

Summer 2009

Hi everyone!

Last year was a challenge for many of our clients. Certainly more challenges lie ahead. You can be prepared by taking advantage of the current tax laws and, when needed, consulting with your CPA's, Kevin or Nancy, for tax planning before making decisions.

Here are some ways to save from \$400 to thousands of dollars.

Idaho Tax Credits

If you found yourself receiving a Federal tax refund, but owing Idaho State, remember, an easy way to reduce Idaho tax is by taking advantage of specific Idaho credits. The state of Idaho gives a tax credit when you contribute cash or goods to either **1) an Idaho educational facility** or **2) an Idaho youth and rehabilitation facility**. These are two separate credits which can total **up to \$200 each** (if married filing joint, \$100 if filing single). That means reducing Idaho tax due and possibly also increasing your Idaho refund by up to **\$400!** (if married filing joint, \$200 if filing single).

So, instead of contributing those bags of lightly used clothing to just any charity take your household goods to any of these organizations to reduce your Idaho taxes:

(educational facilities)	(Youth and rehabilitation facilities)
Idaho museum	Anchor House
Idaho library	Idaho Youth Ranch
Idaho public television	TESH Industries
Idaho State Historical-Society	Children's Village P.A.T.C.H.
Idaho Research Park or Any Idaho public or private school.	Kinderhaven, Project Safe Place
	Disability Action Center-Northwest

* Please contact these agencies for details on donations.



By the way, Immaculate Conception Academy is a qualified charity for this credit and Kevin's son runs in the jog-a-thon every May if you'd like to sponsor him next year.

* **Mileage Log Reminder:** For 2009 the business mileage rate is 55 cents per mile. We had several mileage logs here for our clients. Hope you picked one up!

Tax Riddle!

What acts like a regular **deductible IRA** going in and a **tax free Roth IRA** going out?

Answer: **Health Savings Account (H.S.A.) contributions.**

These contributions in connection with a high deductible health insurance plan are deductible from income in the year they are contributed and under the right circumstances, tax free when the distributions are made even years later.

That means up to \$5,800 less taxable income this year! In effect, this can be used as an additional retirement account.

Give a call to see how this could benefit you!

Retirement distributions alert!

Did you take money out of your retirement account to help you get by last year? Was it a horrible surprise when you saw the tax due because of that distribution? Please contact us before taking money out! This assistance can save you thousands if you just take advantage of it!