

# Gwizdala & Associates

CONSULTANTS & ADVISORS SINCE 1984

Happy Summer! We hope you are all taking the time to enjoy the great outdoors this time of year. It was great seeing you all this tax season or at least touching base over the phone if we didn't see you in the office. Tax season is always a little chaotic but it's always our favorite time of year when we see those whom we only work with once a year.

As the hustle and bustle of tax season is behind us and the lazy days of summer are upon us, now is a great time to schedule a meeting with your tax preparer to do some tax planning. If you have had some changes recently such as your income has changed, your marital status has changed, or you've started your own business or are working as a contractor, you may want to meet with your preparer to discuss what you can do now to avoid a high tax bill next April.

Are you contemplating retirement or have you received an inheritance recently? This may be a good time to warrant a meeting with your preparer or one of our Financial Advisors, Justin or Alex.

Do you need help straightening out your QuickBooks or have you gotten fed up with the time you are spending on your company payroll? Do you want more time to spend performing the services that you went into business to perform in the first place rather than spending so much time doing the accounting for your business?

If you or someone you know needs assistance with any of the above this summer, please don't hesitate to give us a call.

Have you visited our website lately? We work hard to bring you lots of useful information and answers to FAQs. You can also connect with us on Facebook or LinkedIn.

Have you used our online portal? You can access your tax returns 24/7. Need to send a copy to your bank asap? Call Mandy to find out more about this.

## What We've Been Up To...

This is the time of year when our staff gets educated with new tax updates and continuing education requirements. Dan, Mike, Rick, and Stephanie have been hard at work attending seminars to make sure they are on top of the industry changes. Rick and Mandy just returned from California for a weekend management seminar. The staff will be hard at work this summer moving the Bloomington office at 98<sup>th</sup> Street. More information regarding this move will follow. In the meantime, the main office in White Bear will be able to assist you with any accounting, tax, or consulting needs while Dick has very limited office hours.



## Staff Spotlight

Pam Atzmler may not be the most familiar face you've seen around the office. Pam joined us this past tax season to help with administrative tasks. We were blown away at how much of a successful contribution she made to the workflow of the office during

our busiest time. She is always full of energy and a fun person to have a part of our team. When Pam isn't helping us out during tax season, she's usually very involved with her five grandchildren, hanging out with her husband Rick, working on their cabin in Wisconsin, are getting her steps in. If you have the pleasure of meeting Pam when she's around the office, you're sure to love her energy as much as we do.

## Useful Figures

### Mileage Rates:

	<u>2014</u>	<u>2015</u>
Business	56 cents	57.5 cents
Medical & Moving	23.5 cents	23 cents
Charitable Organization	14 cents	14 cents

### IRA Contributions:

Under age 50	\$5,500	\$5,500
Age 50 or older	\$6,500	\$6,500

### SEP Contributions:

Employees	25% of wages
Self Employed	20% of net SE income up to \$52,000

### 401(k):

Under age 50	\$17,500	\$18,000
Age 50 or Older	\$23,000	\$24,000

### Standard Deductions:

Single or Married filing Separate	\$6,200	\$6,300
Married Filing Joint	\$12,400	\$12,600
Head of Household	\$9,100	\$9,250

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# Summer 2015 Newsletter

## **Do you Review your Bank Statements?**

Do you review your bank statements? You should! If you find fraudulent charges, you could only have 30 days from those fraudulent charges to address these with your bank if the fraudulent charges are from the same suspect under UCC, Section 4406(d)(2). It is your responsibility to be aware of your finances. Wells Fargo's policy is to give the customer "a reasonable period of time", not exceeding 30 days to examine accounts and notify the bank. Your bank may have different rules.

### **Summer Hours**

White Bear Office  
Memorial – Labor Day  
Monday – Thursday  
8:30am – 5pm  
Fridays  
Closed  
Remember, we have a  
locked drop box to the  
right of our door.

### **The Power of Referrals**

We know that referrals are much more powerful than any marketing campaign which is why we appreciate the thoughtfulness of your referrals to friends, family, and businesses. We want you to know that we also refer our clients to those seeking services that we think will be a good fit. Thank you for your continued support.

### **A Word from the Experts – Dan Foley, CPA**

In previous newsletters, we notified you of a man who donated almost \$28,000 worth of household goods, clothing, and electronic equipment to a legitimate charity when his mother passed away. He gathered all donation acknowledgements and prepared a spreadsheet identifying the items and the value.

He valued these items using a list he found on the Salvation Army website. The tax court ruled that none of these donations were allowed because the taxpayer did not follow the substantiation requirements of

IRC Sec. 170(f)(8) and (11) because evidence showing the item's condition or an appraisal was not provided to support their value. A similar court case also resulted in disallowed charitable deductions of \$37,315 to Goodwill for the same reasons of not providing evidence to show the condition of the items and for not acquiring an appraisal of values at or more than \$5,000.

For noncash contributions that total less than \$5,000, written records of the donated items are enough and no appraisal is necessary. Also, if you donate a motor vehicle to a recognized charity, you will need a form 1098-C from them to deduct more than \$500. We are then required to send a copy of the 1098-C to the IRS. If you receive a benefit from making a charitable contribution, we can only deduct the amount of the contribution that exceeds the value of the benefit. Also, when a charitable organization sells raffle tickets, purchasing them is not deductible.

### **Now Scams of Revenue Agents coming to your Door Becomes an Issue**

We told you about the prevalent telephone scams of IRS agents demanding money over the phone or sometimes threatening that the police will be at your door. A new scam alert is people posing as Minnesota Department of Revenue agents coming to homes or businesses and demanding immediate payment on back taxes owed. Below are four things a scammer will do, but a government agency will not:

- Contact you about your balance due without contacting you by mail first
- Demand payments without contacting you by mail first.
- Require that you provide payment information over the phone.
- Threaten to send the police or law enforcement.

If you are concerned about a visit, phone call, or email from someone identifying themselves with the Minnesota Department of Revenue that could be fraudulent, please call 651-296-3003 or 1-800-657-3909. An authorized staff member of Minnesota Department of Revenue can determine if the communication is legitimate or not.

