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“Working together for you.”

Criser, Gough, & Parrish

The Advisor

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When You Go Online for the IRS, Reach the REAL IRS Website

Millions of Americans go online for their tax forms, publications and other tax information intending to find the official IRS website, but not everyone ends up at the right place.

Some people mistakenly find websites that are not connected to the IRS at all.

The official website for the IRS is irs.gov, and all irs.gov web page addresses begin with <http://www.irs.gov>.

In addition to websites run by scammers who try to trick visitors into revealing personal and financial information that can be used to steal their identity and access their bank accounts, credit cards, etc., there are commercial internet sites that often resemble the real IRS site or contain some form of the IRS name in the address but end with a .com, .net, .org or other designation instead of .gov. These sites have no connection to the IRS.

(Small Business Tax News, 01/09)

Being “Green”

It is, of course, tax season and we have tried to spell out some of the new tax changes in this issue. With the new administration in Washington and a stimulus package on the way, it may be difficult to keep up on all of the tax changes coming our way. We will do our best to keep you posted.

In the spirit of being “green” and helping you avoid fees for providing additional copies of tax returns (\$25 per return), we have some options to consider:

Web Portal - Did you know that your 2008 tax return will be available to you 24/7 on our “web portal”?

- Your return is very secure and is password protected.
- We must have a current email address for you in our files or the returns can't be sent to the portal.
- To get to your return, go to <http://www.crisergoughparrish.com/>, click on the “Access Your Tax Return” tab. Enter your client ID (we provide this to you) and your social security number.
- The return is available to you for printing, download or forwarding at no additional charge.

CD or Email – Of course, requesting your return be copied to a compact disk or sent to you by email saves paper and filing cabinet space. There is no additional charge for this when done as the return is prepared.

If you would rather continue to get a copy of your return the old fashioned way, using paper, we are happy to oblige. Also, copies of our newsletters are available on our web site <http://www.crisergoughparrish.com/> or by email.

Please give us feed back as we try to continue to be the premier tax and accounting firm in the area. We are still accepting new clients so please think of us when making recommendations to friends and relatives.

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The Three Parts of Your Retirement Plan

by Greg Gough, ChFC

Abstract: Consider social security, your qualified retirement plan, and your savings when planning for retirement.

Social Security

Social Security provides a foundation for nearly everyone's retirement. Every year you should receive a copy of your Social Security Statement from the Social Security Administration. While Social Security should be viewed as a building block in your retirement plan, you must remember that the higher your pre-retirement income, the smaller the amount of income Social Security will replace.

Retirement Plans

If you have a defined benefit or defined contribution plan through your company, check with your company's benefits administrator to determine what to expect from this source.

Once you know what Social Security and pensions are likely to contribute, you can compare this total to your current annual income. A rule of thumb suggests that retirement income should equal approximately 65%-80% of your current income in order to maintain your current standard of living. And this amount will need to increase periodically in order to keep pace with inflation.

Your Savings

If there is a shortfall in your retirement income, where will the missing money be found? Personal savings is the third element in successful retirement planning. And it is the most crucial of the three, because it is the variable that often determines how comfortable your retirement will be. Personal savings, invested as early as possible in your working

career, combined with tax-deferred strategies, can be the key to an independent and financially secure retirement.

This material is not intended as tax or legal advice. You should consult with your personal financial, tax or legal advisor regarding your specific situation before implementing any estate or business strategy.

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GE-42866 (02/08)

Tax Credits News

The 10% tax credit for energy efficient home improvements returns for 2009 and is expanded to cover biomass stoves. The total credit cannot top \$500, and there are lower ceilings on particular items. No more than \$150 can be claimed for furnaces and water heaters, \$200 for windows, and \$300 for biomass fuel stoves.

The tax credit for solar water heating equipment is juicier. In 2009, the credit for 30% of the cost of these systems is no longer limited to \$2,000.

The adoption tax credit goes up once more. It can now be taken on expenses of up to \$12,150. Adoptions of special needs children get the full \$12,150 credit, even if the adoption actually costs less than that. This break phases out for filers with AGIs between \$182,180 and \$222,180.

