

I HAVE A QUESTION!

1. My child went to camp this summer. Can I take a dependent care credit?

Did your child go to MATH DAY CAMP? This cost qualifies for the dependent care credit and includes camps that focus on IMPROVING READING, WRITING, OR STUDY SKILLS. Special day camps also qualify such as COMPUTER, THEATER, OR SOCCER. Your child must be under 13 years of age and the cost must be incurred so the parents can work.

2. I have rental property. Am I going to have to send a Form 1099 to my plumber this year?

After months of haggling, the Form 1099 has been repealed for rentals and small businesses. These past requirements would have cost you a vast amount of time and energy. However the new payment card reporting rule is in effect. For the year 2011, credit and debit card companies will begin to issue Form 1099Ks on payments to merchants, and third party networks such as Pay-Pal. Form 1099Ks will go to payees with over 200 sales transactions and over \$20,000 in annual sales. These amounts will be reported on a separate line on Schedule C and Forms 1065, 1120 and 1120S. If you receive a Form 1099K, please bring it to our office so that we can report it correctly.

3. Does the Health Care Act have some tricky tax implications?

Yes, you need to be aware of many complexities contained in the Health Care Law. The law does not go into effect until after the year 2012, but you need to know how the law could affect you and your taxes. Before the year 2013, this could be a good time to sell appreciated assets. There will be a 3.8% surtax levied on capital gains. Profits on sale of stocks, rental properties and second homes will be hit by this surtax assuming the gross income is large enough. The GOOD NEWS is the surtax won't apply to your personal home sales; only the profits that exceeds \$250,000 for singles, \$500,000 for married filing joint. The current Health Care Law is in the Supreme Court at this time. Some of the laws may be overturned. It is important to stay in close contact with our offices year round.

4. If I give a donation through my church for a scholarship, can I deduct it on my taxes?

A tax deduction is still available when you give a donation to charities that give scholarships to students attending private schools, including parochial schools. Georgia also gives you a credit.

5. I got a letter from the IRS. What should I do?

1. **Don't Panic!** We can help you deal with many of the letters simply and painlessly. It's important that you keep copies of any correspondence from the IRS with your records.
2. Each letter notice offers specific instructions.
3. If you do not agree with corrections the IRS made on your return, our office can help you prepare a written explanation. We would include any documents and information you want the IRS to consider.

NOTE: *The IRS is so much easier to deal with if you are current with your tax filing. Having problems getting your Tax information by April 15th? Call our office we will get an extension for you and you will need to keep a copy of the extension in your file. IRS also charges Big Penalties for late filing if you owe money.*

The Energy Credit Still Around



Let us know if you did any energy efficient improvements on your home in 2011:
Such as new windows, doors, air conditioners, etc.

CHANGE FOR 2011

IRS has new complicated regulations for reporting capital gains this year. We are here to help you meet the challenge!