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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>. Less than 5 weeks until April 15th!

**PRIOR YEAR RETURNS?** It's never too late to file and we can prepare them for you. We are one of the only sites that still do prior year tax returns.

Continuing our series on Helpful Tax Tips, 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) Flexible Spending Arrangements: A flexible spending arrangement (also known as FSAs, Cafeteria Plan, sec 125 Plan) allows an employee to get reimbursed for medical or dependent care expenses from an account they set up with their employer using pre-tax dollars. Under this program you reduce your taxable income by transferring a portion of your salary into a separate account. As you incur expenses, the fund reimburses you. The benefit is that you are using pre-tax money to pay for these expenses rather than money that has already been taxed. Contact your human resources department or payroll department - most companies have open enrollment periods twice a year or so.
- 2) IRA Contributions: As part of President Bush's tax reform plan, significant changes have been made to the amount of money you can contribute to an individual retirement account (IRA) and other employer sponsored retirement plans. For traditional and Roth IRAs, the maximum contribution amount has increased to \$3000 for 2002. This amount will increase through 2008 and will then be adjusted for inflation. Remember that contributions to a Roth IRA are not deductible, however, the earnings from the account are not taxable to you when you withdraw the money within the guidelines of the plan.
- 3) Interest Deductions: When interest deductions are allowed, such as on house payments or lines of credit, you may make payments ahead of time and deduct the interest in the year the payment was made.
- 4) Child Credit: A child credit of \$600 per qualifying child under 17 years of age. This credit is subject to certain restrictions for families with more than three children and adjusted gross income in excess of \$100,000.
- 5) Estate and Gift Tax: Certain qualified family businesses and farms are allowed a new exclusion which, when combined with the unified credit exemption of \$675,000 allows up to \$1.35 million in qualified business interest to pass to family members without estate tax.

*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