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Quarterly Individual Newsletter

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Filing Deadlines

Individual Tax Clients should be aware of the following deadlines.

1. **December 31, 2002** – Last day to implement tax saving strategies. You may need to accelerate expenses, defer income, or open an IRA (Individual Retirement Account). Final planning should begin in November or early December at the latest. Call for your appointment today.
2. **January 15, 2003**
 - Last day to make estimated tax payments for your personal or trust tax return unless you file and pay in full by January 31st.
 - Electronic Filing (e-file) Season begins.
3. **January 31, 2003**
 - Last day to receive W-2's and 1099's. If you have not received all of your tax forms by this time, contact your employer. If you have moved, begin contacting your employers now so that you will have your forms on time.
4. **April 15, 2003**
 - Last day to make IRA contributions to reduce your 2002 Taxes.
 - Last day to file your individual tax returns (Forms 1040, 1040A, 1040EZ) or to request an automatic four-month extension.

- Last day to file Trust and Estate Forms 1041, or to request an automatic three-month extension.
- Last day for calendar year Partnerships to file a Federal Tax Form 1065, or to request an automatic three-month extension.
- First installment of 2003 Estimated Tax is due for Individuals and Trusts.
- Last day to amend timely filed **1999** Individual Tax Returns.
- 5. **June 16, 2003** – Second installment of 2003 Estimated Tax is due for Individuals and Trusts.
- 6. **August 15, 2003** – Last day to file your extended 2003 tax return, or to request an additional two-month extension of time to file.
- 7. **September 15, 2003** – Third installment of 2003 Estimated Tax is due for Individuals and Trusts.
- 8. **October 15, 2003**
 - Last day to electronically file a 2003 tax return.
 - Deadline for filing with a second extension.

Tax & Financial Planning

Failure to plan ahead and organize can land you on the rocks. Proactive planning and organization throughout the year will lead you down the path of Serenity.

Will you owe taxes this year or get a refund? Are you taking advantage of all the loopholes the law has to offer? Are you saving for retirement? Do you have adequate and appropriate insurance? Do you owe prior year taxes? Do you have delinquent

student loans or other debt that is absorbing your refunds? Do you have a case for claiming injured or innocent spouse relief? Are your investments properly allocated? Are you filing as a Sole Proprietor wondering if there is an advantage to incorporating your business? Do you need to file prior year returns? Do you need relief from prior year tax debt? Do you have a tax lien or levy? Are your plans blocked by credit problems?

If you have concerns about any of the above, please call to arrange for an appointment. I will gladly receive your information by fax, mail, e-mail or meet with you on either my turf or yours. Consulting Fees range from \$0-\$50 per hour.

Remember, the time to act is before December 31st.

Tax Saving Tips

1. Check your pay stubs for tax withholding and make appropriate adjustments with your employer. Call or fax your information over if you need help determining the correct amount.
2. Employee Business Expenses
 - Gather records on any equipment used at home for your employment.
 - If you use a car for your employer or have more than one job make sure you have adequate records of either:
 - a. Business and Personal Mileage for the year, or
 - b. Actual Expenses paid for Gas, Oil, Repairs and Maintenance.
 - If you are claiming a deduction for a home office, gather records of the total annual expense for Telephone, Gas and Electric Utilities, Internet Accounts and your other related expenses.
3. Rental Property - Have records of expenses for Major Repairs and Renovations, General Expenses, Sales and Purchases of property, and Mortgage Interest Paid.

4. 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.
5. 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.
6. Gifting Appreciated Property to Charities can yield substantial tax savings.
7. Exchanging appreciated property through a qualified like-kind exchange can defer your capital gains tax indefinitely.
8. 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.

There are many more tax saving tips and strategies. Every situation is unique and these are just the basics. The best way to ensure that you are taking advantage of all the law has to offer is to schedule a personal consultation.

The time to call your tax consultant is before, not after a major transaction.

Have a Peaceful and Happy Holiday Season!

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