

TAX MATTER'S

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603 Raleigh Place SE

Washington, DC 20032

202.563.7640 phone

202.561.4640 fax

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MAKE YOUR
APPOINTMENT
TODAY!

The IRS may be delayed on processing some E-Filed returns but we are moving full speed ahead

RIGHT NOW!

DON'T DELAY!

CALL TODAY!

MR. BAKER'S CORNER

Hello friends, I hope you had a good and safe 2010 and that the holidays were good to you. So, WELCOME TO TAX TIME 2011!!!!

With 2011, comes significant and important changes in terms of how we as tax preparers have to respond to the IRS and the various State Revenue agencies. The rules have changed in a huge way.

Tax preparers have to be enrolled with the IRS. They have to pay for and pass a test administered by the IRS, and they have to have special tax ID numbers (PTIN's).

But most importantly, the level and types of questions which they must ask of the taxpayer have expanded remarkably. You, as taxpayers will have to verify almost every piece of data that you wish to have entered on your tax return. Further, the tax preparer has to verify this data by asking in depth questions and then signing-off along with the taxpayer on documents which the tax preparer must keep as part of the permanent record.

This is most important for taxpayers who claim the CHILD TAX CREDIT, EMPLOYEE RELATED BUSINESS EXPENSES, MEDICAL EXPENSES, CHARITABLE CONTRIBUTIONS, and SCHEDULE C or SCHEDULE E EXPENSES. Further, the rules regarding PASSIVE ACTIVITIES are being more closely monitored.

As you can see, the changes are many and varied and not necessarily friendly to a person who has been at this for 28 Years. So, my friends, may I take this time to introduce to you the new "BAKER'S TAX & ACCOUNTING SERVICE, INC. (BTAS, INC.)

Okay, so now what does that mean? Many of you have heard me say this for the last few years so you knew it was coming, but maybe not so soon. BTAS, INC. is a full service corporation owned and operated by **Mrs. Stephanie M. (Baker) Fauntleroy**. Most of you will know Stephanie as my daughter and that she has been with me for the last 5 years. She will be assisted by our Tax Accountant of the last 10 years, **Ms. Debra (Fleming) Webster**. Let us not forget about our wonderful Admin Assistant, **Ms. Chiquita McLendon**, who has been and will continue to be a very valuable asset to our team.

You should know that I put my full faith and trust in this team and will assure you that the service which you have received from me for all these years will not change. In fact, I expect it to be more professional and much more fluid and timely. And for those of you who are freaking out about now, you should know that I will still be here to help, answer any questions, and make sure that there is a smooth transition. Also, I will still do many of the business



You guys keep me laughing!

returns and some non-e-filed personal returns.

It has been an incredible run guys! You should know that I cherish and appreciate all of the relationships that we have built over the years. Over the last few years I have found myself doing taxes for some of your children who weren't even born when we started. I have laughed and smiled with new arrivals and felt your pain and cried when we have had one of our family to pass on. Again, it's being an incredible run. Thanks from the bottom of my heart to all of you.

And now, I sadly, happily, and respectfully turn you over to my daughter Stephanie (Ace) and my good

See inside (page 4) for information about our **NEW SATELLITE OFFICE!**

Important IRS TIPS



Department of the Treasury
Internal Revenue Service

WHAT IF I CAN'T PAY MY TAXES?

Don't panic. If you cannot pay the full amount of taxes you owe, you should still file your return by the deadline and pay as much as you can to avoid penalties and interest. You also should contact the IRS to discuss your payment options at 1-800-829-1040.

WHAT IF I LOSE MY JOB?

The loss of a job may create new tax issues. Severance pay and unemployment compensation are taxable. Payments for any accumulated vacation or sick time also are taxable. You should ensure that enough taxes are withheld from these payments or make estimated tax payments to avoid a big bill at tax time. Public assistance and food stamps are not taxable.

WHAT IF I LOSE MY HOME THROUGH FORECLOSURE?

Under the Mortgage Forgiveness Debt Relief Act of 2007, taxpayers generally can exclude income from the discharge of debt on their principal residence or mortgage restructuring. This exception does not apply to second homes or vacation homes.

