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TaxLogic provides prompt, professional, personal, one-on-one tax preparation from the comfort of your home. We are competitively priced and offer a lot of additional information on our web site - <http://www.taxlogic.com>. With just 7 weeks left, if you haven't started your tax return, now is the time. April 15th will be here before you know it.

This week begins our series on Helpful Tax Tips which we will run on a regular basis. They can help you with this years tax return preparation, if you still haven't filed, but will also help you in your tax planning for future years. Not all these tips will be applicable to your personal situation but feel free to ask questions where some of these items may be applicable to your individual circumstances.

- 1) Sale of your Home: You can receive a tax-free capital gain exclusion of up to \$250,000 if you are single and \$500,000 if you're married and filing a joint tax return. The only requirement is that you must have lived in the house for at least 2 out of the past 5 years.
- 2) Adoption Credit: The credit available for adoptions has been made permanent and has increased to \$10,000 per eligible child. Also, employees will be able to exclude from gross income up to \$10,000 in adoption assistance benefits received from an employer. The starting point of the income phase out range for the credit and the exclusion was increased to \$150,000 of modified AGI.
- 3) Casualty Losses: These are the damage or destruction to property resulting from an event that is sudden, unexpected or unusual in nature. Casualty losses can be used to dramatically lower your taxes. Many limits and thresholds have to be met including a \$100 deductible and amounts that exceed 10% of your adjusted gross income and you need to itemize your deductions.
- 4) Hire Independent Contractors: Whenever possible, treat non-family workers as independent contractors, this can dramatically keep your payroll tax costs down. You need to meet the requirements for independent contractors and we have more information on the web site.
- 5) Maintenance of Records: In the real world you either have proof of your deductions or you lose them. Always keep your receipts and checks if you want to deduct them. Deductible receipts and checks should always be kept for at least three years from the due date of the year filed, or the actual dated filed, if later.

Thanks for choosing TaxLogic!

<http://www.taxlogic.com>

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Services we offer:

- Personal Income Tax Preparation
- Year-round Personal Financial Consultation
- Corporate Federal and State Preparation
- Quickbooks® Consulting
- Annual Minutes for your company
- Internet based Bookkeeping course
- Internet based Payroll Preparation Service