

The Daly Harold

Business Summer Edition

August 2009

DO YOU NEED A 2009 TAX PROJECTION?

Federal and state penalties are based on the previous year's tax liability. So please make sure that your 2009 withholdings are going to be 100% of 2008's liability. You need a 2009 tax projection if:

--Your tax liability is going to be less for 2009 than 2008 (you made less money or had more expenses) and you want to pay 100% of 2009 tax OR

--You are going to make significantly more money in 2009 than 2008 and you want to know where you stand (how much you can expect to pay April 15th of 2010)

We prepare 2009 tax projections for \$25.00. Just give us a call.

PLEASE VISIT US ON THE WEB

www.collegeplanners.com

www.susandalytld.com

www.jaegerdaly.com

There you will find Susan Daly's "College Financial Aid: How to Get Your Fair Share" seminar schedule, some excellent links to other related sites, recommended reading, our newsletters and photo journaling of some of our adventures. We are always adding to our webpage, so stop by frequently.

Please make sure that we have your current email address.

Here are our emails:

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SMALL BUSINESS PENSION PLANS

IRA, ROTH, Non-deductible IRA, SEP, SIMPLE, Single K, 401K????
How do you know which is right for your business and your employees.

We know the tax rules, and the pension rules, and we know you and your company. Call us today for a no charge appointment with Susan and Harold.

Accounting

The fee for QuickBooks lessons and reviews is \$120 per hour May through January. In February, March and April it is \$240 per hour.

Government Notices

If you receive a government notice please mail, fax or scan and email the entire notice to us immediately. We do not recommend you pay it until we have looked at it, they are not always correct.

RECORD KEEPING FOR BUSINESS USE OF AUTOS

There are two different ways of keeping track of the business use of your automobile—the standard mileage method and the actual mileage method. **Both require accurate records.**

The standard mileage method requires that you record **BOTH** the total miles for the year and the business miles for the year. Keep a daily journal or log (your day-timer will also work) in the vehicle stating beginning and ending odometer readings for each business trip (or you can use your trip meter to determine business miles), along with destination, purpose, and date. Also keep receipts for business parking and tolls. The standard method is not available if you use more than one vehicle at a time for business.

If you use the actual method you must do all of the above, plus keep receipts for fuel, repairs, upkeep, licenses, stickers, insurance, interest and/or lease payments. There is a ruling now that leased autos may also use the “mileage” method.

Just so that you have some outside substantiation of your mileage have your garage write down the odometer reading on the invoice or repair order. Even an oil change invoice an odometer reading could be noted.

The first year that you purchase a vehicle you should keep receipts on everything so we can determine which method is more advantageous to you.

2009 Mileage Rates

The mileage rates for 2009:

Rates for January 1st thru Dec 31st

- Business - 55 cents per mile.
- Medical and moving - 24 cents per mile.
- Charity - 14 cents per mile.

PAYROLL NOTES

If you have not taken any payroll for 2009;

1. The Illinois Department of Employment Security will issue a much lower unemployment rate if you have payroll for three consecutive years and **you do not have any claims**. If you already have a low rate, you **will lose it if you do not have any payroll for the year!**

2. If you are a Sub Chapter “S” Corporation and you have no payroll, the Internal Revenue Service **could** reclassify all your draws (and loan repayments if they are not documented correctly) as payroll. The consequence could mean enormous tax, penalties and interest.

3. If you are a “C” corporation and you are taking money out, if it is not payroll, it is probably dividends, which in “C” corporations are **double taxed** (first to the company and then again to you personally).

We usually recommend that you have at least some payroll for the year. Please make sure you take a paycheck before December 31, 2009. **In addition**, be sure to make the appropriate required federal tax deposit.

Please don’t forget to use our forms for payroll and to fill them out completely. If you have **QUICKBOOKS**, please provide us with the “Payroll Transaction Detail” report as well as lists of your deposits. Getting payroll tax information in to us **in the proper format and on time** avoids errors and confusion, not to mention keeping costs down. When you have “zero” payroll for the quarter, don’t forget to get it to us before the 15th to keep your costs down. We prepare payroll at very reasonable rates. Please give Anne Pientok a call for more information (extension 200).

Jaeger, Daly & Company
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