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- Tax on Trusts and Estates
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- Medical Directives
- Self-Directed IRAs

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Phone: 614-432-4748
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16 E. Henderson Rd.
Suite 205B

Prices for Tax Preparation:

See page 4 for tax packages and valuable coupons.

Business Alert:

2008 Business Tax Planner available on-line

Don't miss out on any deductions and make sure to download yours today.

www.otmtax.com

Estate Planning

How much does a basic will cost?

Only **\$150.00**

Contact us today to have your will drafted.

Inside:

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New Tax Breaks for Homeowners

There are a couple of changes for home owners this year. First time homeowners may qualify for an interest free loan of up to \$7,500. In addition, home owners who do not itemize can deduct a portion of their taxes and mortgage interest.

New homeowners: If you purchased a home after April 9, 2008 and before July 1, 2009, you

can take an interest free loan for up to \$7,500. New homeowners can receive a refundable credit for 10% of what they paid for their home and pay it back over 15 years.

Homeowners who don't itemize: If you don't itemize you are allowed to take a \$500 (\$1,000 for married filers) deduction for mortgage interest and real estate taxes.

The Up-side of a Down Market

By Mark Dent

While your investments are down, it may be a great time to move some of your money around to generate a tax loss.

If you invested in a mutual fund and have lost money, you can switch to another fund of the same type to lock in your loss.

The reason for taking the loss is the IRS allows you to deduct up to \$3,000 in capital losses from your ordinary income. Any loss above \$3,000 is carried over to future years.

To give you an example of how this works, let's say Henry (who is a 25% tax bracket) sold his shares of Vanguard fund and purchased the same type of fund with Janis. If he had a \$30,000 loss, he would save \$750 a year on his taxes for the next 10 years.

Henry's total saving amounts to \$7,500. When he decided to sell his Janis fund he will have to pay capital gains of \$4,500 on this \$30,000 because of the loss he took.

Henry made \$3,000 because he generated a tax loss. He saved \$7,500 over ten years and only had to pay \$4,500 for these savings.

(See Up-side, Page 3)



Good Times, Little Money

By Mark Dent

This year many are having to make do with less. Below are some suggestions on how to cut cost while having some fun.

1) Whetstone Community Center was recently renovated. Make sure to take advantage of this center. It offers a great deal of not only recreational opportunities but also arts, crafts and a variety of classes. It is a great way to make

(See Good Times, Page 3)

The Right Time to Rollover into a Roth

If you are like most Americans you have seen your retirement investments dwindle over the past year. While this loss is a paper loss, you can still take advantage of it.

Taxpayers who invested in traditional IRA's are allowed to roll these accounts over to Roth IRA's as long as their modified adjusted gross income is less than \$100,000.

This rollover is a taxable event. You did not

pay any tax when you funded your traditional IRA so the amount you rollover will be taxed as ordinary income. When placed in a Roth IRA these funds grow and are never taxed unless you withdraw them before you turn 59 1/2.

As an example, Ed (who is in a 25% tax bracket) has put \$30,000 in his Traditional IRA. This IRA is now worth \$15,000 so he rollovers to a Roth IRA. He pays \$3,750 in taxes even though he reduced his taxes by \$7,500 for his contributions. His income now grows tax free as a Roth IRA.

On the Mark Tax Service Presents the

2009 Tax Planner

The quick guide for tax preparation

The 2009 Tax Planner helps you organize your tax information for your tax professional. This planner includes the common credits and deductions that are available to you. Take some time to make sure you don't miss any deductions or credits for tax time.

