The KJS Associates' "Benefit"

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People

We have people that do the interview with the taxpayer. We do not put a totally indifferent computer between us during the interview! Our interview is not just a set of questions that is supposed to fit every taxpayer. Our people do the interview one-on-one. The interview is not done in a shopping mall, or store, where everyone can participate and learn about all the private financial matters and personal bits of information that a taxpayer may have to divulge including social security number(s), adjusted gross income, financial transactions, home address, and children, just to name some of the types of information that has to be openly discussed in preparing a tax return even, unfortunately, in a shopping mall or store setting. If that is not enough to cause concern, think about all of the devices advertised on television that enhance hearing to distinctly allow even whispered detail to be heard at great distances (per their advertisement)!

United States of America

At KJS Associates, the workers are all native-born United States Citizens of good-standing. The Internal Revenue Service has our fingerprints. The IRS has also assigned PTINs. We attend the IRS software developer's conference. Each year we attend one of the IRS sponsored National Tax Forums where we acquire contacts and CPE credits on subjects the IRS feels we need to know, or equivalent sessions. We are listed in the, "Authorized IRS e-file Provider Locator Service for Tax Professionals" that can be viewed at

http://www.irs.gov/efile/page/0%2C%2Cid%3D10162%2C00.html

Computer

When KJS Associates does the tax preparation no computer, whether netbook, laptop, or desktop , PDA, smart phone, etc. is needed by the taxpayer to prepare their taxes. The taxpayer does not have to know anything about computers. They do not have to "hurt" their brain trying to do two things, taxes and computers, that are no fun! All the taxpayer needs to do to get ready for the tax preparation process is to collect all of their tax related documents and call us for an appointment (402.896-3911). That is it – no computer is needed by our clients for tax preparation.

Software

Loading the new tax software is not a problem. There is no need to spend time installing or trying to register the software to get it to work. Tax software is not needed by our clients. KJS Associates' clients do not have to make a decision, or spend money on software to get the greatest refund or to make sure all the allowed deductions are taken and whatever else is promised (or NOT!). Uninstalling the software is not an issue either – tax software is never loaded and left cluttering the computer and taking space. Oh, and when something goes wrong during preparation; or, when a notice is received from the IRS after filing the return, "Who does the taxpayer call?" The software offers no button or click box to get "HELP!" Call us for an appointment at 402.896-3911. We will assist the "***stranded***" taxpayer!

Internet

Internet, "What?" An internet connection, whether cable, DSL/ADSL, telephone modem dial-up, or whatever, is not needed for the preparation of a tax return when the return is done by KJS Associates. Why pay for "more" speed just to be able to connect to the online "free" service that is very colorful and cute? We sincerely hope it was not necessary to upgrade to a "better" package just to be able to "free" file! Just call us for an appointment at 402.896-3911 to "Feel the simplicity!(tm)" we offer.

Free

"Free," in online tax preparation services is not necessarily the dictionary definition. KJS Associates publishes our prices for what it costs us to do the taxpayer's tax return. We offer incentives, givebacks, discounts and the like to encourage the taxpayer to better integrate into our workflow to make our process as efficient as possible. Being efficient keeps everyone's costs as low as possible. We do not prepare tax returns for "free" no matter whose definition of "free" is being used. The adage that one gets what one pays to receive may be fitting for "free" filing.

Geek Speak

The Congress has certainly made the process of paying taxes ridiculously complex. The 1913 vintage Form 1040 (see Form 1040 heading below) in itself was very complex. The Form 1040 used in the 21st century is so complex that, it is reported, most people are not capable of actually preparing their tax return from the directions in the publications made available by the Internal Revenue Service for that purpose. It seems the majority of tax returns are done by a tax preparer/practitioner.

If the taxpayer has KJS Associates (402.896-3911 for an appointment) prepare their tax return, they are spared the agony of dealing with the majority of the tax preparation process. We still have to explain the tax return. We have to provide a copy of the tax return. The taxpayer must sign the various forms that permit the return to be filed. And, of course, the taxpayer client has to pay us. That is all there is to it!

