LINDENBUSCH
ACCOUNTING & TAX SERVICE, INC.
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January 4, 2013

Dear Client:

Dedra and I hope you experienced a peaceful and wondrous Christmas and a safe New Year kick-off. Instead of sharing my thoughts on our newly re-elected "Celebrity Caesar" I will save that and my thoughts about the future for the last two pages of this newsletter. That page, (front and back) will replace Form 8879, the blank e-file Signature Authorization form that we previously included on our newsletter. We can no longer have you pre-sign a blank e-file Form 8879 and bring it with you at tax time. The original Form 8879 that is generated (with info and figures) will need to be signed by you, the taxpayer(s), after the return is prepared. If the return is mailed to us, dropped off or if either taxpayer is absent, then the Form 8879 will need to be signed later, faxed, dropped off, or mailed to our office after being signed. We apologize for having to do this but the liability and responsibility the President/IRS is heaping on us, your tax preparer, is unprecedented.

Inside this newsletter you will find insert pages 1 and 2 showing the 2012 TAX FACT SHEET. Regarding our Office Policy, please read insert page 3. Insert page 4 details our Privacy Policy Notice and an opportunity for charitable giving. The final page is an assortment of advice, information and prediction.

With the heavy hand of Caesar in our back pocket and now on our very pulse, Dedra and I would like to inform you that we are acquiring continuing education at three to four times that which is required of us by the IRS. We will be hiring our secretary approximately the third week of January to help with our scheduling. Please write the appointment down, as she will be instructed to repeat it upon ending your conversation with her. We do not give appointment reminder calls. Also visit our website at www.lindenbuschtaxservice.com.

In closing Dedra and I wish you the best for 2013. We encourage all to keep in mind what is truly important and follow the sage advice contained in the "Serenity Prayer." We especially want to thank our soldiers past and present and will give them a tax preparation break on a case by case basis. Thank you and God bless!

Sincerely,

Barry P Lindenbusch
President

2012 TAX FACT SHEET

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

Married Filing Jointly	under 65	$ 11,900
Married Filing Separately	under 65	$ 5,950
Head of Household	under 65	$ 8,700
Single	under 65	$ 5,950

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. $8700 for single and married filing separate, $12,400 for head of household and for married filing joint the amount is $17,400.

. . . . **THE TAX BRACKET FOR 2012:**

Married Filing Jointly — you leave the 15% bracket and enter the 25% when taxable income hits $70,700.

Married Filing Separately — you leave the 15% bracket and enter the 25% when taxable income hits $35,350.

Head of Household — you leave the 15% bracket and enter the 25% when taxable income hits $47,350.

Single — you leave the 15% bracket and enter the 25% when taxable income hits $35,350.

. . . . **THE PERSONAL EXEMPTION:** for 2012 is $3800.

. . . . **THE BUSINESS MILEAGE:**	rate for 2012	55.5 ¢ per mile
THE MEDICAL MILEAGE:	rate for 2012	23.0 ¢ per mile
THE CHARITABLE MILEAGE:	rate for 2012	14.0 ¢ per mile

. . . . **THE SELF EMPLOYED HEALTH INSURANCE:** deduction for 2012 is 100% of your premiums or net earnings from business whichever is lower. This deduction is an adjustment to income on the front of the 1040 and does not reduce FICA & Medicare. 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*. Click onto "Useful Tax Information."

. . . . **THE SECTION 179 ELECTION TO EXPENSE:** 2012 maximum deduction is $139,000.

. . . . **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 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: 2012 is $1000.00 per child.

. . . . **MORTGAGE INSURANCE PREMIUMS (M.I.P.)**: As of this date MIP is not longer deductible. It ended on December 31, 2011 and as yet has not be extended.

. . . . **ENERGY CREDIT:** The only energy credit remaining in 2012 is the Residential Energy Efficient Property (REEP) credit. This credit is allowed residential solar panels, solar water heating equipment, wind turbines, and geothermal heat pumps. The residence does not need to be your principal residence. There is no limit on this non-refundable 30% credit and it should stay with us for several years.

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

NEW FOR 2012

. . . . **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 congress has yet to extend this into 2013.

Visit our new website for information on:
Click on Useful Tax Information

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 secretary for the entire year.

APPOINTMENTS

Please ring the doorbell once and be patient, 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.

TELEPHONE

Our secretary will be here from 8:30 am to 5:00 pm Monday through Friday starting around the 3rd week of January. We would prefer that she make the appointments during those hours. To utilize her even more we ask that as many <u>phone calls, return drop-offs and return pick-ups</u> 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 $20.00 per return will be charged. I really want to discourage faxing tax returns for obvious privacy reasons. Please keep the Grey folder containing the CLIENT FILE COPY of your return that we make for you. That copy has your W-2's and other source documents attached. We now 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.