



**SPECIAL POINTS OF INTEREST:**

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- Referrals
- Funnies

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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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## 5 Things to Tell Us and Why—Paula Waldo

1. **I was a first time homebuyer or long time homeowner and received a check because of it.** If you were a first time homeowner and closed on your house in 2008, your \$7,500 credit must be paid back via your tax return. Also, if your residence has changed since you bought your new house, part of your credit must be repaid.
2. **I rolled over my IRA into a ROTH.** While this helped you in the long run, the money that was rolled over has to be reported on your tax return. Many taxpayers opted for a 2 year deferral. Part of your rollover may need to be included on your tax return.
3. **My child, who is away at college, has a part time job even though I am able to claim them.** Sometimes, part time jobs may put your college age child over the threshold for earned income making it necessary for them to file a tax return. You can still claim them, however, it may be required that they too file a tax return. We also need to confirm, if they have already filed a tax return, they indicated they were dependents of another person—YOU!
4. **I sold some stock this year but only had a small loss.** Although you may think since you had a small loss, you don't want to
5. **I am 70 ½ but didn't take my Required Minimum Distribution from my IRA this year because I forgot.** As people, we understand life happens and things get forgotten. However, by being proactive and informing the IRS that you forgot and it is an honest mistake can often help eliminate the 50% penalty that goes along with forgetting. Yes, 50 PERCENT TAX PENALTY. It is important to let us know so we can beg for forgiveness on your behalf.

You may be thinking on some of these, "Really? You want me to tell you about that so I can owe more taxes? Why in the world would I do that?" Well, let me tell you why. In each of the above scenarios, the IRS already knows it happened! That's right, there are reporting requirements for each of these and the IRS WILL contact you for their money. It is much better to handle it correctly to start with than to owe more later. ☘

## How to Avoid a Common Retirement Pitfall

*By: James L. Byrd*

Millions of retirees throughout the country wake up every morning worried about their money. Perhaps you're one of them.

Did you know that it's common for the typical retiree to unknowingly throw away thousands of dollars every year through unnecessary taxes and expenses? Why does this happen?

It's not that you're intentionally wasteful, far from it. You just are not aware that it's happening.

One of the most common mistakes made by retirees and others is thinking your tax preparer is also a tax planner. It's a very common mistake,

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## How to Avoid a Common Retirement Pitfall *By: James L. Byrd (continued from Page 1)*

and it's one that can cost you each year.

When do you see your tax preparer? Normally it's once a year, during tax season. Is that the time for you to do much tax planning? No. At that time of the year, your accountant is simply doing his best to get the right numbers in the right boxes to make the IRS happy.

But, here's a key question: Does your accountant call you up later to schedule a time to sit down with you to review your tax return, to make certain that you are taking advantage of every tax opportunity?

If your accountant does that, hang on tight and don't ever let go! But of course, most don't do that, do they?

Why not? Because they are tax preparers, not tax planners. Tax Planners review your tax return and provide guidance as to what moves to make to improve the results next time around. They do it every year as a matter of course, not just when asked.

Tax planning is the job of your financial advisor, not just your accountant. The two should work together with you to get the greatest benefit.

Here are some common areas on your tax return where you may be paying more to the IRS than you have to:

- Tax on phantom income (paying tax on income that you don't use),
- Tax on your Social Security income (you already paid tax on this as the money went into the system and now you have to pay again as it comes out?),
- Double tax on IRA distributions,
- Phantom tax on municipal bond interest (wasn't this supposed to be tax free?), and
- Tax on non-retirement account income (this can often be structured to be 90% tax-free).

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## 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.



- |                     |                            |
|---------------------|----------------------------|
| ◆ Home Insulation   | ◆ Caterer                  |
| ◆ Optometrist       | ◆ Cultured Marble          |
| ◆ Attorney          | ◆ Printer                  |
| ◆ Remodeler         | ◆ Chiropractor             |
| ◆ Dentist           | ◆ Lawn Service             |
| ◆ Nail Salon        | ◆ Advertising Specialties  |
| ◆ Realtor           | ◆ Massage Therapist        |
| ◆ Financial Advisor | ◆ Auto/Home/Life Insurance |
| ◆ Mortgage Broker   | ◆ Land Surveyor            |

## There's an App for That

The Internal Revenue Service recently unveiled IRS2Go, its first Smartphone application that lets taxpayers check on the status of their tax refund and obtain helpful tax information. The free app can be downloaded at the Apple App Store or the Android Marketplace.



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.



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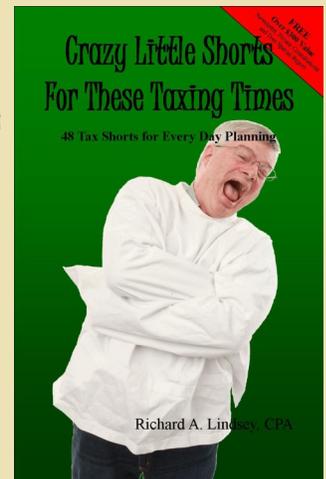


**This month's Special Gold Member call-in times for Lindsey's Insider Circle will be 3/26/12 from 2:00 to 4:00 pm. To schedule your appointment, contact Kristen at (251) 633-4070.**

## Avoid Becoming an Unwilling Tax Victim

I have a crazy idea. Learn just enough about taxes to ask the right questions.

Waiting until April 15th to put your financial house in order is a straight path to paying higher taxes. To manage your taxes and minimize your tax bill, you need to know the rules of the game, which are constantly changing, and this updated 2011 edition keeps you up-to-date.



The good news is that it's not too late to get started. This little book is not intended to make you a tax expert. It's intended to give you little kernels of knowledge.

Order your copy of *Crazy Little Shorts For These Taxing Times* by going to [Amazon.com](http://Amazon.com), sending a check for \$9.95 to Zevac & Lindsey at 1050 Hillcrest Road, Ste A, Mobile, AL 36695. Credit or debit card orders are accepted via fax at (251) 633-4071 or via email at [zevac.lindsey@comcast.net](mailto:zevac.lindsey@comcast.net). With credit or debit card orders be sure to include the name on the card along with the card billing address, number and expiration date.

### 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.

The tax collector must love poor people; he's creating so many of them.

- Bill Vaughan

If you are truly serious about preparing your child for the future, don't teach him to subtract—teach him to deduct.

- Fran Lebowitz

There may be liberty and justice for all, but there are tax breaks only for some.

- Martin A. Sullivan

