LINDENBUSCH
ACCOUNTING & TAX SERVICE, INC.
2121 PEA RIDGE ROAD
CENTERTOWN, MISSOURI 65023
PHONE: (573) 584-3554 FAX: (573) 584-3710

January 3, 2012

Dear Client:

WOW! 2011 is in the books. Dedra and I hope your Christmas was peaceful and wish you a great new year. Alas, Caesars coffers are once again more than empty. Did you know in the year 2003 our ROME collected 1.7 trillion dollars, by 2007, after tax cuts, we collected about 2.5 trillion dollars. While Caesar is overseas bowing and playing golf, back at home our 57 states are drowning in debt. Caesar and his gang of brutus's are annually spending over 4 trillion dollars. While the phrase "spending cuts" will never cross their lips, phrases such as "tax the rich" "balanced approach" and "shared responsibility" will be their chant. Please refer to "Who pays the Income Tax burden" on our website for the latest correct information.

With this somber environment in mind, Dedra and I want you to keep your coin thus sending ROME as little as legally possible. We've attended eleven (11) days of tax seminars, she more than I. We will employ our secretary in the final week this January. She will repeat your agreed upon appointment time and date before ending the conversation. We have a spot on the front of this newsletter to jot it down. Please visit our new WEBSITE at www.lindenbuschtaxservice.com.

Inside this newsletter you'll find the colored insert pages 1 and 2 showing the 2011 TAX FACT SHEET. Regarding our office policy PLEASE READ INSERT PAGE 3. Insert page 4 details our Privacy Policy Notice and a new opportunity for charitable giving. If all taxpayers are not present at the tax appointment (or mailed returns) the absent taxpayer should pre-sign the attached Form 8879 IRS e-file signature authorization prior to the preparation of your tax return. We **can not** file your return unless we have signature(s) on this form. The back of the final page of this newsletter has the information for Form 8879.

In a representative democracy, citizens get the government they deserve. When we trumpet unlimited individual freedom but demand absolutely no personal responsibility it's no wonder we are 15 trillion in debt. Add this to shunning Jesus during Christmas time and chasing God from the public square we may rue the day we made such disgraceful national decisions. Our founding fathers, well over a million fallen soldiers, and all who've ever defended our country deserve better from us. Dedra and I honor those who've preceded us especially our beloved veterans. We'll show gratitude by reducing their tax prep fees. Thanks again for your trust in us and we pray you have a prosperous new year.

Sincerely,

Barry P Lindenbusch
President

2011 TAX FACT SHEET

. . . . **THE STANDARD DEDUCTION:**

Married Filing Jointly	under 65	$ 11,600
Married Filing Separately	under 65	$ 5,800
Head of Household	under 65	$ 8,500
Single	under 65	$ 5,800

The above standard deduction for those who are either 65 or legally blind is increased by $1150 or $1450 per person depending on filing status.

. . . . **10% TAX BRACKET:** is built into the tax tables for the very first dollars taxed. $8500 for single and married filing separate and for married filing joint the amount is $17,000.

. . . . **THE TAX BRACKET FOR 2011:**

Married Filing Jointly you leave the 15% bracket and enter the 25% when taxable income hits $69,000.

Married Filing Separately you leave the 15% bracket and enter the 25% when taxable income hits $34,500.

Head of Household you leave the 15% bracket and enter the 25% when taxable income hits $46,250.

Single you leave the 15% bracket and enter the 25% when taxable income hits $34,500.

. . . . **THE PERSONAL EXEMPTION:** for 2011 is $3700.

		First 6 months	Last 6 months
. . . . **THE BUSINESS MILEAGE:**	rate for 2011	51.0 ¢ per mile	55.5 ¢ per mile
THE MEDICAL MILEAGE:	rate for 2011	19.0 ¢ per mile	23.5 ¢ per mile
THE CHARITABLE MILEAGE:	rate for 2011	14.0 ¢ per mile	14.0 ¢ per mile

. . . . **THE SELF EMPLOYED HEALTH INSURANCE:** deduction for 2011 is 100% of your premiums or net earnings from business whichever is lower. It can be taken if you or your spouse are not eligible for a "subsidized health plan" maintained by your employer(s). Also available to Sub Chapter S shareholders who own more than 2% of the Corporation.

