

Winter 2008

Hi everyone!

It will be so good to see some of you again face to face and hear your voices again! Everyone's getting more busy, so if you simply drop off your return that would be great! Here are some things to keep in mind before the end of the year.

Make the best of this

**CRAZY**

economy! If your business was operating at a loss in 2008 and you have a traditional IRA, take advantage of the current year loss and convert to a ROTH IRA with little or no tax consequence! The loss will combat the conversion gain and you could free up credits for use also. **Find that silver lining and use it!!**

If you have a rental or vacation home that you'd like to convert to your principal residence, **DO IT NOW!!** The portion of the gain on any future sale of that home that will be taxed is based on the non-qualifying use *after December 31, 2008*. If you act quickly you may still be able to convert that rental to your personal residence with little future tax liability on its sale!!

**If you wanted to do some energy efficient improvements and take advantage of the credit, wait until January to do it!** You can then benefit from installing those windows and insulation. Major improvements, such as solar water heating and Photovoltaic property (generating electricity from sunlight) will qualify for 2009 – 2016. So if you're inclined to go green and want to do it big time, you can wait until 2009 to receive a bigger credit. This also applies to wind energy and geo thermal energy.



Do you need one more reason to start that resolution and get exercising? The IRS is here to help motivate you. Starting in 2009 you can deduct up to \$20 for each month in which you ride your bike to work. Don't pay the gym, let the IRS pay you for getting healthy. \* Warning: Weather may limit opportunity to apply this.

In furthering our goal of going paperless, we will be providing your tax returns on a CD in a PDF file format starting with tax year 2009. This means you can print out as many copies of your return as needed and store future year returns on the same disk. Less storage space for you, easier handling and saving trees besides. We'd love to get your comments about this before we start it. Please let us know!

\* **Mileage Log Reminder:** For 2008 mileage rates were 50.5 cents per mile from January through June and changed to 58.5 cents per mile for use from July 1 to December 31, 2008. The new rate for 2009 is 55 cents per business mile. Sorry, but commuting to your workplace still isn't deductible, unless you're on a bike. ☺

We'll see you soon, and remember, if your appointment is with Nancy, be kind to her, she's smart, but shy. ☺