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Client Newsletter, October 2010

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Business Advisor

Tax Planning

Tax Preparation

Retirement Planning

Accounting

*Financial
Statements*

*Personal Financial
Planning*

Memberships

American Institute of
Certified Public
Accountants

Colorado Society of
Certified Public
Accountants

Society of Certified
Senior Advisors



Annual Fall Sale

From October 16 through December 15, 2010, my annual fall sale offers a 20% discount on all services except IRS (or other government) audit assistance. So, save on year-end tax planning, getting your computerized accounting up and running before the new year, business consulting, and personal financial planning. Call today to set up your appointment. To take advantage of the discount, you need to pay your invoice within 10 days of billing. (Note: This is *not* the same as the prepayment plan for 2010 tax return preparation, which you will learn about in December.)

My Firm is Moving

Sometime prior to the end of 2010, I will be moving my firm to my home, 1015 Pine St., Boulder, CO 80302. Many of you who were my clients before 2001 will remember the place. The lease here at 1650 38th is up next May, and I want to be established in new digs before the beginning of the 2010 filing season.



I will keep the waiting room and conference furniture here for those of you who would prefer meeting me here rather than at my home. Later next year I will set up a virtual office for the same purpose. I am currently remodeling the basement office I first built in 1983, to better fit today's computerized environment.

Small business reporting changes

It's not too soon to get your small business ready for the change coming in 2012 regarding filing of Forms 1099-MISC. Through this year, we will be under the same situation as in the past: you only need send 1099s to attorneys, and to any other non-corporate business providing ser-

vices (that includes proprietor-ships, partnerships, and LLCs). For 1099s filed in January 2012, businesses will be required to send Forms 1099 to all companies whether they provide services or products. So, unless Congress changes the law (they've already failed twice to do so), you'll need to send 1099s to the likes of office sup-

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ply stores if you spend over \$600 for business purposes. Personal (non-business) purchases won't be included. So, begin to collect the tax ID numbers you'll need for the reporting. I can prepare the W-9 form you'll need for the purpose.

To their credit, the IRS is trying to figure out how to lower the reporting burden on small business. The problem with this reporting is that it doesn't provide any useful information to the IRS regarding product purchases, since most big corporations (and many small businesses manufacturing or selling products) prepare their tax returns on the accrual basis, not the cash basis. But it does create the opportunity for the IRS to collect a lot in penalties for not filing the required forms. For example, it's \$50 per 1099 form (MISC, DIV, INT, R, etc.) not filed or

sent to the payee (but 10% of the aggregate amount to be reported if there is intentional disregard).

One saving feature of the law is that the IRS likely will exempt payments made via a debit or credit card, since another section of the Internal Revenue Code requires card companies to send payees an information return reporting the gross payments to that entity; but then you need to record in your accounting records the payment method.

Tom Healy the Spammer ☺

I am nefew of the late Mtombo K'ele, who left a large estate in the Bank of Limpopo River, Gaborone, Botswana. I need your help in gaining access to the funds.



(Oh, sorry, wrong spam). Actually, a client forwarded to me the spam report from his email program for a recent email I sent (my typical tax questions letter). It scored 100% as spam, because it was in HTML, not plain-text; and mentioned 'huge sums of money' (i.e., "If you select this option, you will save \$5,000 in taxes.") and

'X% of a lot of money for you' (i.e., "Contributing \$10,000 to your retirement account will save \$2,900 (29%) in taxes").

If you get this kind of message from my emails, and you don't want it reported to you as spam or get hung in your spam folder, you need to put my email address in your "white list" of acceptable email addresses. Since each email system has a different procedure for doing this, I can't give you specific instructions. My program, for example, highlights an email as possible spam, but gives the option of clicking on a "This is not spam" button, which then gives me several ways to classify it as "not spam," including:

- Add sender to address book
- Classify all mail from this domain as 'not spam'
- Just classify this message as 'not spam.'