. . . . **THE EARNED INCOME CREDIT (E.I.C.):** Please see our new website for information regarding the earned income credit and thresholds. The web address is *www.lindenbuschtaxservice.com*.

. . . . **THE SECTION 179 ELECTION TO EXPENSE:** 2011 maximum deduction is $500,000.

. . . . **DEPENDENT CARE CREDIT:** If your AGI is between $15,000 and $43,000 you can receive a credit ranging from 20% to 35%. This amounts to $600 to $1050 if you have one child or $1200 to $2100 for 2 or more children. Remember to separate child care expenses for each child and to get the child care providers Name, Address and ID# (social security number if provider is an individual).

. . . . **THE CHILD TAX CREDIT:** For a child 16 and under: 2011 is $1000.00 per child.

. . . . **MORTGAGE INSURANCE PREMIUMS (M.I.P.)**: on your personal residence purchased after Jan.1, 2007. If the amount is $600 or more it will show on your Form 1098, Mortgage Interest Statement, in box 4. If your annual premium is less than $600 you will need to contact your lender and get that amount. Remember not every lending institution charges M.I.P. You must itemize your deductions to get this tax break. This deduction has been extended through 2011.

. . . . **ENERGY CREDITS:** In August 2005 the ENERGY POLICY ACT went into effect. New credits for energy efficient improvements made to personal residences. To qualify, home improvements must be made to your principal residence and not to a second home. A $1,500 maximum cumulative credit is available for certain energy-saving expenditures and has been extended and expanded in 2009 and 2010 tax years**. In 2011 cumulative energy credits revert back to the rules used for tax years 2006 and 2007.** To see what qualifies you can access a list on the internet by going to **www.energystar.gov/index.cfm?c=products.pr_tax_credits** or you can download the IRS publication by going to **www.irs.gov/pub/irs-pdg/p553.pdf**. The credit is 30% of the cost of energy efficient building components. This non-refundable credit is limited to certain types of expenditures.

. . . . **LOWER CAPITAL GAIN RATES:** Starting in 2008 and extended through 2012 for folks in the 5% to 15% bracket.

NEW FOR 2011

. . . . **EMPLOYEE SOCIAL SECURITY TAX REDUCED 2%** starting in January 2011 the withholding tax for Social Security (Box 4 on your W-2) has been reduced from 6.2% to 4.2% of your gross wages. This reduction also applied to the self employed. As of this writing it is being debated in congress whether they will extend this tax cut for 2012.

Visit our new website for information on:

Earned Income Tax Credit thresholds
List of expiring provisions
"Who pays the Income Tax burden"

www.lindenbuschtaxservice.com

OFFICE POLICY

Lindenbusch Accounting and Tax Service, Inc. is very small and we wish to remain that way. During the income tax season which starts in mid-January and runs through mid-April, our time is a precious commodity. We've grown to the point where we need to share some guidelines with you, our valuable client. We appreciate your trust in us and hope that with these few suggestions our accounting and tax practice can operate more efficiently to better serve you. THANK YOU.

OFFICE HOURS (during tax season)

8:00 am to 6:00 pm Monday through Friday
8:00 am to 5:00 pm Saturdays
Sundays by appointment.

OFFICE HOURS (outside of the tax season)

By appointment only. To keep fees reasonable, we do not employ a year-round secretary.

APPOINTMENTS

Please ring the doorbell before entering, someone will show you in. Try to be on time or 5 to 10 minutes early. If you are to be more than 10 minutes late, a quick phone call would be appreciated. To reduce communication errors our secretary has been asked to repeat the appointment time, day of the week and date. To help facilitate clear and concise appointments, we suggest that you jot down your appointment. Please refer to the section immediately to the right of the photo on the front of this newsletter. We do not make reminder calls. If children need to accompany you we have TV, videos, and books/magazines in the waiting room.

DROP-OFFS

Returns dropped off are WELCOME. We ask that you include a daytime, evening and/or cell phone number(s). Tell us the best time to call you and please sign Form 8879.

