

FINANCIAL STATEMENT

The Newsletter of Allied Tax Planners

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Save Money with Allied Tax

The 2008 tax season is here and we are busy preparing; studying changes to the law, pre-scheduling your appointments, getting familiar with new software, etc. For those of you that are new to Allied Tax Planners, we want you to know that we believe you are coming to the best company for your tax preparation. We will save you the maximum amount of taxes and this is why: most tax practitioners do not want to deal with the IRS anymore than they must. They know that if you get audited, the chances are 85% that you will write the government another check. If they represent you, it will take a lot of time away from their other duties, and you will have to spend a lot of time gathering information for the IRS. So their main efforts are spent on preparing returns conservatively to avoid the red flags that are common audit items. This approach is fine for most people but it requires them to pay more taxes than they truly owe. A few thousand dollars of additional income taxes adds up to a lot over a lifetime.

We have just the opposite approach and you reap the benefits. We believe that you should claim every tax deduction the law entitles you to. This will save you money, up to thousands each year. Instead of worrying about getting audited, focus your energy on keeping good records. If you're worried about an audit, you can buy our highly discounted Audit Defense service and let us worry about the audit. It won't cost you anything further for all the time we will spend representing you if you buy this service. We win in the vast majority of cases with a "no change." Since we are involved in more audits than others, we are very good at them. We know what to expect. We know what the IRS will ask for. We have heard their questions many times. We know how to argue points of law with them and when to appeal.

To summarize, you will save more year after year, if you are audited it doesn't have to cost you anymore to have experienced professionals representing you, chances are high you will get a "no change," and all the while you have greater peace of mind. Please, feel free to refer your friends to us. Most of our advisors can handle more clients. - Bradley

Do Ya Like Rollercoasters?

Do you like your investments as they ride the rollercoaster of the volatile markets? Yeah, most people don't. You never know if the market will recover from the lows and you always wonder if it is going to continue to new highs. When we experience market volatility, lots of people pull their money out of Mutual Funds. When investors pull money out of Mutual Funds, the MF manager is forced to sell shares. The manager will choose to sell shares that have made gains, therefore, when a MF investor pulls money out of the MF, everyone else in the MF is effected, because everyone in the MF owned a portion of the shares that were sold. So just a heads up: Expect to be hit with a potentially huge capital gain in your taxable accounts. IRA's are not taxed until distributed, so don't worry about those. If you would like to rebalance your portfolio with investments that will be more stable during this period of volatility, give us a call! - Danny

The Mortgage Forgiveness Debt Relief Act of 2007

The government recently passed a law greatly changing how the tax code affects people who are having trouble making payments or even foreclosing on their mortgage. In the past the tax code was very cruel to people in already difficult situations; making them treat forgiven debt as taxable income. For example, if you had a home worth 80,000 and a balance of 100,000 on your mortgage that you couldn't make payments on anymore, the mortgage company might sell your home for 80,000 and forgive you of the remaining 20,000 of debt. In the previous system this forgiven 20,000 dollars would be counted as income on your tax return and you would owe tax on it! This "phantom income" was a very nasty part of the tax code that resulted in the IRS kicking people while they're down. On December 20th, the Mortgage Forgiveness Debt Relief Act of 2007 was passed and puts a stop to the taxing of this forgiven debt as income. This helps both people foreclosing and people renegotiating their loans with the mortgage companies due to difficult circumstances. If you have been, or might be, in similar situations you should call your mortgage company and ask them how you can take advantage of this new law. - Andrew

WEALTH SECRETS

Work positive. There are no money problems. There are only attitude problems. A go-getter with the proper attitude cannot be denied.

Face your fear. You always find the best fishing holes in the places where the average fisherman is afraid to go.

Watch the crowd. Go in the opposite direction.

Know value. Until you know value, everything is worthless. As soon as you know value, everything is valuable.

All opportunities are disguised as problems.

He who lives the golden rule gets the gold here too.

Money is attracted to great ideas.

You are your wealth. The money that flows to you is just a by-product of your non-financial resources.

There is no failure. Only feedback.

A network saves legwork.

Routine brings results. A disorganized genius is no match for the average person with a daily routine.

There are no wealth secrets! Common sense plus action equals power!

Author unknown

Financial Section

Upcoming Cashflow Parties:

(Now every 2nd Tuesday of the month)

Tues., Jan. 8th 6-9 PM

You can read books and watch videos about how to get rich, but nothing will help you learn how to think like the rich quicker than playing the Cashflow game! Come out and see for yourself!

During tax season, we may or may not be holding Cashflow events.

\$5 charge to cover snacks & drinks

Games will end at 8:45 to allow for discussion.



ALLIED TAX PLANNERS
TAX & FINANCIAL STRATEGISTS

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