

4-Serenity, Inc.

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Quarterly Individual Newsletter

1st Quarter 2003

Volume 03:01

Tax Appointments

I encourage you to make appointments for tax preparation services early. If you would like to receive a **tax organizer**, please call or send an email and one will be faxed or mailed to you. There are four ways to schedule an appointment or to send your tax information to me:

1. Telephone – (770) 465-8861
2. Fax – (404) 795-0467
3. email – lwalker@4-Serenity.com
4. Mail – 5259 Rockbridge Drive
Stone Mountain, GA 30087

Electronic Filing Services

The IRS began accepting e-filed tax returns on January 10, 2003. The State's do not begin accepting until after January 20th. You may file your Federal return first, and have the State return sent later, although the State's encourage simultaneous filing. Following are your refund and payment options.

1. **Direct Deposit** – Refund's in 10-16 days with no additional fees.
2. **Refund Anticipation Loans (RAL)** – Refund's in as little as 1-3 days with additional fees ranging from \$34 to \$87 depending on the amount of the Loan. Checks are printed in my office. (Not available on State refunds or after April 15th).
3. **Electronic Refund Deposit (ERD)** – Have your tax preparation fees deducted from your refund and the

balance direct deposited to your bank account. Bank processing fees are \$24 for Federal and \$10 for State refunds. Refunds in 10-16 days.

4. **Electronic Refund Check (ERC)** – Have your tax preparation fees deducted from your refund and a check for the balance printed in my office. Bank processing fees are \$31 -for Federal and \$10 for State refunds. Refunds in 7-14 days. (Ideal for those who do not have bank accounts or who simply wish to receive a check.)
5. **Owe Taxes?** Defer your direct debit or credit card payment until April 15th.

Enrolled Agent (EA) Designation

Many of you have asked the question, "What is an enrolled agent?" I achieved enrolled agent status by studying and passing the Internal Revenue Service's (IRS's) intensive Enrolled Agent Exam covering all aspects of federal taxation. The award of the Enrolled Agent (EA) designation is recognition of expertise and assures the practitioner's clients that the agent has kept up-to-date on the latest tax law changes and can represent clients before the examination division of the IRS.

The right to represent taxpayers before the IRS is awarded only to selected groups of individuals, including attorneys, certified public accountants (CPAs), enrolled actuaries, and enrolled agents.

To retain the status of an enrolled agent, individuals must complete a minimum of 16 continuing education credits (CPEs) per

year, and a total of 72 CPEs in each three-year cycle. Enrolled agents are also governed under stringent rules set forth by the IRS.

If you need assistance with any taxation issue, you should seek the help of a tax professional. As an Enrolled Agent and member of the National Association of Tax Professionals (NATP), I can assist you with a review of your tax history and answer questions on how taxation issues may impact your future. Please contact me for assistance with all your tax preparation needs.

The National Association of Tax Professionals (NATP), founded in 1979, is a nonprofit professional association dedicated to excellence in taxation. NATP was formed to serve professionals who work in all areas of tax practice, and has more than 16,000 members nationwide. Members include individual practitioners, enrolled agents, certified public accountants, accountants, attorneys, and financial planners. Learn more at www.natptax.com.

SUV Tax Break

Many of you have asked about the SUV Tax break. Although this is not the official name for it and it is not new (available since 1996), if you use a vehicle for business that weighs more than 6,000 pounds you can write off up to \$24,000 of the cost in the first year placed into service. In addition you can write off regular depreciation, and the cost of gasoline and repairs. For a vehicle to be considered for business use, it must be used more than 50% for business. You should keep a mileage log and be able to provide me with the total miles placed on the vehicle for the year and support for the number of business miles.

The deduction is available whether the vehicle is new or used and whether or not you pay for it in full or finance it. Your deduction may be limited based upon its

cost, the amount of net profit from your business, and the percentage of business use. It may also be limited by the amount of additional equipment for which you are claiming the Section 179 Deduction (limited to \$24,000 per year).

Following is a list of vehicles that qualify:

BMW X5, Cadillac Escalade, Chevy Astro, Chevy Avalanche, Chevy Express, Chevy Silverado, Chevy Suburban, Chevy Tahoe, Dodge Durango, Dodge Ram van, Dodge Ram maxi-van, Dodge Ram wagon, Dodge Ram 1500, Dodge Ram 2500, Dodge Ram 3500, Ford Excursion, Ford Expedition, Ford Econoline E-150, Ford Econoline E-250, Ford Econoline E-350, Ford F-150, Ford F-250, Ford F-350, GMC Yukon, GMC Safari, GMC Savana, GMC Sierra, GMC Sierra Denali, Land Rover Discovery, Land Rover Range Rover, Lincoln Blackwood, Lincoln Navigator, Mercedes ML 320, Mercedes ML 500, Mercedes ML55 AMG, Toyota Land Cruiser, Toyota Sequoia and the Toyota Tundra.

Top Tax Tips (these are worth re-stating)

1. Starting in 2002, the annual contribution limit for individual retirement accounts (IRAs) increases to \$3,000. Contributing to an IRA can yield an immediate 15-30% return on investment through tax savings.
2. Starting in 2002, Education IRAs can accept up to \$2,000 each year. Earnings on the account are tax-free as long as the money is used to pay qualified education expenses. Qualified Expenses include public, private and religious elementary and secondary school expenses.
3. Gifting Appreciated Property to Charities can yield substantial tax savings.
4. Exchanging appreciated property through a qualified like-kind exchange can defer your capital gains tax indefinitely.
5. Filing an offer in compromise can cut your back tax bill substantially. You will need to have 3 months worth of receipts or cancelled checks for all living expenses (food, clothing, transportation, rent or mortgage, and utilities) and proof of all assets and debts. It still pays to save your receipts.

Larry Walker, Jr.

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