



Welcome to Tax News

In addition to providing tax preparation and personal financial planning services to our clients we will be preparing a weekly newsletter of relevant information that will strive to help you achieve your financial goals and lower your taxes.

In each weeks newsletter you will find:

- ◊ A calendar of upcoming tax deadlines
- ◊ A web site of the week that is relevant to business or taxes
- ◊ A question of the week that will be appropriate to most taxpayers situations
- ◊ Tax tips that will help reduce your taxes
- ◊ Plus much more

Enjoy the read and profit from the experience of Tax News

In Today's Issue

The Facts of 2004, By the Numbers

In a year that was consumed by the Presidential election, the Wall Street Journal put together a list of memorable numbers.

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The Facts of 2004, By the Numbers

In a year that was consumed by the Presidential election, the Wall Street Journal put together a list of memorable numbers. Over the last 12 months we saw numerous highs and lows, from the Dow Jones peak higher while many lost their lives in Iraq and the South Asia tsunami. Here are some of the interesting numbers:

0

The number of times the Chinese yuan's value fluctuated against the U>S dollar in 2004.

1,3645

The all-time high, in U.S dollars, the euro reached in New York trading on Dec 29.

2.054

National average price of regular unleaded gasoline on May 25, the most expensive day of the year for the fuel.

4.90

The amount of cash you'll need to get a venti Pumpkin Spice Frappuccino at Starbucks in New York City. The Seattle-based coffee giant raised beverage prices by an average of 11 cents a cup in early October, the first increase in more than four years.

5

The number of times the Federal Reserve raised interest rates by a quarter-percentage point during the year.

6

Number of times the Dow Jones Industrial Average broke above 10,000 points in 2004.

7

The number of games it took the Boston Red Sox to beat the New York Yankees in the American League Championship Series

9

Number of cabinet member who resigned from Bush administration after the President was elected to a second term on Nov. 2.

14

Number of employees disciplined by Fidelity Investments, the nation's largest mutual-fund company, in response to an internal investigation into gifts, gratuities and business entertainment on its trading desk.

55.17

The closing price of oil futures, per barrel, on the New York Mercantile Exchange on Oct. 26, an all-time nominal high.

59

Number of deaths attributed to hurricanes in the US during the 2004 season.

191

The number of people killed in Madrid on March 11, when 10 coordinated bomb blasts ripped apart trains, also injuring more than 1,400.

286

Number of electoral-college votes President Bush received, handing him a victory over Sen. John Kerry.

1,320

Number of U.S troops killed in Iraq as of Dec 30, 1,182 coming after President Bush's "Mission Accomplished" declaration on May 1, 2003.

10854.54

The highest close of the year for the Dow Jones Industrials Average on Dec 28.

30,000

Amount Martha Stewart was fined after her convictions related to her sale of ImClone Systems Inc. stock in late 2001.

100,000

The number of casualties reached and passed after just four days in the wake of a deadly tsunami that spread across the Indian Ocean on Dec 26.

550,000

The amount Viacom's CBS unit was fined in September by the Federal Communications Commission over February's Super Bowl halftime show controversy.

25,000,000

Estimated number of people who took advantage of more liberal laws and cast early ballots days before the Nov 2 election.

9,000,000,000

The estimated loss on derivative contracts Fannie Mae used to hedge interest-rate risks over a period of four years that the mortgage-finance giant will be forced to recognize.

11,920,000,000

Cost, in dollars, of the Athens Summer Olympic Games, double the original sum set aside for the Games, making the 2004 Olympics the most expensive in history.

164,700,000,000

Amount of the U.S's record-high current-account deficit for the third quarter of the year, reflecting Americans' large appetite for imported oil and foreign-made goods.



Dates For The Diary

January 10

Employees who work for tips. If you received \$20 or more in tips during December, report them to your employer. You can use Form 4070 to do so.

January 18

Individuals. Make a payment of your estimated tax for 2004 if you did not pay your income tax for the year through withholding. Use Form 1040-ES. This is the final installment date for 2004 estimated tax. However, you do not have to make this payment if you file your 2004 return and pay any tax due by January 31, 2005.

Farmers and fisherman. Pay your estimated tax for 2004 using Form 1040-ES. You have until April 15 to file your 2004 income tax return. If you do not pay your estimated tax by January 18, you must file your 2004 return and pay any tax due by March 1, 2005, to avoid an estimated tax penalty.

Tax News

The United States Secretary of State Colin Powell has taken a first hand look at the damage from last week's Asian tsunami disaster and expressed confidence that the U.S. relief effort will boost its battered image in the Muslim world.