Income for 2008

Income Payments

- W-2's:
- Form 1099-R (retirement)
- Form SSA-1099 (social security)
- Form 1099-G (unemployment)

Other

- Form 1099-Misc (misc. income)
- Receipt or document of other income

Investments for 2008

Interest

- Form 1099-INT (interest)
- Form 1099-DIV (dividend)
- Form 1099-OID (original issue discount)

Retirement and Education

- Investment in IRAs
- Investment in 529 Plan

Sale of Stock/ Bonds

- Form 1099-B (stock sales)
- Cost basis of stock
- Any additional costs of stock

Sale of Investment Property

- Closing statement from sale
- Closing statement from purchase
- Costs not claim on previous tax returns

**Do you keep
putting
off making a will?**



Have your will prepared with your taxes

Basic will- \$150

Deductions and Credits

Deductions or Credits Associated with Employment

- Job related expenses (see worksheet on next page)
- Childcare expenses
- Health Savings Account
- Supplies and expenses incurred by a teacher
- Work related expenses paid by a reservist
- Job search expenses

Deductions or Credits Associated with your Home

- Home Mortgage Interest (Form 1098-INT)
- Sale of home (bring in closing documents)
- Real estate taxes
- New Homeowner Credit
- Moving Expenses

Deductions or Credits for Taxes Paid

- State income tax payments
- State sales tax of major purchases
- Taxes to other states or countries

Deductions or Credits Associated with Medical Care

- Medical expenses if over 7.5% of income (un-reimbursed)
- Medical Insurance Premiums and Co- pays
- Mileage for Transportation to Medical Facility

Deductions or Credits for Retirement and Education

- Tuition Payments (for dependents and self)
- Student loan interest
- Payments to a Traditional IRA
- Payments to or from a 529 Plan

Deductions or Credits for Other Payments

- Charitable Contribution (see worksheet on next page)
- Loss and casualty if over 10% of income (un-reimbursed)
- Investment expenses and tax preparation fees
- Gambling loss (up to amount of gambling winnings)

Charitable Contributions Worksheet

- 1) Receipts saved from cash donations \$ _____
- 2) Total amount given using checks \$ _____
- 3) Value of any non-cash gifts which you
Have a receipt and value is less than \$5000. \$ _____
- 4) Appraised value of any non-cash gifts over
\$5000. \$ _____

The IRS requires that all charitable contributions be documented. If you donate cash or goods, be sure to ask for a receipt no matter how small the amount.

Job Related Expenses Worksheet

- 1) Non-commuting miles driven for work: _____
- 2) Amount spent on tools, supplies or training for work. \$ _____
- 3) Union Dues \$ _____
- 3) Phone and other expenses \$ _____

4) Home office: To claim the home office deduction the office must be required for work. We provide a worksheet for home office in our Small Business Tax Planer which is available on-line at otmtax.com.

Ohio Specific Adjustments

- Disability and survivorship benefits
- Military pay (military member outside Ohio)
- Qualified organ donor expenses
- Interest (gains) from Ohio public obligations
- Earnings (deposits) to medical savings accounts

Dependant Information for Taxes

	FIRST	LAST	DOB	SSN
You	_____	_____	___/___/___	_____
Spouse	_____	_____	___/___/___	_____
Child 1	_____	_____	___/___/___	_____
Child 2	_____	_____	___/___/___	_____

Good Times

(Continued from Page 1)

friends and connect with the community. Contact Whetstone Community Center at (614) 645-3217.

2) Volunteer. A recent study stated that volunteering provides far more benefits for the volunteer than the individual being helped. Volunteering is a great alternative to spending another evening in front of the television or an expensive night out. Visit www.firstlink.org or call (614) 221-6766 for over 2,100 opportunities in our area. [Keep track of your mileage and expenses as this may be tax deductible.]

3) Connect with neighbors. Have a neighborhood social by inviting everyone with in a block or two and let them bring their favorite dish. I've done this numerous times and it is always a blast.

4) Game night. Have friends over and play games. There is a great site called Evite (www.evite.com) which can help with the invitations and ideas for games.

Up-side

(Continued from Page 1)

If Henry sells his fund before the 10 years, he will still receive a tax advantage of \$300 for every year he waits to sell his fund.

This is a great tax strategy to discuss with your financial advisor. Be aware that you may incur extra fees or charges when you withdraw from your mutual fund which

Key Tax Changes

New Homeowners

(See article on front page.) There are more rules to the new homeowner's credit, talk with your tax professional to see if you qualify.

Capital Gains Tax Rates

The capital gains rates for individuals in the 10% and 15% tax brackets are zero for this year. This means that individuals taking the standard deduction and making less than \$41,500 and a married couple filing together making less than \$83,000 will pay no capital gains tax.

