

Wealthy and Wise!™

The Tax Pro Family Letter

Volume IV, Issue 3

Insider Tips On Wealthy and Wise Living—Some Scary, None Tricky...And All True!

October 2010



“Hi, Mr. Tepper. This is the I.R.S. Say, back in April, when you paid your tax, we had no idea of the sort of bills Uncle Sam would be running up, and—well, the long and the short of it is that we have to soak you again.”

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These Clients Are a Treat!

We're honored by our clients that graciously refer their friends, neighbors and family our way so they too can save money on taxes. We'd like to give special thanks to our Wonderful Clients!
Dustin Kay

Inside these pages ...

- Personal Development Corner: Living & Working Without Regret
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- Simple Steps To Avoid a Terrifying Winter
- And More!

Your Friend, Terry Smith

No Annoying Tax Professional Lingo ... Just Straight, Easy-To-Understand And Follow Expert Advice!

Inside The Mind of Your Tax Professional...

AND DON'T CALL ME AGAIN!

By Terry Smith

Any debtor can use a “C&D letter” (Cease and Desist) to stop debt collectors from calling them. Once the collector receives the letter, the Fair Debt Collection Practices Act allows the collector to contact the debtor **one final time**, in writing, to let them know what action, if any, the collector will take next. In the case of scavenger debt collectors, that action will probably be nothing. (A scavenger debt collector is someone who has “bought” your debt and is after you for that balance).

California has a Statue of Limitations for these debt collectors to hound you. The SOL is 4 years from the last payment or promise to pay. You must not offer to pay just to get them off the phone, they usually tape the call and this can be used in court. Do not promise to pay anybody on the phone. Promise to “get back to them”, but nothing else.

If you need the Cease and Desist letter, call my office and we can send you a draft for you to fill in and mail off certified with a return receipt as your legal proof.

Heard on the street: This economy is so bad that:

- A picture is now worth only 200 words.
- My ATM gave me an IOU
- I got pre-declined for a credit card

“Who Else Has a Story About How We've Helped YOU Keep The IRS From Driving You Batty?”

Tax season is creeping up on us, and we've discovered that one of the best ways for us to inform prospective clients about our services is when they hear from YOU. As wonderful as we'd like to present our services to the public, a word from our clients is ALWAYS best!

That's why from now, until the end of October, we want to hear from you! Call or email our offices and say, “I'd like to tell my story!” **Just for telling us your story , we'll knock of \$10 from your tax prep fees.** And the “Best” story (as judged by our staff, the more specific and “real”,

We Love Our Clients and Friends...So This \$9.95 Newsletter is FREE!

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Personal Development Corner : Living—And Running A Business—Without Regret

By Terry Smith

The idea is simple yet ingenious. Begin with the end in mind.

Author George Kinder has a well-known "three questions" which seek to uncover those goals and values most central in our lives. Number one is **"If you had all the time or money you needed, what would you do?"**

The response to this question typically provokes a long list of everything we want that money can buy. But with reflection, it goes deeper, stirring the longings of our heart.

The second question aims at these deeper desires. **"What do you want to do or be so in the end you will feel that you've lived fully?"**

These desires commonly revolve around three different areas. First, we yearn for meaningful connections with others starting with our immediate families and extending into our communities and the world at large. Second, we seek authentic spirituality, an odyssey that shapes and renews our very identity. And third, we revere beauty, creativity, nature and special locations. These three areas—righteousness, truth and beauty—are the areas where most of us find meaning and significance.

Kinder's third question can be encapsulated by the phrase "Twenty-four hours to go." It probes beyond our relationships and activities into the sum of our very existence. **"Imagine that your doctor shocks you with the news that you only have 24 hours to live. Notice what feelings arise as you confront your very real mortality. Ask yourself: What did you miss? Who did you not get to be? What did you not get to do?"**

This is a daunting question for many of us to even contemplate. Every day we get up preoccupied only with our to-do list, assuming we always have tomorrow. One day we won't have tomorrow. We all know intellectually that day will come, but we don't want to make our plans in light of it.

It is especially difficult to face our own mortality if we have not taken the time to deal openly and honestly with the issues in the first two questions. These three questions must be taken in order. We all want to see our lives as successful and significant. But justifying our existence is a daunting challenge.

Every day we face the twin desires to both improve the world and/or to enjoy it. One requires judgment; the other, contentment. We struggle between the duty to do what we should and the passion to do what we love. The first structures our lives and the second strengthens and nurtures us. The consequences of these decisions are not always easy to understand because we must live our lives going forward. Kinder's third question gives us the opportunity to stop, look back, and to assess how our decisions have changed the course of our life if our life were to end tomorrow.

