

# FINANCIAL STATEMENT

The Newsletter of Allied Tax Planners

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## BREAKING NEWS!

Allied Tax Planners has just purchased *Jerry's Tax Service* in Castro Valley!!! We want to share our excitement with all of you and let you know that we are growing and now have another office for your convenience. Jerry's Tax Service was started 13 years ago. The location is 21666 Redwood Road, Castro Valley. It is the first building you see when you exit East 580 onto Redwood Road. As you come to the light at the exit, you can see our new office across the street next to an Allstate Insurance. This is walking distance, across the street from the Castro Valley BART Station! This provides all our Bay Area clients with a convenient alternative location.

Here is how it happened: Daniel has wanted to rapidly grow his business so that his wife, Meredith, could quit her job and come home to care the their children, Camille and Dominick. We had all been prayerfully searching for a solution when we noticed an advertisement from a business broker selling tax practices. When we read the ad for Jerry's Tax Service, we quickly decided that this may be a great opportunity. After meeting the seller, we felt like this could be the answer we had been seeking. Daniel would have enough clients for Meredith to come home to care for the children and Matt would be able to step up from office coordinator to become a full-fledged advisor. Later, the broker told me that Jerry had met with other prospective buyers, (we were the last one he met with) and that after our visit Jerry said he would like to sell to us. It has been a thrilling, scary, and exhilarating process, and we are thankful for the opportunity!

With the purchase of Jerry's Tax Service, we are taking on approximately 1000 new clients. In order to handle these new clients, Matthew and Andrew Haupt will be stepping on deck. We'll be hiring a new office coordinator for the Pleasanton office to take Matthew's place. By the way, many of you have complimented me this year as you have met and worked with Matthew. He is getting married in February and will be taking a honey moon right smack dab in the tax season! I tried to tell him there are rules against this kind of thing.

Also, it is my pleasure to introduce to you Andrew Haupt. He was married a year ago last September and he and his wife live in San Ramon. Can you believe it? I'll now have three sons working with me in the business! Plus, clients will be able to meet with us at whichever office is most convenient for them.

Ernest, my father, has been trying to retire this year and has introduced his clients to Daniel for future service. However, I am trying to recruit him to help with the books of the CV office. So Ernest's clients may see him once in a while at the new office.

## Your Tax Appointment This Year

We are doing something new this year! You will be receiving a 2007 monthly planner soon, with a pre-scheduled appointment time marked inside. Two weeks before your appointment, you will receive your tax organizer, with another reminder of your appointment time. If you are unable to keep your scheduled appointment time for any reason, please let us know ASAP.

## Audit Corner

Most of you know that once you have filed your return, the IRS has three years to audit you. You are generally safe from audit if they haven't audited you during that three years. Here is another thing to keep in mind. For any years you do not file for, the statute is always open. The three year clock does not start ticking until the return is filed. So ten years from now they could still audit you for a year you never filed. This is why you want to have proof that you filed and they received your return. The statute is four years for the state Franchise Tax Board.

It is not common knowledge for most taxpayers that if they fail to file their tax return until after three years from the original due date that the IRS does not have to pay you any refund that might be due. The same is true of the states four year statute. So if they owe you, don't forget to file within the statutory period.

## Myth Busting

by Daniel Haupt

### 2 Mileage Myths

**MYTH:** The IRS requires you to record beginning and ending odometer readings for every business use of vehicle trip you make.

**FACT:** You only need to keep a daily contemporaneous log of business miles traveled; odometer readings are not required. **REMINDER:** You do need to record end of year odometer readings on 12/31/2006 (if you forgot, now is the best time to estimate what it was).

**MYTH:** You can only deduct miles if you have a business and use your vehicle for business.

**FACT:** Even if you do not have a business, you may deduct your miles traveled for medical, moving, or charitable purposes.

The per mile rates are different: Business - 44.5 cents/mile, Medical and moving - 18 cents/mile, and Charitable - 14 cents/mile. These may be subject to some phase-outs, exclusions, or AGI limitations. Ask your advisor for more information.

**HAPPY NEW YEAR!**

If you have been considering switching to Allied Tax Planner's superior, integrated, convenient and flexible payroll service, now is a great time to make a clean switch! Because we have setup technology and systems to provide payroll services efficiently, we can do your payroll for less than you can!

# Financial Section



**ALLIED TAX PLANNERS**

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