Kiddie Tax- Rules have changed for the kiddie tax. Children under the age of 24 who are full time students may be subject to their parent's tax rate for unearned income over \$1,800.

Roth Conversions- The income limits on Roth conversions disappears in 2010. This means if you have a traditional or non-deductible IRA, you will be able to roll it over to a Roth regardless of income level.

Adjustments for inflation:

Standard Deduction:

Single	\$5,450
Married	\$10,900
Head of Household	\$8,000
Person Exemption	\$3,500

Business Mileage:

1/1 - 6/30	50.5¢ per mile
7/1 - 12/31	58.5¢ per mile

Medical and Moving Mileage:

1/1 - 6/30	19.0¢ per mile
7/1 - 12/31	27.0¢ per mile

Charitable Mileage

14.0¢ per mile

may offset the tax advantage.

Another issue to consider: mutual funds are managed by individuals or investment teams. Having the right people manage these funds can make a substantial difference in the returns they generate. If you invested in a well managed fund moving it to a poorly managed funds will not be worth the tax savings.

Talk to your financial advisor about moving your funds. Make sure to ask him or

her about the fees involved and any other risks associated with changing your funds. When choosing a new fund, take some time and find out who is managing the fund and make sure they have a proven track record.

A tax loophole is "something that benefits the other guy. If it benefits you, it is tax reform."

— Russell B. Long, U.S. Senator



What will it Cost?

Phone: 614-432-4748
Fax 1-866-521-0574

We don't hide our prices. Below are some of the tax packages we offer:

Basic Return: \$70*

Our basic tax package is for individuals and couples with W-2 or unemployment income.

Forms Included:

- Federal EZ Tax Return
- State Tax Return
- City Tax Return

What is Covered:

- W-2s: up to four W-2s
- Interest income: up to \$1,500
- Unemployment compensation

Premium Services:

- Audit Protection: Free
- Electronic Filing: Free

* This does not include Earned Income Credit. An additional charge of \$12 will apply if you file for this credit.

Schedule A Homeowner Return: \$125*

This tax package is for individuals or families who itemize their deductions.

Forms Included:

- Federal 1040 Tax Return
- State Tax Return
- City Tax Return
- Schedule A

What is Covered:

- W-2s and other compensation: unlimited
- Children: up to 4 children
- Interest and dividend Income: up to \$1,500
- Deductions: education, home owner, charitable and many more.

Premium Services:

- Premium Audit Protection: Included
- Tax Consultation: Included
- Electronic Filing: Free

* Additional charges may apply for credits or deductions requiring additional forms.

Small Business Return: \$140*

This tax package is for individuals or families who own a small business and must file a Schedule C.

Forms Included:

- Federal 1040 Tax Return
- State Tax Return
- City Tax Return
- Schedule C

What is Covered:

- W-2s and other compensation : unlimited
- Children: up to 4 children
- Interest and dividends: up to \$1,500
- Deductions: business deductions, deductions for the use of your vehicle and many more.

Premium Services:

- Premium Audit Protection: Included
- Advanced Tax Planning: Included
- Electronic Filing: Free

* Additional charges may apply for credits or deductions requiring additional forms.

Premium Audit Protect:

Premium audit protection responds to any audit and covers all fees, to include court cost, interest, and penalties which may be charged. Your case will be argued by a licensed attorney.

Tax Consultation:

We provide our clients with individualized suggestions on how to reduce their taxes for the current and future years through saving for retirement, education, the recognition of capital loss, deductions and much more.

Advance Tax Planning:

Advance tax planning includes everything offered in the tax consultation. In addition we prepare individual tax scenarios to show the effect that any change will have on your taxes.

Early Bird Special
10% off
your tax preparation

Bring in your tax documents by February 28, 2009 and receive 10% off your total tax preparation fees.

Refer a friend and
receive \$20 off
your tax preparation

If you already had your taxes prepared by us we will mail you a \$20 check for each individual referred.

*Offer only good on a referral of a new client