



CRISER | GOUGH | PARRISH

June 2009

“Working together for you.”

Criser, Gough, & Parrish

The Advisor

Stephen M. Criser — Laura B. Parrish — Greg R. Gough

CGP Supports Our Community

Communities In Schools

Angie Duntz, PR/Marketing Director

Communities In Schools (CIS) serves a wide range of students with varying needs throughout the school year. In order to provide these services for students and their families, CIS depends on the community's financial donations.

If you would like to donate items (preferably new!), time or funds, please contact Communities In Schools at 316-973-5110. You may also bring items to our office. If possible, CIS needs the school items by late July or early August.

Items needed:

- ◇ Alarm Clocks (battery operated)
- ◇ Batteries
- ◇ Board Games
- ◇ School Uniforms
- ◇ Brown Leather Belts
- ◇ Lice Kits
- ◇ Small Paper Shredders
- ◇ Children's Socks and Shoes
- ◇ Craft Supplies
- ◇ Hygiene Items: deodorant, shampoo, soap, toothpaste, combs, lotions, brushes, chapstick
- ◇ String Backpacks
- ◇ Financial Contributions
- ◇ General School Supplies: crayons, paper, markers, glue, pencils, pens, dry erase markers
- ◇ Mentors
- ◇ Tutors
- ◇ Group Leaders
- ◇ Job Shadow Opportunities

Supporting Our Community

The article to the left is a way we can emphasize organizations that make our community a better place to live. If you support an organization that you believe we should highlight, please contact Penny with the vital information. We want to do our part.

Our Complex Financial Lives

Our lives have never been more complicated. When it comes to finances, complexity rules the day:

- ◇ Tax laws seem to change daily. How can I plan for what's to come?
- ◇ Is there really any way to invest without taking unreasonable risks or settling for meager returns?
- ◇ How can we protect our families from an unexpected event such as death, illness or disability?
- ◇ Do we need a relationship with an attorney?
- ◇ Is my business ready for change?
- ◇ Do we know all of our options?

My favorite saying is “it's not what you know and it's not what you don't know – **it's what you don't know, that you don't know that can kill you.**”

We at Criser, Gough & Parrish want to be your go-to advisors when it comes to organizing and improving your financial lives. It is our business to know your options and direct you to competent professionals when we can't solve the problem ourselves.

If it is time to do some spring cleaning and organize your financial future, call us, make an appointment and let's talk. Generally, there is no charge for this planning meeting and it may save you a fortune.

Please email penny@crisergoughparrish.com to update your email address. Email is the most efficient way for us to keep you up to date on changes and opportunities. Please help us get you this information.

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Taxpayers to Get Rude Surprise

Millions of Americans enjoying their small windfall from President Barack Obama's "Making Work Pay" tax credit are in for an unpleasant surprise next spring. The government is going to want some of that money back.

The tax credit is supposed to provide up to \$400 to individuals and \$800 to married couples as part of the massive economic recovery package enacted in February. Most workers started receiving the credit through small increases in their paychecks in April. Individuals making more than \$95,000 and couples making more than \$190,000 are ineligible.

But new tax withholding tables issued by the IRS could cause millions of taxpayers to get hundreds of dollars more than they are entitled to under the credit, money that will have to be repaid at tax time.

For many, the new tax tables will simply mean smaller-than-expected tax refunds next year. The average refund was nearly \$2,700 this year. But taxpayers who calculate their withholding so they get only small refunds could face an unwelcome tax bill next April.

Changing the W-4 and W-4P

The IRS has suggested that taxpayers who are not entitled to the full Making Work Pay Credit may want to increase withholding by filing an amended W-4 or W-4P. (**Note:** call our office if you need help with this!)

Under-Withholding

The withholding tables should produce the correct result where there is only one source of Form W-2 income reflected on the tax return. If earnings from that employer alone are sufficient to subject the taxpayer to a total or partial phase-out, the withholding tables should take that into account and maintain sufficient withholding to reflect the reduced credit.

Who needs to watch out for under-withholding?

