

Tax Season 2010

(NOTE: Bookmarks have been made available for this document. Click URL/link for website access)

Tax Facts by the IRS

2010 is the beginning of the new electronic age for the Internal Revenue Service. On line, the IRS is providing news releases, fact sheets, and tax tips as it did for many years through eMail. Now the IRS is expanding its use of electronic media by giving the taxpayer YouTube video and podcasts that further publicize, and disseminate, tax-filing-season-2010 information to the tax preparer/practitioner as well as the taxpayer.

Do not be the last filer to not know what is going on during the tax season. No computer? No internet connection? It is a problem! Those in Congress encouraging the implementation of the “new electronic age” are doing this in the best interest of the taxpayer. We encourage the taxpayer, who feels overwhelmed and lacks the disposable income to stay in touch with the times, to contact their Congressional representative.

Make sure to visit

<http://www.irs.gov/newsroom/article/0,,id=217826,00.html>

to get your tax information direct from the folks that bring “taxes” to the American public at the request of our representatives in Congress!

Visit <http://www.kjs-a.com> for our details in the **TaxStack™**.

For an appointment, call us at 402.896-3911

Buy Bonds

(NOTE: Bookmarks have been made available for this document. Click URL/link for website access)

Series 'I' Bonds

It is possible to buy 'I' bonds if there is a tax refund. To get involved, it is best to know about the process. A good place to get the information needed to make a decision to invest in the future is to visit <http://www.irs.gov/individuals/article/0,,id=217762,00.html> to learn more about this savings bond opportunity.

According to the Internal Revenue Service (document date was January 21, 2010), the current rate paid on savings bonds is 3.06%, which is updated each May and November. Another good thing, the bonds are only subject to federal tax on the earned interest at the time the bonds are redeemed. The interest earned on the bonds is not taxable at the state or local level.

If the taxpayer prepares their own return and wants the bonds, a Form 8888 is needed. Also, visit <http://www.irs.gov/pub/irs-pdf/p4830.pdf>.

Visit <http://www.kjs-a.com> for our details in the **TaxStack™**.

For an appointment, call us at 402.896-3911

Standard Mileage Rates

Car (also vans, pickups or panel trucks)

The standard mileage rates for 2010 are reflected in IR-2009-111, Dec. 3, 2009. It is best to view <http://www.irs.gov/newsroom/article/0,,id=216048,00.html> to get the complete details. Personal use is not deductible!

Business \$0.50, medical/moving \$0.165, charitable \$0.14!

Visit <http://www.kjs-a.com> for our details in the **TaxStack™**.

For an appointment, call us at 402.896-3911

Deductions

(NOTE: Bookmarks have been made available for this document. Click URL/link for website access)

For deductions, we recommend a call for an appointment to 402.896-3911. Let us help to minimize that valuable personal time used in a once-a-year effort to learn about appropriate deductions that may, or may not, be available. If an appointment was not made, let's begin by stating, "Deductions are not mysterious." The Internal Revenue Service provides hours of reading materials, for those that have the time, regarding deductions for the taxpayer. Each and every deduction that has been authorized by our representatives in Congress is presented for the taxpayer to read. Please visit

<http://www.irs.gov/taxtopics/tc500.html>

<i>Should I Itemize?</i>	Topic 501
<i>Medical and Dental Expenses</i>	Topic 502
<i>Deductible Taxes</i>	Topic 503
<i>Home Mortgage Points</i>	Topic 504
<i>Interest Expense</i>	Topic 505
<i>Contributions</i>	Topic 506
<i>Casualty and Theft Losses</i>	Topic 507
<i>Miscellaneous Expenses</i>	Topic 508
<i>Business Use of Home</i>	Topic 509
<i>Business Use of Car</i>	Topic 510
<i>Business Travel Expenses</i>	Topic 511
<i>Business Entertainment Expenses</i>	Topic 512
<i>Educational Expenses</i>	Topic 513
<i>Employee Business Expenses</i>	Topic 514
<i>Casualty, Disaster, and Theft Losses</i>	Topic 515

Visit <http://www.kjs-a.com> for our details in the **TaxStack™**.

For an appointment, call us at 402.896-3911

Scams

(NOTE: Bookmarks have been made available for this document. Click URL/link for website access)

Scams are insidious because they are carefully crafted to prey upon anyone who wants to “believe!” Scams usually suggest and promise something to good to be true that is highly desirable and maybe even needed. Often the scam is presented with a veil of secrecy and a need for urgency. The story that is used is written to catch the unwary with mystique and a promise of “great” reward with little effort. A favorite story is that taxes do NOT have to be paid for one reason or another. The Internal Revenue Service offers these websites to help the taxpayer with the “Facts” so that personal loss and embarrassment are avoided. Visit:

<http://www.irs.gov/compliance/enforcement/article/0,,id=105786,00.html>

(IRS Wants You to Know About Schemes, Scams and Cons)

<http://www.irs.gov/newsroom/article/0,,id=217794,00.html>

(Online Scams that Impersonate the IRS)

<http://www.irs.gov/privacy/article/0,,id=179820,00.html>

(How to Report and Identify Phishing, E-mail Scams and Bogus IRS Web Sites)

Visit <http://www.kjs-a.com> for our details in the **TaxStack™**.

For an appointment, call us at 402.896-3911

Preparer/Practitioner Certification

(NOTE: Bookmarks have been made available for this document. Click URL/link for website access)

Certification

The Internal Revenue Service had had preparer/practitioner certification put on it “things to do” list. The first move is called, “Higher Standards to Boost Protections and Service for Taxpayers, Increase Confidence in System, Yield Greater Compliance with Tax Laws.”

