

Summer 2008

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Hi everyone!

This year has been a busy one with lots of changes! We're setting up a new website – see what you think at www.kevinkimpton.com. It will help introduce you to our great staff as well as a reminder of what we can do for you. Some of you may have already received your refunds and stimulus checks; others still need to come in before the next deadline. In either case, here are some items to keep a watch on.

Tax Planning

Do you expect your child who is either under 18, or between the ages of 19 and 23 and is also a full time student, to receive \$1,700 or more in investment income in 2008? Your child may be subject to “kiddie tax”.

Do you reimburse your employees for meals, tools, etc? The IRS has been pretty aggressive in this! Give us a call to see how your documentation can save you needless worry.

If you are married and receiving social security, will your total income plus ½ of your social security equal 32,000? If so, your social security income will be taxed. Find out how much and avoid the unexpected!

Also, if you receive income from a Partnership or S. Corporation you can benefit by having both returns prepared by the same CPA firm so that both returns can be prepared in order to provide you with the most tax advantage.

* If you have children who turned 18 in 2008 and they were working, make sure they consult with you before preparing their first tax return! You may miss out on a needed exemption if they claim themselves as a dependant to get their refund – contact us for a quick explanation.



Just A Reminder: Keep a log to record mileage for business use. Mileage rates changed to 58.5 cents per mile July 1, 2008. A log will help you total your business miles. Two totals are needed: January – June business miles and July – December business miles.

Hope you had a great year and we look forward to seeing you early next year!

In The Most Holy Name of JESUS,

Kevin+

If you are planning on renting your personal residence and then selling it without taxable gain, you may need to think again. The IRS will consider the gain on the sale of a principal residence as taxable for the period in which it was used for a rental. This applies to homes sold on or after January 1, 2009. If you think this may affect you, give us a call quick!

News Flash! - Were you a first time home buyer in 2008? There may be a refundable tax credit for you in 2008. Refundable means, cash back in your pocket, not just reducing taxes owed. The credit is equal to 10% of the purchase price of your home up to \$7,500. Not to get too excited though, the government giveth and the government taketh away. You'll have to pay it back in 15 annual installments. Think of it more as an interest free loan – still a **good deal!** There are limits to this though. Give us a call to see how it will benefit you.