- ◇ Dual-income couples.
- ◇ Individuals with multiple jobs.
- ◇ Taxpayers with significant business or investment income in addition to W-2 income.
- ◇ Government retirees or recipients of government benefit programs who also have earned income.
- ◇ Pensioners whose pensions are subject to withholding. Unless these taxpayers also have earned income, they will be eligible for the credit.
- ◇ Dependents with W-2 income. Dependents are not allowed to claim the Making Work Pay Credit.
- ◇ Individuals without valid Social Security numbers on their tax returns. Individuals who are unable to include a valid SSN on their tax returns are ineligible for the credit.
- ◇ Non-resident aliens.

Be alert to early implementation of the withholding tables. The withholding tables were designed to be implemented on April 1, 2009. Employers were not prohibited from implementing them earlier. They were released on Feb. 21, 2009. Implementation before April 1, 2009, could result in some under-withholding of income even for individuals eligible for the full credit, although the amount of under-withholding would not be as large as from some of the other situations discussed.

The Future

The Making Work Pay Credit will be around for 2010 also. The W-4 may need to be adjusted again, if the starting date is January 1, 2010 rather than the delayed April 1 date used in 2009. If the credit goes away in 2011, the W-4 will have to be amended again to eliminate the additional withholding.

[George G Jones & Mark A. Luscombe (www.webcpa.com); www.sourcemediacom.com]; Stephen Ohlemacher (finance.yahoo.com/news/INSIDE-WASHINGTON)]

Grads & Financial Literacy

Have you recently graduated? Ready for college? Interested in free online money management programs? Actually, you don't have to be a college student. Parents can learn, too. Try these:

Cash Course

(<http://www.cashcourse.org/wm/Default.aspx>)

Here are just a few of the subjects covered:

Financial Basics

Paying for College

College Life

World of Work

Calculators & Worksheets

Economic Survival Tips

Budget Wizard—an interactive spending plan

NSLP Financial Literacy Online

<http://www.nslpflonline.org/flonline/flonline.php>

Their courses include:

Budgeting

Contracts

Credit

Credit History

Financing Your Education

Identity Theft

Insurance

Starting a Business

Credit & Debit Card Fees Related to Tax Payment Are Deductible

Credit or debit card convenience fees charged for paying federal individual income taxes electronically are deductible for some taxpayers who itemize.

Card processors normally charge taxpayers for convenience fees when they use their credit or debit card to pay taxes. Fees vary but average about 2.5 percent of the tax payment.

The convenience fees associated with the payment of federal tax, including payment of estimated tax, can be included as a miscellaneous itemized deduction. However, only those miscellaneous expenses that exceeded 2 percent of the taxpayer's adjusted gross income can be deducted.

Not everyone who pays the fees will be able to deduct them. Taxpayers first must be eligible to file a Form 1040 Schedule A to itemize their expenses. And, taxpayers must have enough miscellaneous expenses to exceed the 2 percent threshold. These expenses include items such as tax preparation costs, job search expenses and unreimbursed employee expenses.

The fees are deductible in the tax year they occur. For example, fees charged to payments made during 2009 can be claimed on the 2009 return filed next year.

(IRS Newswire, IR-2009-037, April 7, 2009)

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.

Credit Card Accountability Responsibility and Disclosure Act of 2009

The Credit Card Accountability Responsibility and Disclosure Act of 2009 (CCARD) passed this week. Great news for folks who run up balances and pay interest. Not such great news for folks who always pay their bills on time, or who take advantage of the 0% interest rates. Expect annual fees. The companies want to make money on you.

However, CCARD does include protections against sudden and arbitrary increases in your interest rate. And it prevents credit card companies from billing for back interest, on the previous month. If you cancel your card and have a balance due, the interest rate gets frozen. They can't raise your interest rate once you cancel. Be sure to cancel in writing to prove the date of your cancellation.

Overlimit fees will be discouraged. No interest on fees, like late fees, etc. Charging interest on the fees is kind of like a double penalty.

Anyway, you have some more protection. Read the bill summary. It's only three pages.

<http://snurl.com/c-card>

(Eva Rosenberg, EA—Ask TaxMama Issue 505, 5/22/09, <http://www.taxquips.com/>)

For **30 Steps to Financial Wellness**, check out <http://www.financialliteracymonth.com/> created by Money Management International.

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Return Service Requested

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