The details may be found in IR-2010-1, Jan. 4, 2010 and can be viewed at

<http://www.irs.gov/newsroom/article/0,,id=217781,00.html>

We believe that we, at KJS Associates, are in compliance with IR-2010-1, Jan. 4, 2010. Each preparer has their PTIN. All paid tax preparers are active and in good standing with their respective licensing agencies. All continuing education requirements have been met. We believe that we are in compliance with all ethical rules found in Treasury Department Circular 230.

We acknowledge that an IRS agent can and will do a visit posing as a taxpayer under the guise of IR-2010-1, Jan. 4, 2010.

Visit <http://www.kjs-a.com> for our details in the TaxStack™.

For an appointment, call us at 402.896-3911

How to get Prior Tax Returns

(NOTE: Bookmarks have been made available for this document. Click URL/link for website access)

There are many approaches a taxpayer may use to obtain prior year tax return documents. The choices of approach are not listed in any particular order.

Safety Deposit Box

A very efficient means, and *recommended*, to always have an “*exact*” copy of a prior year tax return available is to put the “filed” tax return into a safe deposit box to allow almost immediate access anytime during the tax return’s statutory life. See <http://www.irs.gov/pub/irs-irbs/irb01-23.pdf> for some information to begin a search on “statutory life.”

Form 4506

Use the “Request for Copy of Tax Return” if an “*exact*” copy of a previously filed and processed tax return and all attachments (including Form W-2) is needed. The current and the six (6) prior tax years, are “generally” available and, may be requested. The form must be signed. The cost for the request is \$57.00. The request may take up to sixty (60) calendar days. See <http://www.irs.gov/pub/irs-pdf/f4506.pdf>. Visit <http://www.irs.gov/taxtopics/tc156.html> for details.

Transcript

A "tax return transcript" may be an acceptable *substitute* for an exact copy of a tax return by the United States Citizenship and Immigration Services and lending agencies for student loans and mortgages. The current and the three (3) prior tax years, are “generally” available and, may be requested. The transcript is actually “free!” Visit <http://www.irs.gov/taxtopics/tc156.html> for details.

Tax Account Transcript

Terminology plays an important role when making a transcript request. If you need a statement of your tax account which shows changes that you or the IRS made after the original return was filed, Do ***NOT*** request a “transcript!” You must request a “**tax account transcript!**” The current and the three (3) prior tax years, are “generally” available and, may be requested. The transcript is actually “free!” Visit <http://www.irs.gov/taxtopics/tc156.html> for details.

800-829-1040

A free “transcript” may be obtained by calling 800-829-1040 and following the prompts in the recorded message. Transcripts requested through this automated system cannot be sent to a third party. The transcript is actually “free!”

4506T-EZ

The “Short Form Request for Individual Tax Return Transcript” is intended for getting a Form 1040 transcript to help those taxpayers trying to obtain, modify or refinance a home mortgage. The transcript may be mailed to a third party, such as a mortgage institution, if specified on the form. See <http://www.irs.gov/pub/irs-pdf/f4506tez.pdf>. Visit <http://www.irs.gov/taxtopics/tc156.html> for details.

4506T

The “Request for Transcript of Tax Return” is intended for use by businesses, partnerships or individuals who need transcript information from other forms, such as Form W-2 or Form 1099. See <http://www.irs.gov/pub/irs-pdf/f4506t.pdf>. Visit <http://www.irs.gov/taxtopics/tc156.html> for details.

Tax Practitioner/Preparer

A copy of a current or prior filed tax return may be available from the “paid” preparer/practitioner that was used. The practitioner/preparer is not required to act as a storage location for a taxpayer so the preparer may charge a fee to recover the tax return. The fee may include: the “billable” time it takes to locate and prepare the return for the taxpayer; the cost to “copy” the return; the cost to “deliver” the return; there may be other costs to include time on the “telephone,” “archive/backup” search, etc.; there may be software installation required; and, there may be license fees. In many cases, the copy from the practitioner/preparer will be a “file” copy and may not be an “exact” copy. If the taxpayer did not separately contract with the practitioner/preparer for storage of supporting documents for the tax return it is unlikely that these documents will be available from the practitioner/preparer.

Visit <http://www.kjs-a.com> for our details in the **TaxStack™**.

For an appointment, call us at 402.896-3911

This **TaxStack™ Facts** contains information that is subject to change. The information was valid on the day acquired.

Table of Contents

Tax Season 2010.....	1
Tax Facts by the IRS.....	1
Buy Bonds.....	2
Series ‘I’ Bonds.....	2
Standard Mileage Rates	3
Car (also vans, pickups or panel trucks)	3
Deductions	4
Should I Itemize?	4
Medical and Dental Expenses.....	4
Deductible Taxes	4
Home Mortgage Points	4
Interest Expense	4
Contributions.....	4
Casualty and Theft Losses	4
Miscellaneous Expenses	4
Business Use of Home	4
Business Use of Car	4
Business Travel Expenses.....	4
Business Entertainment Expenses.....	4
Educational Expenses	4
Employee Business Expenses	4
Casualty, Disaster, and Theft Losses	4
Scams	5
Preparer/Practitioner Certification	6
Certification	6
How to get Prior Tax Returns	7
Safety Deposit Box	7
Form 4506.....	7
Transcript	7
Tax Account Transcript	7
800-829-1040.....	7
4506T-EZ.....	7
4506T	8
Tax Practitioner/Preparer	8
Table of Contents.....	9