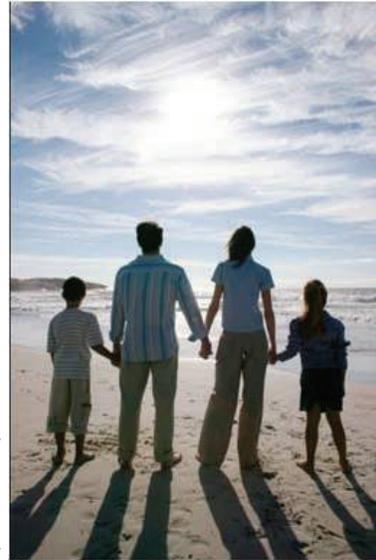




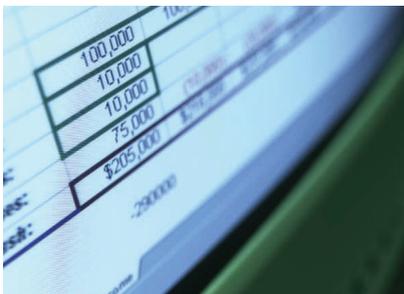
## HELP WHEN A LOVED ONE PASSES

The passing of a loved one can be emotional and stressful. As part of our comprehensive services, Steinberg Enterprises provides guidance and planning during this most difficult of times. Some activities should be handled by competent legal representation (e.g. probating the will, re-titling assets, etc.). We prepare all estate and trust tax returns. We recommend that you follow these simple procedures to ease this transition:

- Have enough copies of the death certificate to use for various financial and legal communications.
- Have all your important documents available for your attorney and tax advisor. (As reminder, we sent our publication, "Your Important Data Diary" to all our clients. If anyone wishes to receive another copy, free of charge, please contact us.)
- Contact the Internal Revenue Service to ask for a tax identification number for the estate. You will need this number to open a bank account and renaming assets allocated to the estate or a trust. You can apply to the IRS online at [www.irs.gov](http://www.irs.gov).



## USE DIY SOFTWARE OR HIRE A PROFESSIONAL?



Recently, several court cases have involved taxpayers who tried to avoid penalties by claiming the Do-It-Yourself software program they were using caused the underpayment of tax.

In case after case, the courts ***denied*** relief to the taxpayers pointing out that the programs are only as good as the information the taxpayer puts into them. Taxpayers did not win even one case using this argument!

**Hiring a tax professional can pay for itself very quickly** with just the addition of often overlooked personal and business deductions and the avoidance of even small penalty amounts.



## WHICH RECORDS DO YOU NEED TO KEEP?

We are always asked how long records must be kept. The IRS standard for supporting items that appear on your tax return is **3 years**. These include bills; credit card and other receipts; invoices; mileage logs; cancelled, imaged or substitute checks, any other proof of payment; and any other records to support deductions or credits you claim on your return.



Records relating to property should normally be kept until at least **3 years after you sell or otherwise disposed of the property**. Examples include home purchase (HUD-1 Form); capital improvements (new air conditioning unit or roof replacement, etc.); stocks and other investments; Individual Retirement Arrangement (IRA) transactions; and rental property records.

If you are a small business owner, you must keep all your employment tax records for at least **4 years after the tax becomes due or paid, whichever is later**. Examples include **gross receipts** (cash register tapes, bank deposit slips, receipt books, invoices, credit card charge slips, and IRS Form 1099-MISC); **proofs of purchases** (cancelled checks, cash register tape receipts, credit card sales slips and invoices); **expense documents** (cancelled checks, cash register tapes, account statements, credit card sales slips, invoices and petty cash slips); **documents to verify your assets** (purchase and sales invoices, real estate closing statements and cancelled checks).

### **Thank You for Your Business**

As your tax professional, I will continue to monitor actions taken by Congress and the IRS which may affect your personal and business finances. I will be happy to address any concerns and answer questions you may have about topics covered in these newsletters or any other issue important to you. *Your business is appreciated.*

Please call us with your tax and financial questions. Steinberg Enterprises provides confidential, convenient services based on over 25 years of practical financial management and tax experience.

*We are committed to improving our clients' financial well being.*

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