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# LARRY A. JAFFE, P.C.

## CERTIFIED PUBLIC ACCOUNTANT

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Again? Yes, it's tax time! I know most of you know that, because we mailed gobs of individual tax organizers earlier this month. Please let us know if you're missing yours.

### THE NEWS IN BRIEF

◆ **New for 2007.** All cash donations must now be substantiated by bank records or receipts from the recipient (should we leave a check in the collection plate?). . .taxpayers over 70½ can transfer up to \$100,000 from an IRA directly to a charity, tax free. . .you can make a one-time rollover from your IRA to your HSA.

◆ **Changes for 2006 Returns.** You'll use new form 8888 if you want to split your direct deposit refund to multiple financial institutions, including IRA accounts. . ."kiddie tax" rules are extended to children up to 18 years old. . .two new residential energy credits are now available. . .because of weekends and holidays, the filing deadline for 2006 individual tax returns is April 17, 2007. . .taxpayers will get a one-time refund of prior year telephone taxes; most of us will receive between \$30 and \$60.

◆ **Some Tax Trivia:** The IRS is using private collection agencies for overdue tax payments. . .delinquent taxpayers may now complete a payment agreement on line with the IRS to satisfy old tax debts. . .there's talk of more comprehensive "line by line" IRS tax examinations to gather information for its audit selection program. . .many temporary tax measures (favorable capital gain rates, alternative minimum tax exemptions) have been temporarily extended.

◆ **What Lies Ahead?** No one yet knows how the new democratic Congress will shape future tax legislation. . .repeal of the estate tax, assessed against the very wealthiest Americans, is probably off the table for now. . .upward tinkering with ordinary and capital gain rates is likely. . .the cost of eliminating alternative minimum tax makes that unlikely, so look for continued short term relief measures.

We've installed a new phone system here at LJCPA international HQ. Please let us know at once if you experience any problems with voice mail or other connectivity issues.

And much more importantly, we've added a couple of new faces at the office: Terri Messler-Cole is a CPA candidate who joined our staff in September. Mary Hotchkiss is a licensed tax consultant who'll be helping out during our busy season. From them, and from the rest of us to all of you, our traditional annual greeting: Many Happy Returns!

## BRANCHING OUT

We're happy to announce that our firm is expanding its services to provide our financial clients with a broader scope when looking at their overall situation. In December Larry Jaffe received his Oregon producer insurance license for life, health and variable lines. We're now able to assist clients with an important part of comprehensive financial planning: protecting economical assets from various risks.

Unfortunately, each of us has to face (or ignore at our own peril) various threats to our financial security. These threats include business setbacks, ill health, death, disability and even unexpected longevity. Insurance is a critical tool in managing these potentially devastating events.

Yet, when was the last time you reviewed your insurance policies? If you're like most of us, the last time you saw your insurance policies was the day you bought them. Chances are your circumstances have changed since then. Marriage and divorce, children and grandchildren, promotions at work, aging parents are just some of life's little changes that can impact our insurance needs. Coverage that once was adequate for the future might no longer be appropriate.

Life insurance is an obvious choice for most of us. It's hard to be unaware of the catastrophe that awaits those we leave behind if we die suddenly without sufficient life insurance. Insurance proceeds help provide for spouses and children after we're gone so they may continue a lifestyle similar to the one they enjoyed while we were around.

Life insurance can also be helpful in the business setting. It is often used to fund business buyouts in the event of death or disability of a business partner, or dissolutions of partnerships and small corporations.

Finally, life insurance in certain situations might be a useful component as an investment vehicle, perhaps to guarantee an income for life.

Much less ubiquitous but just as significant as life insurance is disability insurance. Your chance of becoming disabled at any age is much greater than your chance of dying. Yet many of us fail to adequately assess and protect against this risk. Are your savings sufficient to protect you and your family should you suddenly become unable to work? You might be covered by social security disability but this coverage might not provide benefits in all situations.

By conducting an audit of your current insurance policies we can help make sure you have the right coverage for your needs. We can analyze your current coverage to make sure your dreams are safeguarded and, if necessary, recommend a course of action to help your insurance program keep pace with today's realities.

We're proud to be affiliated with a financial institution like 1<sup>st</sup> Global that strongly encourages complete financial planning. And we're happy that we can now offer further assistance to our financial clients. If you need help understanding your insurance protection, please call us today to schedule an insurance audit.