How do you want to be remembered by your friends and family? Author Samuel Butler wrote, "Life is like playing a violin in public and learning the instrument as one goes on." Our faults are often

embarrassingly obvious and humbling. First we have to learn to play the instrument. Then we need to learn to make our own music. At every moment we can confront our own mortality and reflect on the progress we have made.

Surveys have found that people regret what they didn't do more often than what they did. And when people express remorse about having done something wrong, it was usually what I call a "life buster"—one of those decisions that can greatly compromise your life.

Serious life regrets include marrying someone you knew wasn't right for you, getting hooked on drugs or breaking the law. You can recover from these, but you will lament the spiritual death and wasted opportunities along the way. A good rule of thumb is always to ask, "What's the worst that could happen?" If it might destroy your life, hesitancy is indeed a virtue.

Regrets about things we didn't do are more subtle. Our lives can change course dramatically and be filled with serendipity all because of some small decision on our part. How many times have we heard the story of how a happily married couple met, only to be surprised that it almost didn't happen? **If the worst outcome of a decision is a little embarrassment, perhaps the chance is worth taking.**

We each long to participate in something significant. And that requires foresight, planning and forgoing our momentary desires in order to work toward realizing our greater passions. The choices we make each day determine the ones we will have the opportunity to make in the future. Without those hesitant, often stumbling first steps, we can't complete the journey.

The Latin phrase "Audaces fortuna iuvat" translates as "Fortune favors the bold." We commonly use a milder version of it in our family: "You do not have because you do not ask." Often our hopes and dreams are unrealized because they are left unmentioned.

Voicing what we are passionate about can be scary. Beginning to act on our ideas can feel overwhelming. But courage isn't a lack of fear, it's action in spite of fear. And our fear may be an indication that we are on the quest of our lives.

For entrepreneurs, overcoming fear is a regular occurrence. Many, perhaps even most, multimillionaires have at least one if not more failed businesses in their past. That's because only those willing to risk failure—and the lessons learned from it—have the grit to achieve success.

Entrepreneurship, or its equivalent, is a form of proactive living. You don't necessarily have to start a business, but you do have to begin the journey toward your life's goal. When you take ownership of your life, you can do what you think is best, go where you think you are called and be who you believe you should be. Life can have fewer compromises and therefore fewer regrets.

You might find it "funny" for a tax professional to write on these things...but our deepest hope is that we can help you fulfill your deepest dreams—and have the resources to do it! Let us help you today... Call us, and let's dream together!

Simple Steps To Avoid A Terrifying Winter

Before the weather gets too cold, it's wise to check your house for vulnerabilities to the cold. Some areas to examine:

Roof

- Look for missing shingles, cracked flashings, and broken overhanging tree limbs.
- Check the chimney for mortar deterioration and loose bricks.
- Inspect the underside of the roof, from the attic, for any signs of leakage.

Exterior

- Check at the foundation for cracks in the concrete, and low spots in the soil where water can accumulate against the foundation.
- Look at the caulking in the siding and around the window and door trims.

Heating system

- Turn on the heating system, and ensure that the heat is being delivered to all outlets.
- Check your filter, and change it if necessary. Buy some extra filters so you can change them easily during the winter season.

Not-So-Creepy Thoughts For October

"Get happiness out of your work, or you may never know what happiness is."

—Elbert Hubbard

"It is better to have enough ideas for some of them to be wrong, than to be always right by having no ideas at all."

—Edward de Bono

Success Doesn't Have To Be Scary

We all think we know what success is and how to achieve it. But the most successful people know that their goals and achievements are uniquely shaped by their individual personalities.

Examine your own ideas about success to sharpen your commitment to attaining it:

- **Define success in your own terms.** Forget about other people and their vision of success. Think about what you value. Ask yourself how you'll know when you've "succeeded."
- **Learn to recognize it.** What will success look like? Feel like? Are you sure you'll be able to recognize it when you get there? (Many people struggle for more and more rewards without realizing their satisfaction with the first few.)
- **How close are you now?** Take a look at what you've already accomplished, and compare your current situation with your position when you started working toward your goals. You may be closer to success than you think.
- **What more do you need to do?** Identify specific, concrete things that must be achieved before you reach your own goal. Select three things you can do right now—today—that will bring you closer to your ultimate success. Then start working on them.

What's Your Number?

