



BERNE TAX SERVICE

Richard D Recor, Enrolled Agent
1674 Helderberg Trail, Berne, NY 12023

Phone 518-872-1477 Fax 518-872-0459
Email Richard@bernetax.com Cell # 859-0603

December 1, 2010

Dear Tax Client,

Happy Holidays !

Berne Tax is now my **full time** business (I retired from my NYS job). This should mean even better service to my clients as I will have more time to devote to Tax Preparation and Accounting services.

As you may have heard in the news, there are changes going on with the tax preparation field. IRS and NYS are requiring registration of most tax preparers. If a preparer is not registered, then the individual can no longer prepare tax returns. It should be noted that I am an Enrolled Agent. Therefore, in addition to preparing taxes, I am authorized to represent taxpayers before the IRS and NYS.

IRS and NYS are requiring that most returns are filed electronically in 2011. This firm will continue to electronically file all eligible returns. It is recommended that you use direct deposit and include a new voided check with your tax information.

There have been a number of tax acts passed that will affect 2010 and future years taxes. I emailed the Winter news letter to you if I had your e-mail address. If you provide your e-mail address this year, I will email you as major tax changes are approved. You can go to www.bernetax.com to see a summary of the 2010 tax changes.

I want to point out a major change for Renters and Businesses - 1099 reporting !

If you are a landlord and make payments of \$ 600 or more for services on rental property, you will be required to issue a 1099-Misc form starting with payments made after 12/31/10.

In addition, big changes are coming in 2012 for businesses. Payments to **Corporations** will no longer be exempt from 1099 reporting. In addition, 1099-misc forms will be required for property as well as services. So, this could apply to purchase of merchandise or supplies. This will mean a lot of 1099's for the typical business !

Thank you for your business and the referral of new clients. It is greatly appreciated. Services available from this firm include income tax preparation, Representation before IRS or NYS on Audit issues, Payroll services, Bookkeeping/Accounting for small businesses, and Tax/retirement planning.

I look forward to seeing you in the upcoming tax season. If you have any questions on your tax matters or the upcoming tax season, please feel free to contact me.

Sincerely Yours,

Richard D. Recor, EA

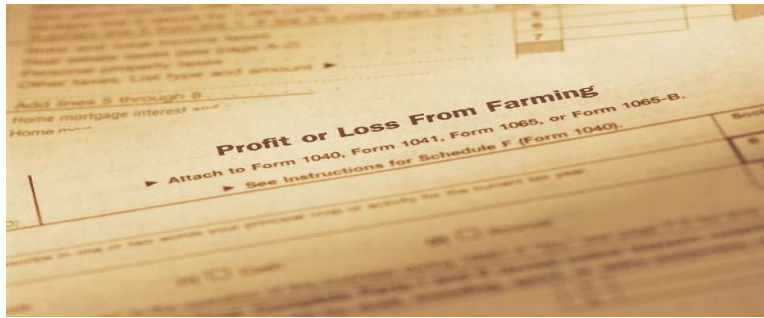
Privacy Policy

It is the policy of Berne Tax Service to handle the information you provide to us with the utmost confidentiality and care. We only use the information you provide to complete the work you have hired this firm to do and will not disclose your personal and confidential information to anyone outside of this company without your express permission to do so. In addition, we maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.



Credit Cards payments accepted





BERNE TAX SERVICE
Phone 518-872-1477 Fax 518-872-0459 Cell 859-0603

Email: Richard@bernetax.com

IMPORTANT REMINDERS

- Inventory – businesses are required to take an inventory of unsold products as of the last day of your tax year (12/31 if business on a calendar year).
- Do you pay any subcontractors? If you make payments to any unincorporated subcontractor for \$ 600 or more, then a 1099-misc form must be issued by 1/31. Form W-9 should be used to collect taxpayer id # for subcontractors. This will apply to **landlords** for payments made after 12/31/10. **Starting with payments after 12/31/11, 1099-Misc reporting will be expanded to include payments to Corporations.**
- The business mileage rate for 2010 was .50 cents per mile. **Reminder: A daily mileage log is required to be maintained to document business miles. You should also mark down the odometer reading on the first and last day of each year.**
- Charitable contributions of \$ 250 or more require a receipt from the charitable organization. Contributions under \$ 250 require a cancelled check or receipt from the organization.
- Are you required to pay estimated tax? The last quarterly payment is due on 1/15. Penalties may apply if you underpay your tax.
- IRA Contributions. The maximum contribution is \$ 5,000 in 2010 and if you are 50 or older, an extra \$ 1,000 can be contributed.
- The annual gift exclusion is 13,000 per year in 2010 and 2011
- Did you turn 70.5 years old during the tax year? If so, you must start withdrawing from your IRA and other retirement plan to avoid large penalties.
- Change of address ? If your address changes after you file your tax return, it is important to notify both IRS and NYS so any correspondence or refund check is sent to the correct address.
- NYS Sales Tax – If you make any purchases from a company that does not collect sales tax, such as on the internet, you are required to pay any sales tax due on your NYS income tax return.
- How long should a taxpayer keep records supporting your return? The records should be maintained a minimum of 3 years after the return is due or filed, whichever is later. It is recommended that a business keeps their records for at least 7 years.
- **Disclosure in accordance to IRC 7216: The current law does not permit this firm to provide your tax information to a 3rd party such as a mortgage company unless I receive your written consent. A phone call is not acceptable.**