The exclusion for company-paid adoption aid also jumps to \$12,150.

(The Kiplinger Tax Letter, 12/23/08)

Tax Developments in the Final Quarter of 2008

New law waives required minimum distributions (RMDs) for calendar year 2009. Taxpayers who can take advantage of this change won't be forced to sell stock or mutual funds shares held in retirement accounts when their value is exceptionally depressed. This change helps retired taxpayers who do not need to rely on their RMDs for living expenses.

New law requires employer sponsored qualified plans to offer post-2009 rollover option for non-spouse beneficiaries. This rule will become effective for plan years beginning after 2009. The rollover option will give much-needed flexibility to those who inherit retirement plan accounts from someone other than their spouse, such as a parent, an uncle, or a same-sex partner.

Corporations can gain credits by foregoing special depreciation. A corporation may elect to accelerate its use of unused carryforwards of the minimum tax credit and the research credit from tax years beginning before 2006 and obtain a refundable credit instead of claiming the special depreciation allowance on eligible qualified property. The election is subject to a number of conditions and limitations.

Standard mileage rates down for 2009. The optional mileage allowance for owned or leased autos (including vans, pickups, or panel trucks) is 55 cents per mile for business travel after 2008. The rate for using a car to get medical care or in connection with a move that qualifies for the moving expense deduction is 24 cents per mile.

Simplified per diem rates rise effective Oct. 1. Reimbursements of an employee's business travel cost (lodging, meal and incidental expenses) at a per diem are payroll- and income-tax free for the locality of travel for that day.

Manipulation of charitable remainder trust identified as "transaction of interest," effective Oct. 31, 2008. They involve a sale of all interests in a charitable remainder trust (after the contribution of appreciated as-

sets to and their reinvestment by the trust), that results in the grantor (the person who set up the trust) or other recipient receiving the value of their trust interest while claiming to recognize little or no taxable gain. Failure to follow the disclosure rules can result in steep penalties.

IRS scrutinizing use of rollovers to fund new business start-ups. Having been made aware that Rollovers as Business Start-ups (ROBS) are being actively marketed, the IRS has issued guidelines for its employee plan specialists to follow in examining these plans. The guidelines signal that IRS is carefully scrutinizing these transactions, particularly with regard to the following key issues: discrimination in benefits, right and features; improper stock valuation; and prohibited transaction payments of promoter fees.

Boosted 2008 housing cost allowances for those working abroad in high-cost areas. The increases were based on geographic differences in foreign housing costs relative to U.S. housing costs.

IRS expedites lien process for homeowners trying to sell or refinance. The IRS urges people to contact the IRS Collection Advisory Group early in the home sale or refinancing process so that it can begin work on their request for a discharge or a subordination of a tax lien.

Final rules for information reporting of employer-owned life insurance. In general, employers must treat death benefits from such insurance on many employees as taxable income. Applicable policyholders owning one or more employer-owned life insurance contracts issued after Aug. 17, 2006, must provide certain information to the IRS by attaching Form 8925, Report of Employer-Owned Life Insurance Contracts, to the policyholder's income tax return by the due date of that return.

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.

(Federal Taxes Weekly Alert 1/8/09)

Fraud Alert: Debit/Credit Card Compromise

A data breach has compromised the computer network of Heartland Payment Systems Inc.

Heartland Payment Systems processes credit card/debit card transactions for more than 250,000 businesses nationwide.

The compromise occurred as cards were used at businesses that process transactions through Heartland Payment Systems.

For more information regarding the system breach, please review Heartland Payment's web site — www.2008breach.com. If you have specific questions regarding your debit card, please contact the local branch of your bank.

Keep an eye on your debit card and credit card statements for suspicious activity.

Many banks are being proactive and contacting customers to let them know they are closing the debit cards compromised in the breach and reissuing new debit cards.

Note: Most banks will **never** send you an email asking you to provide them with your social security number, account number, password, or personal identification number (PIN), as this is information they already have on file.

If you receive any emails requesting such information, please contact your bank immediately.

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Return Service Requested

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