

ISSUE

03

May

2009

QUARTERLY
ABOVE ALL
ACCOUNTING, INC
NEWSLETTER

Above All

History of the Tax Code

In 1861 and 1862 Congress adopted a federal income tax to finance the Civil War. Throughout history the U.S. government levied various income taxes for limited periods of time. Then, in 1913, the 16th Amendment gave Congress the authority to tax income of both individuals and corporations. That same year, the first Tax Form 1040 came into existence. At that time, the tax form came with a single page of instructions. Today, the Form 1040 instruction booklet contains 155 pages.

Tax laws are ever changing, and Above All Accounting understands that you need accurate advice and knowledgeable assistance with your tax matters. Continuing education and additional licensing are high priorities for staff members in our offices. We want you to feel confident in our service, and we welcome your questions all year long.



In This Issue

History of the Tax Code
Tax Free Unemployment
Featured Business: Lyon Films
Tax Tips Throughout the Year
Deducting Your Loss on Stocks
Tax Resolution Assistance

Tax Free Unemployment up to \$2,400

Millions of unemployed Americans are looking for relief from the American Recovery and Reinvestment Act in 2009. One change many will notice is that the first \$2,400 they receive in unemployment benefits will be tax free when they file their 2009 tax return. Individuals can choose to have income tax withheld from their unemployment payments voluntarily. These optional payments may help avoid a surprise year-end tax bill. The unemployed should take this information into account as they plan their tax withholdings and estimate payments for the year.



Featured Business: Lyon Films

Lyon Films is an award-winning video production company based in Portland, Oregon with an established reputation for creative and concise productions that come in on time and on budget. Whether you need a thirty-second TV spot, a web video, an industrial video, or something in the creative field—Lyon Films should be your first choice. They produce video from local low budgets to large regional productions. They can scale up and down depending on your needs. We encourage you to visit them at www.LyonFilms.com or call them at 503-990-9080. We are confident you will enjoy working with Lyon Films on your next production.

Email Us

Your feedback on this newsletter is welcome. Also, if you would like to request that you receive the Above All Accounting Newsletter via email, let us know at leeanno@aboveallaccounting.com



Office Hours

Hillsboro Office:

3355 NE Cornell Rd. #2

Hillsboro, OR 97124

Phone: 503-648-6184

Fax: 503-844-7675

Scappoose Office:

33615 E Columbia Ave.

Scappoose, OR 97056

Phone: 503-543-5437

Fax: 503-543-3728

Open Monday, Tuesday,
Wednesday and Friday

Tax Tips Throughout the Year

Tax day has passed, but it's never too early to prepare for next year's tax return. Here are some helpful tax tips to undertake throughout the year:

- **Review your Form W4.** The W4 tells your employer how much tax to withhold from your paycheck. You can change your withholdings to better suite your current financial situation at any time during the year to prepare for year-end.
- **Keep track of your mileage.** Keep a mileage log when driving to and from volunteer activities for qualified charities and non-profit organizations. If you itemize on your tax return, your volunteer miles are deductible at \$.14 per mile.
- **Keep your moving expense receipts.** If you must move during the year for employment purposes, it may be deductible. You must pass the "distance test" and the "time test" to qualify for this deduction. You can learn more by visiting <http://www.irs.gov/taxtopics/tc455.html>

Deducting Your Loss On Stocks

The stock market has gone down, and you feel that you've lost money; however you don't have a loss until it's realized. In most cases you don't have a tax loss until you sell or experience some other taxable event. It could benefit you to wait it out in hopes that your stock increases in value. If you cannot wait you can take advantage of the situation, because you can use capital losses to offset your capital gains. You can take up to \$3,000 in excess losses against ordinary income if your losses exceed your gains. Any excess loss can be carried forward and used in future years.

Tax Resolution Assistance

If any tax issues should arise during the year, Above All Accounting can represent you before the IRS. Whether you need to set up an IRS payment plan, prepare an Offer in Compromise or attend an audit, we are ready to assist you. We are knowledgeable in tax issues with the federal and state governments. Give us a call to see how we can help you.

