

# The Daly Harold

Business Summer Edition

September 2012

## Anne Pientok and Sam Cozzi

The long distance commute, after eight years, finally became too much for Anne to handle. She just found a job 7 minutes from her home (the next corn field over), doing the same kind of work she did here. We all miss her very much and sincerely wish her the best in everything she does.

Sam and Susan worked together from 1996 through 2005 and now we all expect to retire together. We are so excited to have Sam back working with us.

Just some of Sam's competencies are: Authorized IRS e-file Provider, Payroll Processing, Payroll and Sales Tax, QuickBooks Pro Advisor, Accounts Receivable, Accounts Payable, Bank Reconciliation, and General Ledger and of course income tax preparation. Sam is very detail oriented.

## New Tax and Business Clients- No charge consultation

From October 16 until December 31, 2012 we are offering two no charge consultations:

1. If you are a new tax client bring your 2009, 2010, and 2011 personal 1040 returns and we will review them at no charge. At that time we can discuss your needs in an income tax consultation, our services and fees.

2. We also have a no charge first time business client appointment. At that appointment we can discuss if you should incorporate or stay a sole proprietor, payroll, pension plans, sales tax rules, etc. And we'll talk about how we can work together to provide you accurate and timely accounting and income taxes.

## Real estate update

Finally, we have our previous home-occupation office at 6N513 Pine Street in Bensenville, IL up for sale.

We have moved to the first floor of 1N131 County Farm Road in Winfield, IL.

The Second floor of 1N131 in Winfield is now for rent.

The second floor is no longer an open shell it's now completely renovated with (although not completely decorated, that I'm working on it) with thirteen individual offices and ready to lease out. The second floor has a large shared reception area and two large conference rooms. The rents start at \$626 per office and that's all inclusive. There is no extra cost for use of conference rooms, utilities, high speed Internet, real estate taxes, assessment dues, are all included in the monthly rent.

Our very well maintained completely renovated Bensenville house is now up for sale and we'd like to get \$299,000 obo. Bensenville is very centrally located at 6N513 Pine Street. In just 30 minutes you are in downtown Chicago or in Winfield. It's just north of Elmhurst and Oakbrook so there is great shopping and dining. Our three bedroom ranch with full finished basement is situated on a very private 1/2 acre lot. It is nice and quiet since it's located close to an airport landing pattern, and the planes are much quieter on landing than take off. We have just loved living and working in this house and neighborhood for the past 25 years.

If you or someone you know is interested in our 1N131 Winfield second floor offices for rent or Bensenville for sale, please let us know.

## 2012 Mileage Rates

The mileage rates for 2012:  
Business – 55.5 cents per mile.  
Medical - 23 cents per mile.  
Charity - 14 cents per mile.

## SMALL BUSINESS PENSION PLANS

IRA, ROTH, Non-deductible IRA, SEP, SIMPLE, Single K, 401K????

How do you know which is right for your business and your employees.

We know the tax rules, the pension rules, and we know you and your company. Call us today for a no charge appointment with Susan, Harold or Kevin.

**RECORD KEEPING FOR BUSINESS USE OF AUTOS**

There are two different ways of keeping track of the business use of your automobile—the standard mileage method and the actual mileage method. **Both require accurate records.**

The standard mileage method requires that you record **BOTH** the total miles for the year and the business miles for the year. Keep a daily journal or log (your day-timer will also work) in the vehicle stating beginning and ending odometer readings for each business trip (or you can use your trip meter to determine business miles), along with destination, purpose, and date. Also keep receipts for business parking and tolls. The standard method is not available if you use more than one vehicle at a time for business.

If you use the actual method you must do all of the above, plus keep receipts for fuel, repairs, upkeep, licenses, stickers, insurance, interest and/or lease payments. There is a ruling now that leased autos may also use the “mileage” method.

Just so that you have some outside substantiation of your mileage have your garage write down the odometer reading on the invoice or repair order. Even an oil change invoice an odometer reading could be noted.

The first year that you purchase a vehicle you should keep receipts on everything so we can determine which method is more advantageous to you.

**Accounting**

The fee for QuickBooks lessons and reviews is \$120 per hour May through January. In February, March and April it is \$240 per hour

**Government Notices**

If you receive a government notice please mail, fax, scan or email the entire notice to Sam immediately. We do not recommend you pay it until we have looked at it. They are not always correct.

**PAYROLL NOTES**

If you have not taken any payroll for 2012;

1.The Illinois Department of Employment Security will issue a much lower unemployment rate if you have payroll for three consecutive years and **you do not have any claims**. If you already have a low rate, you **will lose it if you do not have any payroll for the year!**

2.If you are a Sub Chapter “S” Corporation and you have no payroll, the Internal Revenue Service **could** reclassify all your draws (and loan repayments if they are not documented correctly) as payroll. The consequence could mean enormous tax, penalties and interest.

3.If you are a “C” corporation and you are taking money out, if it is not payroll, it is probably dividends, which in “C” corporations are **double taxed** (first to the company and then again to you personally).

We usually recommend that you have at least some payroll for the year. Please make sure you take a paycheck before December 31, 2012. **In addition**, be sure to make the appropriate required federal tax deposit.

Please don’t forget to use our forms for payroll and to fill them out completely. If you have **QUICKBOOKS**, please provide us with the “Payroll Summary” report as well as lists of your deposits. Getting payroll tax information in to us **in the proper format and on time** avoids errors and confusion, not to mention keeping costs down. When you have “zero” payroll for the quarter, don’t forget to get it to us before the 15<sup>th</sup> to keep your costs down. We prepare payroll at very reasonable rates. Please give Sam a call for more information (extension 18).

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