Representation

Short and sweet! If KJS Associates prepared the tax return and the taxpayer needs to appear before the Internal Revenue Service, all it takes is an appointment and a legible copy of the notice. We will assist the taxpayer-client in getting ready. We can be with the taxpayer if this moment of need ever happens.

If the taxpayer used the "tax software" approach or the online "free" approach to file their tax return, they may "feel the pain of being stranded!" We can help the "stranded" taxpayer. First, call for an appointment at 402.896-3911. We will advise the "stranded" taxpayer how we can help with their unfortunate situation.

NO! Cloud

KJS Associates does not participate in "Cloud" computing. At the present time we feel "due diligence" prevents us from putting the taxpayer's personal and financial information where we cannot control the degree of security we feel is necessary. In the "Cloud," we are also inhibited from setting policies for access, storage location, backup/archive procedures, personnel access and certified trustworthiness, and other pertinent and germane reasons. We believe that taxpayer information should be encrypted when preparation and filing use is complete. We feel that the computer's access to the internet should be restricted to "needed" use (filing, updates, research, etc.). We also think that access to the computer should be restricted to designated individuals that have a "need to know!" It is our opinion that taxpayer processing and returns should be on a separate local computer to protect this important activity from general browsing issues and issues that come from infected eMail.

Consistency

The taxpayer's return is not prepared by a stranger at KJS Associates. The taxpayer gets to meet and talk to the person that prepared their tax return in prior years, that will prepare it this year, and will prepare the return in future years. The preparer/practitioner knows the taxpayer and can help make sure the taxpayer has all the necessary documents and materials for their tax return. There is no unfamiliar package bought at some store at a mall somewhere that was written by some, maybe outsourced, software vendor. There is no "cute" webpage making promises with no human contact, to be found, if a promise is broken or something goes ghastly wrong – well, maybe just "wrong!"

Due diligence

We make sure the tax return is properly done the first time. We will ask the client for the social security cards (not copies) for all those that will be on the tax return (adults – name must match the photo ID and address verification, and children), two forms of unaltered photo-identification, one of which must be issued by the state or the federal government, for each adult. For children, we may ask for "raised seal" state-issued birth certificates. We may ask for additional identification if the documents presented are tattered, battered or disfigured. EITC rules may require additional documents to be provided and some additional questions (normal data the parents should have readily accessible). We must have verification of the taxpayer's physical address (utility, real estate, etc. bills showing the same address and names that match the photo-identification). A contact telephone number is also necessary. A prior year tax return is a must in most instances if we did not file the taxpayer's prior year return. An eMail address is optional. The eMail address is necessary for acceptance/rejection notification by eMail if the taxpayer eFile'd.

Please understand that we may ask other questions and we may ask for other documents that the Internal Revenue Service has deemed necessary for our required "due diligence" compliance.

Right Match

We would like to be the "correct" preparer/practitioner for each and every taxpayer. This "ideal" is not always possible. We may, at our discretion, choose not to provide tax preparation services when there is a "safety" issue (weather, crime, disaster, etc.). We will not be able to provide tax preparation services if the taxpayer is unable to provide satisfactory identification. If the taxpayer can not provide a prior year tax return; or, the taxpayer chooses to refrain from answering questions that affect our "due diligence" compliance we will defer. If our request for payment is refused then we will not provide tax preparation services.

We are the Preparer/Practitioner

KJS Associates offers a professional, full, tax-return preparation service. We currently offer several benefits that are not offered by our competitors. We take tax return preparation seriously.

"Feel the simplicity!(tm)"

Visit http://www.kjs-a.com for our details in the **T**ax**S**tack™.

Call 402.896-3911 for an appointment to be our next client!

