



The RoCo Times

Special Dates of Interest

- December 24 & 25— Our office will be closed for the Christmas Holiday. **MERRY CHRISTMAS!!!**
- January 1—Office Closed **HAPPY NEW YEAR!!!!**
- January 15—4th Estimated Individual Tax Payment due.
- January 21—Martin Luther King, Jr. Birthday-Federal Holiday.
- January 31—W-2's due from Employers & 1099's due from banks, brokers and other payers.

INSIDE THIS ISSUE:

Special Dates of Interest	1
Year End Tax Tips	1
Develop Three Habits For Debt Management	2
Just for Laughs	2
New Tax Laws & Website Update	3
QuickBooks® Seminar	3

When everything is coming your way, you're probably in the wrong lane.



*Tom Snyder
(1936-2007)*

Year End Tax Tips

1. Review your income and deductions:

It is all about timing. If your income is high this year, consider deferring more income at the end of the year to the following year to save on taxes. If you are due a bonus, see if your employer can wait until January to write the check.

2. Bunch your payments:

If you think you have enough deductions to exceed the standard deduction, try bunching payments into one year to take advantage of itemizing. Next year, you can use the standard deduction and then bunch your payments again the following year. This way you will itemize every other year.

3. Pay deductible expenses before year end:

- Pay your state income tax estimate that is due 1-15-08 before December 31.
- Pay property taxes early.
- Make an extra mortgage payment.
- Have dental work or elective surgery before year end. Note, that the IRS does not allow a deduction for payments if the services have not been performed.

4. Adjust your income tax withholding:

If you feel you have underpaid your taxes this year, consider increasing your withholdings for the remaining pay periods. This will help avoid any penalties that are due to an underpayment.

5. Charities:

Be charitable. Make a cash contribution before year end. If you donate appreciated property, you'll be able to deduct the full market value. Make sure you get an appraisal to determine the value.

6. Contribute to an IRA:

If you qualify, contribute to an IRA. Remember you have until April 15th to open an IRA and make a deductible contribution for the prior year. Maximum IRA contribution for 2007 increased to \$5,000 (\$6,000 for 50 and older).

7. Contribute to your 401(k):

If your company has a 401(k) plan, make a large contribution. Maximum salary deferral amount for 2007 is \$15,500 (\$20,500 for 50 and older).

8. Marital Status:

Your marital status as of December 31st determines your tax status for the whole year.

9. Capital Gains:

Look at your investment portfolio to determine whether you should sell some losers before year-end to offset capital gains you've already realized.

Give us a call if you should need help with any of the above tax tips—

586-5236

Develop Three Habits For Debt Management

Debt can be an emotional roller coaster. One moment you feel exhilarated as you swipe your credit card to pay for some amazing gadget. You say to yourself “I’ll pay for this when I get my monthly statement.” Then, it feels as though you have been punched in the stomach when you finally receive the monthly statement and the money you were going to use to pay for that gadget, is gone!

The concept of staying out of debt is simple, it means foregoing **Impulsive Purchases**. However, the act is much more difficult. It requires time and discipline; time to create a spending plan and the discipline to follow the spending plan. It is also important to understand the difference between necessary and unnecessary debt. Necessary debt can be acquired through the accumulation of appreciating assets. Unnecessary debt is acquired through routine credit card charges or installment loans for depreciable items.



Below are three habits that can make an outstanding impact on debt management:

1. **Live below your means.** Much of the stuff that seems so essential today will, in fact, grow less desirable over time. Of course, living below your means requires that you discover what those “means” are. For many people, this means tracking your income and expenses over a period of time — a month or more — to learn where your money comes from and how it’s spent. You might be surprised. That cup of gourmet coffee on the way to work, that weekly meal at the fine dining establishment, that car payment for the latest sedan — all cut into your disposable income. By spending less than you consume, you’ll be able to save for the future and develop long-term wealth.
2. **Save for emergencies.** By setting aside money in easily accessible accounts, you avoid racking up credit card bills when unexpected expenses occur. Such expenses could include trips to the emergency room, replacing the water pump on the family car, or patching a hole in the roof. A reserve fund can also help you survive periods of unemployment without incurring additional debt.
3. **Use debt wisely.** If you decide to incur debt, know what you’re doing. Slow down, take a deep breath, think about how valuable this item will seem three months from today. Also ask yourself whether you can pay off these new charges out of next month’s income.

Staying out of debt is not glamorous, and it requires more than a little self discipline, but the long term benefits are substantial.

Just for Laughs



A visitor from Holland was chatting with his American friend and was jokingly explaining about the red, white and blue in the Netherlands flag. “Our flag symbolizes our taxes,” he said. “We get red when we talk about them, white when we get our tax bill and blue after we pay them.”

“That’s the same with us,” the American said, “only we see stars, too.”

Tax Changes for 2008

- 2008 Standard Mileage Rate:
 - 50.5 cents per mile for business miles driven.
 - 19 cents per mile driven for medical or moving purposes.
 - 14 cents per mile driven in service of charitable organizations.

***At the time of this printing, these are the only new tax law changes or revisions to report. You can always visit our website at www.rococpa.com to see the 2008 Tax Revisions. They will be updated by January 1, 2008.*

Website Update



Please check out our website at www.rococpa.com and see the **new** link on the opening page, **The Reference Section**. There, you can find interesting articles from **Alternative Minimum Tax to Vacation Homes**. There are some interesting articles for Business and Financial Strategies as well.

We keep our website updated with the Latest Tax Releases, Financial Tips, Business Tips and Rates, Dates and Requirements. Don't forget that you can order your new QuickBooks® Software by clicking on the QuickBooks® logo and receive a discount.

You can also order checks at a discounted price by clicking on the EiPrinting Icon on the opening page. They **Guarantee** lowest prices Nationwide!



QuickBooks® Seminar



Time and Place

When: Tuesday—January 24, 2008
Where: East Sonora Conference Center
Time: 8:30 to 4:30
Cost: \$219.00 (discounts for early registration)

Program Schedule

<u>8:30–12:00</u>	<u>1:00-4:30</u>
<ul style="list-style-type: none"> • Set Up of Program • Accounts Receivables • Accounts Payable 	<ul style="list-style-type: none"> • Business Reports • Payroll • Questions & Answers (time permitting)

Please contact our office with any questions or to reserve your spot today!!!!
22912 Vantage Pointe Dr., Twain Harte, CA 95383 Phone: 209-586-5236