our readers.

Look through your emails, your customer service logs, your marketing materials. Interview your employees. Ask your customers...

- * What's the craziest thing that ever happened in your business?
- * What's your best testimonial?
- * What's your greatest triumph? Your worst defeat?
- * What was your greatest embarrassment?
- * Has your business ever made you cry?
- * What's the dumbest thing a customer ever did?
- * What's the smartest thing a customer ever did?
- * If you had to write an Aesop's fable about your business what would the moral be?

Share your stories with us by email to zevaclindsey@comcast.net or by mail to Taxing Times Editor 1050 Hillcrest Rd, Ste A, Mobile, AL 36695.

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 and each Tuesday morning at 10:05 WABF 1220 AM.



I heard Richard mention something about a Super Bowl. Coming up and thought I'd won the lottery! Just imagine, A SUPER bowl. WOW! Can't you just picture all the food that would fit in there? I was walking on cloud nine. I don't think my paws touched the ground for an hour.

But of course, what goes up must come down. That's when I found out all the hoopla was about a football game. A game where guys are dressed up in big bulky clothes that make them look like they're on steroids try to swaddle, throw and kick a pig skin up and down the field. A pig skin! Now I've had pig's hooves before and they're pretty good, but to play with your food like that...

Why do they call in a Super Bowl anyway? Did they have to get a dog's hopes up like that?

Richard tells me by the time you read this the Super Bowl will be over. At least none of the cats can win. As I write this, there's still a bird (The Ravens) in the running, and that would be ok, but at least a cat can't win. I hate it when a cat wins anything.

But, why aren't there any dogs in the league? No offense to Dr. King an' all, but I think we canines, as a species, are being discriminated against again. Look around. There are professional sports teams that are represented by all manner of cats, birds, fish, marine mammals, even insects... but NO DOGS!! What's up with that? Dogs are athletic, smart, rugged, fierce (well at least some of us), but no.....

C'mon people, throw a dog a bone!

Until next time,



P.S. Don't forget us this month on February 20—Love Your Pet Day; 22—Walking the Dog Day; 23—International Dog Biscuit Appreciation Day. Personally I believe these should be celebrated every day.

If and only to the extent that this publication contains contributions from tax professionals who are subject to the rules of professional conduct set forth in Circular 230, as promulgated by the United States Department of the Treasury, the publisher, on behalf, of those contributors, hereby states that any U.S. federal tax advice that is contained in such contributions was not intended or written to be used by any taxpayer for the purpose of avoiding penalties that may be imposed on the taxpayer by the Internal Revenue Service, and it cannot be used by any taxpayer for such purposes.

Who Else Wants to Join the Elite *Lindsey's Insider Circle?* *It's Impossible for You to Lose with My Personal No Hassle Double Guarantee*

Last year we launched Lindsey's Insider Circle to an enthusiastic response. Twenty-nine members joined and only one dropped out.

You probably noticed the special Gold Member Only Call-In times we've listed in the newsletter each month. That's just one of the benefits members enjoy.

With your elite Gold Membership in Lindsey's Insider Circle you are able to lock up your tax preparation fees on your 2012 tax return at 2011 prices. No increases. You have my personal "Lock Up Tight Guarantee" that your Gold Membership investment will be the same as this year's tax preparation and advising fees.



With your elite Gold Membership you get next year's federal and state income tax returns prepared and e-filed, your world class bound reference copy and your CD archive. Plus, you get these FREE bonuses:

- Special Gold Member only open call in consultation times (a \$675 value)
- Unlimited e-mail consultations (a \$675 value)
- Priority Front of the Line Service (great if you're bumping up against a deadline or simply leaving town) (a \$49 value)
- Complimentary dependent's tax returns (a \$250 value)

Your elite Gold Member bonuses entitle you to \$1,649 in additional value WITHOUT any increase in costs. No more worries about the clock ticking when you email us questions or if you prefer, save them up for the special call in times reserved just for you. I'll be blocking off my calendar during those reserved times and not taking any other calls or appointments. MEMBERS ONLY!

After the first year, your membership rate could go up or down depending on changes in the complexity of your return and Zevac & Lindsey's standard rates and fees. In the unlikely event you should decide to cancel your membership, you may do so at any time by calling our office at 251-633-4070 or faxing us a cancellation note to 251-633-4071. No hassles, guaranteed!

It's impossible for you to lose. You have my personal "No Hassle Double Guarantee." (1) Your membership investment is guaranteed not to exceed your current tax preparation and advisory fees and (2) should you decide to cancel your membership for any reason – No hassles, guaranteed!

Get your Enrollment Form by contacting us today. You may call 251-633-4070, fax 251-633-4071, or email zevalindsey@comcast.net. ❁

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.

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| <input checked="" type="checkbox"/> Welding Supplies | <input checked="" type="checkbox"/> Realtor | <input checked="" type="checkbox"/> Veterinarian |
| <input checked="" type="checkbox"/> Home Insulation | <input checked="" type="checkbox"/> Chiropractor | <input checked="" type="checkbox"/> Printer |
| <input checked="" type="checkbox"/> Optometrist | <input checked="" type="checkbox"/> Massage Therapist | <input checked="" type="checkbox"/> Mortgage Broker |
| <input checked="" type="checkbox"/> Financial Advisor | <input checked="" type="checkbox"/> Auto /Home / Life insurance | <input checked="" type="checkbox"/> Attorney |
| <input checked="" type="checkbox"/> Nail Salon | <input checked="" type="checkbox"/> Dentist | <input checked="" type="checkbox"/> Plumber |
| <input checked="" type="checkbox"/> Used Auto Dealer | <input checked="" type="checkbox"/> Land Surveyor | <input checked="" type="checkbox"/> Cultured Marble |



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Hmmm... February
22nd is International
World Thinking Day

For more information, visit us at:
www.ZevacLindsey.com

For tax tips visit:
www.TaxSaverTips.com

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2012 Standard Mileage Rates to Mostly Remain Unchanged

The Internal Revenue Service recently announced the 2012 optional standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes.

Beginning January 1, 2012, the standard mileage rates for the use of a vehicle will be:

- 55.5 cents per mile for business miles driven,
- 23 cents per mile driven for medical or moving purposes, and
- 14 cents per mile driven in service of charitable organizations.

The rate for business mileage is unchanged from the mid-year adjustment that became effective July 1, 2011. The medical and moving rate has been reduced by 0.5 cents per mile.

The standard mileage rate for business is based on an annual study of the fixed and variable costs of operating an automobile. The rate for medical and moving purposes is based on the variable costs as determined by the same study.

Taxpayers always have the option of calculating the actual costs of using their vehicle rather than using the standard mileage rates.

However, a taxpayer may not use the business standard mileage rate for a vehicle after deducting MACRS depreciation or Section 179 for that vehicle. In addition, the business standard mileage rate cannot be used for more than four vehicles simultaneously. ❁

Yay!!

Congratulations!



The entire Zevac & Lindsey team would like to congratulate Paula Waldo on a job well done. Paula officially received her CPA certification in December. We're proud of her and her huge accomplishment. Way to go!!

Woo Hoo!!

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 has Richard been?
Just Business Networking Association 1/12

Where will Richard be?
Mobile Chapter - Emerald Coast Business Builders Network 2/24