TELEPHONE

Our secretary will be here from 8:30 am to 5:00 pm Monday through Friday starting the last week of January. We would prefer that she make the appointments during those hours. To utilize her even more we ask that as many phone calls, return drop-offs and return pick-ups as possible occur during those hours. Advance appointments (November, December and January) will be taken by either Dedra or myself. Simple questions will be forwarded to one of us and we'll try to call you back as soon as possible. Limited tax planning can be done during your income tax appointment. In depth tax planning will need to be done from May through December. IF REQUESTED WE CAN SEND YOU A PERSONAL TAX ORGANIZER BASED ON LAST YEARS TAX INFORMATION. You can see at a glance all your data from last years return. If interested call to get this tax organizer prior to filing your taxes.

Please refer to insert page 4 for our policy regarding privacy and the relaying of income tax returns.

PRIVACY NOTICES

The Gramm-Leach Bliley Act and the Federal Trade Commission (F.T.C.) restrict the disclosure of personal financial information by us and those in our employ. Because we produce a "financial product or service" Uncle Sam is mandating that we supply you with a notice of our privacy policy. Please refer to our new website for additional privacy information.

Lindenbusch Accounting and Tax Service, Inc. has never and will never sell or give away in part or in total our clients tax returns, information, client lists, or addresses. Your confidence in us is important and we want you to know that your personal and account information is safe. If you have any questions or concerns, please contact us.

In fact we're not that crazy about faxing returns even with the consent of the client. That return can be viewed by anyone on the other end. We furnish a copy of your tax return at the time it is prepared. If you think that you will need an extra copy please inform us at that time and we'll throw another copy in for no extra charge. If at a later date you need us to make a copy to either mail, pick up or fax a fee of $15.00 per return will be charged. I really want to discourage faxing tax returns for obvious privacy reasons. Please keep the CLIENT FILE COPY of your return that we make for you. That copy has your W-2's and other source documents attached. Starting this tax season we will also have the capability to E-MAIL returns to the taxpayer(s).

How long should you keep your records? I'd keep for 5 years documents such as receipts, statements, check registers and computer hard copy. Your actual tax return I'd keep forever, it has a copy of your W-2's/1099's and often your working papers. 50 years of tax returns only take up 2 cubic feet. Any asset that you currently own, if upon sale or liquidation would create a taxable event, you need to keep the documents that show your cost basis for that asset. Depreciation schedules would fall into this category.

CHARITABLE DONATION OPPORTUNITY

Lindenbusch Accounting and Tax Service, Inc. is participating in Parish Assistance Coalition (P.A.C.). This is a coalition of businesses that agree to donate 5% of their fees/services upon request of the client, to St. Martin's Parish. Just let us know and we will earmark your fee and forward 5% to St. Martin's Parish, facilitating the servicing of their grade-school building expansion debt. Thank you.

If you have a conceal and carry permit, you and your firearm ARE welcome in our office. This castle (your tax info) is protected by the 2nd amendment and my willingness to exercise that right.

FORM 8879 DEFINITIONS

e-file – Electronic Filing. The federal government and almost all states now accept this paperless method of computerized filing of Income Tax Returns. In the future the IRS will strongly urge taxpayers to use this method. This method reduces refund time by half.

D.C.N. – Declaration Control Number. This is a number issued by the software company. **Please leave this line blank.**

E.R.O. – Electronic Return Originator. This is Lindenbusch Accounting & Tax Service, Inc., more specifically Dedra Lindenbusch.

P.I.N. – Personal Identification Number. This number (directly to the right of ERO firm name) is a five digit number issued by the software company. This number is a 1 and the last four digits of your social security number. This number along with your social security number is your electronic signature.

E.F.I.N. – ERO's Federal Identification Number. This is Dedra's six digit number issued by the IRS. **Please leave this line blank**.

FORM 8879 INSTRUCTIONS

TOP OF PAGE:

Taxpayer's Name legibly print your name and social security number where shaded..
Spouse's Name legibly print your name and social security number where shaded.

PART I

Leave blank.

PART II

Sign and date shaded areas.

PART III

Leave blank.

THIS SHEET MUST BE SIGNED BEFORE WE CAN E-FILE!

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