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Criser, Gough, & Parrish

The Advisor

“Working together for you.”

Travel Fraud

The thought of going to a warm vacation spot in the winter or visiting a foreign country is exciting. But what seems like a great deal may turn out to be a bad trip.

- Be skeptical of offers for “free” trips.
- Know exactly what’s included.
- Realize that the deal may not be as good as you think.
- Be aware of restrictions.
- Confirm the arrangements directly with the transportation and hotel companies.
- Do your own travel research. Example: local travel agent, newspapers, books, the internet.
- Pay with a credit card, so you can dispute the charges if the promises aren’t kept.

(Source: www.fraud.org)

The Joys of Accounting

It’s 10 p.m. on Monday night, April 2, 2007. While I’m writing these few words, Laura, Steve Mardis, Rachel, and Julie are down the hall working away on tax returns. Liz is across town, at the West office, doing the same.

Sometimes I wonder how we chose such a demanding profession. Then I remember why we all love what we do. It’s because we are talented at what we do and our talent actually lets us make a positive impact on our clients’ lives.

Finances and taxes are a challenge in this complex and sophisticated society we live in. Families and businesses depend on our profession for expertise, guidance, and advice.

It humbles me to think of the confidence you, our friends and clients, have placed in us. **Thank you for letting us be your tax preparers and financial advisors. It is our pleasure to serve you**, even if the hour does get a little late.

This newsletter is prepared by us for you. We will do our best to continue to keep you updated on tax and other financial opportunities as they present themselves. I want to give a special thanks to Penny Rader and Starla Criser for keeping this newsletter professional and timely. Thank you.

Just a reminder: We are here to help you all year. Being our client has little benefit if you don’t call us when you have questions. Please call us. Most calls are not followed by a bill.

Please recommend us to your friends and families. We want more customers just like you.

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Online Payment Agreement Application Available on IRS.gov

Many individuals who owe delinquent federal income taxes will now be able to apply online for a payment agreement. The Online Payment Agreement (OPA) application provides an easy way to voluntarily resolve tax liabilities.

The web-based application allows eligible taxpayers or their authorized representatives to self-qualify, apply and receive immediate notification of approval for installment agreements—including paperless direct debit agreements.

Two recent enhancements provide added functionality. The first permits individuals who have not yet received a bill to establish pre-assessed agreements on current tax year Form 1040 liabilities. The second allows practitioners with valid authorizations to remain in the application to request agreements for multiple clients.

The IRS estimates that over 75% of those eligible for an installment agreement can establish one using this application. Since launching in October, about 3,000 taxpayers have successfully used it to set up a payment agreement with the IRS.

Paying taxes on time and in full avoids unnecessary penalties and interest. However, taxpayers who cannot pay in full may request a payment agreement. To be eligible, a taxpayer must first file all required tax returns and be current with estimated tax payments, if applicable.

Individuals with a balance due notice can access the application using the following information:

- Taxpayer identification number (generally a Social Security Number) and
- Personal identification number, which can be established online using the caller identification number from the balance due notice.

Individuals who have not yet received a bill must provide the following information to establish pre-assessed agreements on current year returns:

- The balance due shown on the return
- Taxpayer identification number
- Spouse's taxpayer identification number, if applicable
- Date of birth
- Adjusted Gross Income from last year's income tax return
- Total tax from last year's income tax return.

Three payment options are available when applying online:

- Pay in full—Taxpayers who pay within 10 days save interest and penalties.
- Short-term extension—Receive a short-term extension of up to 120 days. No fee is charged, but additional penalties and interest will accrue.
- Monthly payment plan—A user fee will be added to the amount owed, and interest and penalty will continue to accrue on the unpaid balance. User fees are \$105 for non-direct debit agreements and \$52 for direct debit agreements. A reduced fee of \$43 is available for individuals with income at or below certain levels.

To access the application, use the pull-down menu under "I need to..." on the front page of IRS.gov and select "Set Up a Payment Plan." The application is available Monday through Friday from 6 a.m. to 12:30 a.m., Saturday from 6 a.m. to 10 p.m. and Sunday from 4 p.m. to midnight (all are Eastern Time).

(IRS Newswire IR-2007-068)

Safeguard Financial and Tax Records

Some simple steps can help taxpayers and businesses protect financial and tax records in case of disaster.

This is an excellent time to take a few minutes to help safeguard financial documents that can be hard to replace.

Take Advantage of Paperless Recordkeeping

Many people receive bank statements and documents by e-mail. This method is an outstanding way to secure financial records.

Important tax records such as W-2s, tax returns and other paper documents can be scanned onto an electronic format.

One can copy all of their records onto a 'key' or 'jump drive' periodically. Those keys can be sent to a relative in another city for safe-keeping in case one's normal computer backup systems are destroyed.

Other options include copying files onto a CD or DVD. Also, many retail stores sell computer software packages that you can use for recordkeeping.

Disasters such as hurricanes and tornadoes can't be prevented, but the disruption they cause can be reduced.

Remember to safeguard your most important records.

- Store them in a safe place.
- Back up your electronic files.
- Make duplicates where possible and keep them in a separate location.

Document Your Valuables

One option is to photograph or videotape the contents in your house, especially items of greater value.

The IRS has a disaster loss workbook, Publication 584, which can help you compile a room-by-room list of your belongings.

Be sure to store the photos with a friend or family member who lives away from your geographic area.

Proximity to your home should not be your main concern when choosing a location to store important records. Remember, a disaster that strikes your home is also likely to affect facilities nearby, making quick retrieval of your records difficult or impossible.

Update Emergency Plans

Emergency plans should be reviewed annually. Personal and business situations change over time and so do preparedness needs.

Individual taxpayers should make sure they are saving documents everybody should keep, including such things as W-2s, home closing statements and insurance records.

When employers hire new employees or when a company or organization changes functions, plans should be updated accordingly and employees should be informed of the changes.

(IRS Fact Sheet, FS-2006-19)

Pursuant to federal regulations imposed on practitioners who render tax advice ("Circular 230"), we are required to advise you that any tax advice contained herein is not intended or written to be used for the purpose of avoiding tax penalties that may be imposed by the IRS.

Tips for Recently Married or Divorced Taxpayers

Newlyweds and the recently divorced should ensure the name on their tax return matches the name registered with the Social Security Administration (SSA). A mismatch could unexpectedly increase a tax bill or reduce the size of any refund.

For **recently married taxpayers**, the tax scenario begins when the bride says “I do.” If she takes her husband’s last name, but doesn’t tell the SSA about the name change, a complication may result. If the couple files a joint tax return with her new name, the IRS computers will not be able to match the new name with the Social Security Number (SSN).

After a **divorce**, a woman who had taken her husband’s name and made that change known to the SSA should contact the SSA if she reassumes a previous name.

It’s easy to inform the SSA of a name change by filing Form SS-5 at a local SSA office. It usually takes two weeks to have the change verified. The form is available on the agency’s web site, www.socialsecurity.gov, by calling 800-772-1213, and at local offices. The SSA web site provides the addresses of local offices.

Generally, taxpayers must provide SSNs for each dependent claimed on the tax return. For **adopted** children without SSNs, the parents can apply for an adoption taxpayer identification number, or ATIN, by filing Form W-7A with the IRS.

The ATIN is used in place of the SSN on the tax return. The form is available on the IRS web site, IRS.gov, or by calling 800-TAX-FORM (800-829-3676).

(IRS TAX TIP 2007-16)

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