

Patient CPA & Associates

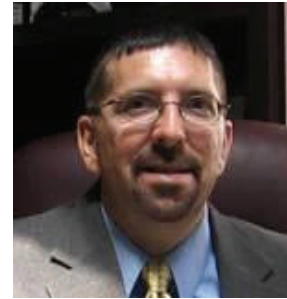
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Certified Public Accountants and Business Advisers

RECORDKEEPING MAKES GOOD SENSE

This is a great time to get your personal files in order. Days are longer, schedules are often less busy, and the tax year has not yet ended. Well organized records make it easier to prepare your tax return and help provide answers to questions we may have. Retain 1099's - information returns, bills, credit card and other receipts, invoices, mileage logs, canceled, imaged or substitute checks, proof of payments and any other records to support your deductions and credits. Our web-site has a Record Retention Guide that you can view under the Recent Newsletter Section.



Newsletter Spotlight

**Keep Your Records
Day Camp Credits
We're Broke !
Will I be Audited ?**

DAY CAMP EXPENSES MAY BE DEDUCTIBLE

To qualify, the costs incurred must be so you and your spouse can work or look for work - overnights do not qualify. You will need to report the providers name, address, tax ID number and amount paid.

AUDITS ARE UP BECAUSE THE COUNTRY IS BROKE

In what may be no surprise, our Nation is broke and looking for additional revenue. Look for higher taxes in 2011 and in the meantime, increased audits across the board. Most IRS audits have targeted individuals with Schedule C's, but they are also after non-cash charitable contributions. They select smaller items so you will choose to pay the extra assessed tax instead of incurring time and cost to fight it. This office has seen an increase in audits as well, however, with "no change" results.

WHAT ARE YOUR CHANCES OF BEING AUDITED ?

The 2009 IRS statistics on audits and enforcement have recently been released. They reveal that while the returns of higher income taxpayers have been on the increase, there has been a general increase in the number of audits overall. Where do you fit in based on the following?

<u>INDIVIDUALS</u>				<u>BUSINESSES</u>		
<u>Income</u>	<u>Chance</u>			<u>Income</u>	<u>Chance</u>	
Individual > 1,000,000.	6.42%	I	C Corps	(Assets / Revenues > 10M)	14.55%	
Individual > 200,000.	2.89%	I	C Corps	(Assets / Revenues < 10M)	.85%	
Individual < 200,000.	.96%	I	S Corps	(All)	.40%	
		I	Partnerships	(All)	.38%	

Keep in mind that there are also items reported on your tax return that could trigger an audit.

Contact our office with any questions you may have.