Tax Year 2009 Client Letter

(NOTE: Bookmarks have been made available for this document. Click URL/link for website access)
(NOTE: This TaxStack™ *Information* view has more detail than the client-mailing letter)

Forward

Traditionally, Congress has been known to procrastinate until the 11th hour on tax legislation. Last year, Congress surprised us by passing a bill in early November with several significant tax changes including the extension of the homebuyers' tax credit. Congress continues to work on healthcare legislation with both houses providing input on a bill that may not go into effect until 2013.

Legislation

The "Worker, Homeownership, and Business Assistance Act of 2009" was signed by President Obama in November. The major relief provisions are directed at the housing market, unemployment, and business losses.

What you may not see is any personal benefit from this legislation such as an increased standard deduction, better business mileage rates, more in your social security check and the like. The reason is inflation indexing! The inflation in 2009 was so low that most adjustments remain unchanged.

Please keep reading … .

Exemptions

Exemptions remain unchanged at $3,650.

Standard Deduction

The standard deduction is $11,400 for married couples filing jointly; $5,700 for singles and married individuals filing separately, and $8,400 for heads of household.

Tax Bracket Thresholds

There were only minor adjustments to the tax bracket thresholds. For example, for a married couple filing a joint return, the taxable income threshold separating the 15 percent bracket from the 25 percent bracket is $68,000, up from $67,900.

Social Security Wage Base

The social security wage base amount remains at $106,800 in 2010. Once this level of income is reached no additional social security taxes have to be paid unless there is a change of employer or there is additional employment. Any excess payment is applied to taxes due.

State and Local sales Tax

State and local sales tax are still deductible for 2009. Also deductible in 2009 was the sales tax on new car purchases ***IF*** the applicable sales and excise taxes were paid in 2009. Good news! The deduction applies whether itemized deductions or standard deduction is used.

Real Estate Taxes

Provide real estate tax information whether using itemized deductions or standard deduction. In certain situations, it may be a benefit to report real estate taxes paid in 2009 as an increase to the standard deduction.

Tuition and Expenses

The qualified tuition and related expenses deduction expired at the end of 2009. Make sure to provide records if spring 2010 tuition and fees were pre-paid in 2009.

IRA Distributions for Charity

Tax free distributions from an IRA for charitable purposes can be done. The limit on this exclusion is $100,000 for any tax free distributions from an IRA account made to a charity in 2009 – do provide records.

Standard Mileage Rates:

Standard mileage rates *(Per Mile)* at the writing of this letter: Visit http://www.irs.gov/newsroom/article/0,,id=200505,00.html for details.

	BUSINESS	Medical/Moving	Charitable
2010	**$0.50**	**$0.165**	**$0.14**
2009	$0.55	$0.24	$0.14

Conversion IRA to Roth

Conversions of a traditional IRA to a Roth IRA is allowed only if modified adjusted gross income does not exceed $100,000 (married people must file jointly to convert). Starting in 2010 conversion restrictions are repealed; anyone can make a conversion of some or all taxable accounts. The cost of the conversion is the tax that results, though there are no early distribution penalties. Note that tax on the conversions in 2010 is automatically payable one-half in 2011 and one-half in 2012. However, taxpayers can elect to report all conversion income in 2010 which may be advisable if income tax rates increase after 2010.

TaxStack™

Visit http://www.kjs-a.com and make a TaxStack™ selection to get the latest Fact, Hints&Tips, Information, Pricing and Much More.

Donations

First Requirement:

Be sure to confirm the donation is to a qualified organization – ***IRS Publication 78 lists most organizations that are qualified to receive deductible contributions***. View http://www.irs.gov/charities/article/0,,id=96136,00.html for details.

Second Requirement:

Any charitable donation of money, regardless of amount, ***requires a taxpayer to have a bank record or a written communication from the charity*** showing the name of the charity and the date and amount of the contribution. Bank records include canceled checks, bank or credit union statements and credit card statements. Donations of money include those made in cash or by check, electronic funds transfer, credit card and payroll deduction. For payroll deduction, the taxpayer should retain a pay stub, a Form W-2 wage statement or other document furnished by the employer showing the total amount withheld for charity, along with the pledge card showing the name of the charity. Remember that donations charged to a credit card before the end of the year are deductible even though the credit card bill is paid in the following year.