According to Mr Powell the \$350million pledge for aid and the massive military relief operation added a positive look of America for the Muslim countries.

He is reported as saying "I think it does give to the Muslim world and the rest of the world an opportunity to see American generosity, American values in action."

The latest figures have the death toll at over 145,000 people, with many more expected to come.

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Tax Tidbits

Some Useful Tax Ideas

- ◊ Did you know that you can write off as dependents people of any age who have lived with your for an entire year, provided that you can demonstrate they meet the required five dependency tests. Each dependent allows your to reduce your income by \$3,100 but it is worth talking to your tax professional to discover if you qualify.
- ◊ If you are all ready to sit down and prepare your tax return and you've lost your records, don't panic. If you have lost your W-2, contact your employer for another copy. If you cannot get one before for you file, use the information from your last pay stub for the year and preparing a Form 4852. If you've lost receipts, reconstruct the amounts as best you can. If you obtain additional substantiation after you have filed, you can file an amended returns if the numbers you reported were not accurate.
- ◊ If you and your spouse are married and have lived together all year long or during any part of the last six months of the year, neither of you are eligible to qualify as the head of the household. However if you didn't live together at any time during the last half of the year, the spouse who provided more than half the cost for keeping up a home for one or more children, may file using the head of household status. It's possible for you both to qualify but only if each of you had provided a household for a different child.

Website Of The Week

Tax Facts Galore!

<http://www.1040.com>

The 1040.com website is your one stop tax source providing everything from information, news and any of the forms you will need to complete your taxes.



When you visit the website you can search, download and print any tax form that you like, as well as visit links to the IRS website, find the answers to your tax questions and the get the latest headlines all in one location.

With such sections as Common Forms for Tax Season, Important Upcoming Dates, Tax Resource Centre and For the Tax Professional, the 1040.com website is definitely the place to be for all this tax related.

Created for the taxpayer as well as the tax professional, the website has been designed to be consumer friendly and provide essential information with little fuss.

So next time when you're looking for some extra tax information, look no further that www.1040.com and you'll see why its our website of the week.

What's On Offer

At Taxlogic, the accountants are all professionals with over 25 years experience in the taxation industry with an extensive knowledge and focus on electronic filing.

By using the team at Taxlogic to prepare and file your tax returns, not only will you be given excellent service, but you will also be treated like a person not just a number.

From any computer, anywhere in the world, 24 hours a day, seven days a week Taxlogic can help you with your tax preparation.

As well as the ability to prepare personal tax returns the team at Taxlogic also are very knowledgeable with corporate/business returns for the current or previous years.

The team also provide services to help with company formations, annual minutes for corporations and payroll preparation.

Bookkeeping courses and weekly newsletters are provided by Taxlogic to help keep you informed on the latest and greatest of all things tax orientated.

Help can also be given when preparing your employee handbooks

For all things tax related, look no further than the team at Taxlogic.

Strange But True

In the final installment of strange taxes we look at an athlete tax as well as an amusement tax.

Jock Tax

Cities and states are known to levy taxes on the income earned by athletes, entertainers (okay, its not just the athletes!) and their entourages. Any money earned while playing in that particular city or state gets taxed. California levied the first Jock-tax in 1991, on athletes from Chicago, right after the Chicago Bulls played the L.A Lakers.

Today, every state with a professional sports team and an income tax has a jock tax.

Amusement Tax

Have you ever wondered about the extra tax you pay on stadium seats? That is the amusement tax that is often levied at both city and state levels. Most states, including Massachusetts, Virginia and Maryland, and cities like New Orleans, have amusement taxes on tickets sold at any venue with more than 750 to 1,000 seats.

It's not really a surprise that most people don't find it amusing!



Internal Revenue Service IRS.gov
DEPARTMENT OF THE TREASURY

News From The IRS**Tax Packs On The Way**

The Internal Revenue Service recently announced that it was prepared and in the process of distributing the 2005 tax packages to all taxpayers across the United States of America.

The IRS will send taxpayers almost 29.5 million tax packages and about 11 million computer-filing brochures this year.

This mail out costs nearly \$6.3 million for printing and almost \$8.5 million for postage, averaging to a cost of 36.4 cents per item.

Most people will get their tax packages in early January with the IRS expecting to receive about 133 million tax returns in 2005.

The IRS does not mail tax packages to those likely to use a computer to do their own returns. Instead, it sends them a brochure that explains electronic filing and the Self-Select PIN program.

All taxpayers are expected to have received a tax package by the end of January, for any more information or questions relating to the tax packages, you are encouraged to contact your local IRS office