FINANCIAL FORECASTS, INC.

tax preparation & planning

January 11, 2014

"Objectives in mirror are closer than appear"   rear view mirror poetry!

Dear Clients:

Our New Year starts with the best of intentions and our quote above brings clarity to thoughts about the future. This is the time to get involved with your money and make purposeful moves. Losing weight is hard, savings money is easy. Our #1 objective is to fund deductible retirement contributions to the maximum, regardless of your age! Not just doing the maximum to get the employer match. This one action is the best investment and tax deduction available. While it is future money, the strength of retirement funds allows you to effectively spend all your remaining dollars on your present living. Too often we leave the most important items to a leftover principal. Talk with us about other strategies for college planning, debt management, simplify investments and cash flow alternatives.

The theme of this tax year is "TAX THE RICH" with the effects of the new health care program and other initiatives all coming due in this tax year. We now have a definition of "RICH" and it is drifting down as the need for funds by government accelerates. We will see jumps in all tax liabilities, as Adjusted Gross Income increases, so will the portion of taxes.

We encourage you to fill in our tax organizer, paying particular attention to personal data on page 2 and questions on page 11 & 12 with entries for banking information for direct deposit of refunds. We ask that you provide us with original data forms for W2, 1099's, 1098, rental summary and business income and expense, if applicable. Feel free to use the booklet as a file cabinet and place the support forms in the respective pages. **You do not have to write in items that you are providing the original documentation. We will enter those figures directly from the forms.**

Tax changes are now in effect and more are on the horizon. We will be electronically filing all returns that qualify as it simplifies transmission and gives proof of IRS receipt. This does not reduce your need for good documentation. You need to keep your supporting documents for 3 years (we recommend 5), all contributions require receipts, contributions of $250 or more require acknowledgment from the charity. If you sold stocks or mutual funds we will be asking about "basis" (what you paid for the investment). Recent law changes have required the broker/dealer to provide you with basis, look for your "YEAR END STATEMENT".

We always appreciate your business and look forward to helping you achieve financial success. We encourage your earliest appointments. **We will be offering weekend appointments (Sat/Sun) until March 2, 2014. Please take advantage of them.** Any questions, feel free to call and discuss.
Get the facts from the tax professionals.

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