



FINANCIAL FORECASTS, INC.

TAX PREPARATION & PLANNING

3918 Prosperity Ave. #230

Fairfax, VA 22031

(703) 289-1167

(703) 289-1178 Fax

E-Mail: finfore@aol.com

January 10, 2007

Dear Clients:

“A prudent person profits from personal experience,
A wise one from the experience of others.” J Collins.


Learning from experience is a valuable tool, one which we try to improve upon by collecting experiences from all clients and using it as data (no names) to help answer your questions. We have seen clients that have been very successful and others that are struggling. Remember, we are here to help you in all financial decisions with a specialty in tax benefits.

Protect your identity. We are seeing more articles everyday on the woes of identity theft and even businesses (insurance) designed to help with the location and aftermath. Save your money and just remember the simple rules, never give out any unsolicited information (did you contact them first OK), destroy all financial records, anything with account numbers, social security numbers. The computer and phone tend to be the easiest access to your information, so no one should ask you for account numbers or social security numbers, even the IRS and your bank. Guard your identity, when in doubt just say “NO”, it works great.

This tax season brings some new changes with the small telephone tax refund and energy credit. We will do a better job with the taxes if you answer the questions on our tax organizer cover sheet. Changes during the year are the important points, new hybrid car purchase, new dependents, refinances, sale of assets (require cost basis) and education costs. Kiddie tax will effect children under 18 years old. Alternative minimum tax or (AMT) is continuing to be nuisance, we can talk to those effected about the causes and responses. A tightening of contributions rules was passed in 2006 (no cash after 8/17/06 and non-cash good only).

Now is the time to start collecting the various financial mailings: W-2's, 1099's, mortgage and brokerage statements. Anything that says “Important tax information” or “Year end summary” is a collectible. Use our handy larger envelope to insert your valuable collectibles. Call us with any questions about your personal tax situation.

Our newsletter “Financial Insights” brings many important thoughts to mind, read and learn, it will prove to be time well spent. We encourage your earliest appointment. It gives us more time to ask questions, plan for changes in the New Year and make last minute maneuvers.
WE WILL BE OFFERING WEEKEND APPOINTMENTS IN FEBRUARY ONLY.

Sincerely

Barry B. De Marr, CFP, EA