Tax Preparation Fee

See greater detail in our **T**ax**S**tack™ under the ***Pricing*** link at http://www.kjs-a.com.

Costs:

Our software vendor has increased our cost this year. Last year we absorbed a similar increase. This year, you can help us, and lower your cost, by getting your return to us by March 1st! Giving us a referral, before April 1st, who files their return with us, will lower your cost! If they file before you do, you will receive a discount on this year's bill; otherwise, we will give you the discount in 2011.

Standard:

The fee for a "Standard" tax return consisting of Form 1040, Schedule **A** and **B**, Schedule **D** with five (5) or less entries, and one State return eFile'd is **$186**. No additional charge for the new Schedule **L** and Schedule **M**, if required! As an incentive, get **all** the tax documents needed to complete the return to us by ***March 1sth*** and the cost for a "Standard" tax return is only **$170** the ***same as last year***. Talk to us about Homestead Exemption filings if standard.

Complex:

Complex returns include extensive Schedule **D** entries (more than 5), a Schedule **C** or **F** or **E**, Extensions, Amended Returns. Federal Forms 990, 1041, 1120, 1120s, and 1065 (and their state equivalents) are generally "*Complex*" tax returns ask us if further clarification is desired. These returns are done on a per hour basis plus miles, calls, etc. starting at $250. Talk to us about Homestead Exemption filings if complex.

Discounts

Active duty or reserve members of the **military** get a $10 discount. Send us a **referral** that files their return with us and you get a $10 discount. A new client (we have never filed their return) gets a $10 discount. Make an appointment and bring all the documents needed to complete the return by ***March 1st*** and receive a $10 discount. ***Only one*** (1) discount per return. ***No discounts will be given after March 31st!***

Appointment

Attached is a tax-document **SUMMARY** that lists many of the documents used in preparing the 2008 return. We recommend a review of the SUMMARY. Collect these and other applicable documents in preparation for our meeting to discuss 2009 tax preparation.

As your tax professional, we look forward to speaking with you regarding any personal concerns you might have about your tax return.

We appreciate ***referrals***!

Please call us at **402.896-3911** and make an appointment soon.

Sincerely,

/s/ K. Singer, ***EA***
Partner - KJS Associates
402.896-3911, http://www.kjs-a.com

Note

The tax-document SUMMARY is only available to prior year (TY2008) taxpayer clients.

This TaxStack™ ***Information*** contains material that is subject to change. The information was valid on the day acquired.
Tax-Client-Letter suggestions and recommendations are always appreciated.

References

Internal Revenue Service (IRS) – http://www.irs.gov,
National Society of Tax Professionals – http://www.nstp.org,
National Society of Enrolled Agents – http://www.naea.org,
Commerce Clearing House (CCH) – http://www.cchgroup.com

Privacy:

KJS Associates only uses your information to prepare and to file your tax return(s) and to communicate with you about your tax matters. The only, unlikely, exception would be a legal court order.

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

For an appointment, call us at 402.896-3911

History of the United States Tax System

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

By the United States Treasury

Ever wonder about the official story of the United States tax system? Visit
http://www.ustreas.gov/education/fact-sheets/taxes/ustax.shtml
to get the story as told by the United States Treasury

Visit http://www.kjs-a.com for our details in the **T**ax**S**tack™.

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Form 1040

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1913 Edition

In 1913, the Congress put into place the federal income tax. The Internal Revenue Service has on its website the first of the many variations of the Form 1040 for assessing income from individuals. View this early Form 1040 at

http://www.irs.gov/pub/irs-utl/1913.pdf
and weep!

Visit http://www.kjs-a.com for our details in the **T**ax**S**tack™.

For an appointment, call us at 402.896-3911

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