By Greg Ludwick

While many people view retirement as an age we reach, it is actually something quite different. Traditionally we have counted on three legs of income for retirement. Pension income, social security income and personal savings/assets have typically funded our retirement. Since most of this income available after a certain age it is understandable that retirement is often viewed as an age.

The reality is that it is not so much of an age as it is a number. That number is a dollar amount based on our usable assets and interest earned on unused assets versus our lifestyle during retirement.

The amount saved for retirement is understandably important in this equation, but is far from the only important factor. The lifestyle we want to enjoy and the cost of that lifestyle on a monthly basis has just as significant of an impact. A \$500 difference per month in additional lifestyle expenses has a major impact on the total assets needed for retirement and *how long those assets will last* before being depleted. A third factor in the equation is the interest earned or rate of return on the assets during retirement. This impacts the income available each year and length of time the assets last before they are depleted. This third factor has been a particular concern in today's low interest rate environment. There are alternatives to low interest saving accounts and CDs but many people do not know all of the options.

How much is needed? How long will it last? How do I avoid unnecessary risks and still have a quality retirement? All of these questions are important and can be complicated especially without the right resources

Fortunately there are tools, knowledge and resources available to navigate through these important issues. Like with any task, the right tools and expertise can make a significant difference in the quality of the results.

If you would like more information or would like your individual situation reviewed (with no obligation) I am happy to assist.

Please contact me at GSLudwick@gmail.com or call me directly at 619-709-1878.

Weird October Events and Facts:

(Yep ... Believe it or not, these are real!)

- 1: Int'l. Day of Older Persons
- 3: World Smile Day
- 4: Ten-Four Day
- 6: Mad Hatter Day
- 13: National Kick Butt Day
- 14: Be Bald And Be Free Day
- 15: National Grouch Day
- 19: Evaluate Your Life Day
- 23: National Mole Day
- 24: Bandanna Day
- 27: Cranky Co-Workers Day
- 30: Create A Great Funeral Day

*Oct. 1, 1908

Henry Ford introduced the Model-T

*Oct. 4, 1957

First space vehicle launched

*Oct. 6, 1889

Thomas Edison showed the first motion picture

*Oct. 9, 1876

First 2-way telephone conversation

*Oct. 28, 1886

Statue of Liberty Dedicated

Blessings To You and Your Family This October!

Wealthy and Wise!

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**YOUR MONTHLY
NEWSLETTER IS
ENCLOSED**

Inside October's Issue...

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*Once You're Done Reading This Newsletter, Please
Pass It To Your Next-Door Neighbor...If It's Not Too
Scary!*

"It'd Be a Treat To Be Prepared For Tax Time!"

Believe it or not, now is the time to start making sure that you'll be ready for a few months from now, and tax time is upon us!

Here's some basic things to keep in mind...

Generally speaking, you should keep any and all documents that may have an impact on your federal tax return.

Individual taxpayers should usually keep the following records supporting items on their tax returns for at least three years:

- Bills , Credit card and other receipts
- Invoices, Mileage logs
- Canceled, imaged or substitute checks or any other proof of payment
- Any other records to support deductions or credits you claim on your return. You should normally keep records relating to property until at least three years after you sell or otherwise dispose of the property. *Examples include...* A home purchase or improvement; Stocks and other investments; IRA transactions; Rental property records

If you are a small business owner, you must keep all your employment tax records for at least four years after the tax becomes due or is paid, whichever is later. Examples of important documents business owners should keep Include:

- Gross receipts: Cash register tapes, bank deposit slips, receipt books, invoices, credit card charge slips and Forms 1099-MISC
- Proof of purchases: Canceled checks, cash register tape receipts, credit card sales slips and invoices
- Expense documents: Canceled checks, cash register tapes, account statements, credit card sales slips, invoices and petty cash slips for small cash payments
- Documents to verify your assets: Purchase and sales invoices, real estate closing statements and canceled checks

Offer Extended!

~~7~~
~~3~~ Small Business Owners
(only)
Can "Magically" Erase
Tax, Bookkeeping or
Accounting Problems—
FREE!

*For First Seven Three Small Businesses That
Quickly Digest Their Bratwurst
Grab Their Phone and Call Us Now!*

Our "Octoberfest" Gift To You...

We're Rocking and Rolling Getting Ready For TY2010, But We Do Have Time To Quickly and Easily "Fix" Any QuickBooks or Bookkeeping System This Exclusive 1-Hour Books Review will solve your bookkeeping hassles and set you up for 2011 for ~~*~~ maximum cost-analysis success! ~~*~~