WHAT IF I FILE FOR BANKRUPTCY PROTECTION?

Debts discharged through bankruptcy are not considered taxable income.

TWITTER FANS!

**FOLLOW THE IRS
[@IRSNEWS](https://twitter.com/IRSNEWS)**

Please be prepared...HELP US, HELP YOU!

If you just started a home-based business last year, you will need to bring in an itemized list of income and expenses. This should include a total of your utility expenses, your cell phone bill and your mortgage insurance. If you rent, include that total for the year. If you are not sure of all the expenses you can claim look on the Schedule C at www.irs.gov. For car expenses you will get a greater tax deduction by using mileage. You can use map quest to help you calculate this

expense. If you have purchased a car within the last 5 years we can depreciate the car as an additional expense by using the date and the amount of purchase.

For those of you who have rental properties, please provide us with the income and an

itemized list of your expenses. If you have multiple properties please make sure your itemized list of expenses is per property. Also

please make sure your mortgage interest statements have the address of your property listed or written on the statement so that we can correctly identify and complete your tax

return. We really appreciate your

*"People who complain about taxes can be divided into two classes: men and women."
— Unknown*

WHAT'S ON WWW.BAKERSTAXSERVICE.COM

Our website was created to better serve our clients. We aim to give our clients the most courteous and professional service.

The website is another avenue to communicate and interface with us promptly. While sharing all our services that our office provides.

- ☞ Download our Client information sheet
- ☞ Request an appointment
- ☞ Retrieve IRS forms
- ☞ Send us emails and tax information
- ☞ See our Price List, Office Hours and Accepted form of Payment

Stephanie's 2 ¢

I will not take too much of your time. I would just like to take this opportunity to introduce myself as the new Owner of Baker's Tax and Accounting Service, Inc., formally known as Baker's Tax Service.

Many of you already know me! If I have not personally worked on your return, scheduled your appointment or ran into you in some public place and you said to me, "Hey, Mr. Baker's daugh

ter!", then you've certainly seen one my HUNDREDS of pictures in my Father's office. Many of you may know more about me than I know about myself because so many of you have been with us since I was too young to remember. I'm excited about that though, because it comforts me to know that our clients are like family and just like my Dad has passed



the torch on to me you have trusted us with serving 2nd, 3rd and 4th generations of your families. I have the

utmost respect for each and everyone of you and intend to do everything in my power to gain and retain your trust and your business. Just as my Father mentioned in his "Corner", he will not leave me alone and will be only a stones throw away from any issues that may arise. We are working very hard to make this a seamless and painless transition. It is my intention to continue to offer the knowledge you trust and the compassion you've grown to depend on with Mr. Baker's Tax Service. This means a lot to me and my Dad and I will work hard for him so in turn I WILL work hard for YOU!

Debra's Perspective

My name is Debra Webster and it has been a pleasure working with Mr. Baker as a tax accountant for the last 10 years. Some of you I have had the pleasure of serving over the years and others I have met during our recent tax information seminars. My twenty years as an accountant combined with my ten years of preparing corporate, partnership and individual taxes makes me very qualified to continue to prepare your taxes.

The IRS changes the tax regulations every year which sometimes limits our ability to reduce your taxable income. One of the best tax vehicles available to increase your refund is a home-based business. Under the IRS rules you can take a portion of your Mortgage Interest, Real Estate Taxes, Rent, Insurance, Cell Phone, and Utility expenses and turn them into additional tax deductions. Think of it as overhead expenses of your business. These tax

deductions as well as many others can save you thousands of dollars on your tax return. If you are looking to make some extra money this year, a business can also give you an additional stream of income. This is a great alternative to a second job, especially due to the tax breaks.

We are offering weekly tax information webinars to show you how this works. Non-Profit organizations including churches will learn how a business can be used as a fundraiser for the church as well as a tax deduction for its members. To join our weekly webinars, call the satellite office at 301-322-6545 to get the details.

We will continue to offer bookkeeping and accounting services. If you are in need of this service or know anyone who needs these services (including Profit & Loss Statements), we would greatly appreciate the referral.

I look forward to earning your trust and providing you with the same excellent service that you have received from Mr. Baker over these many years. We have been trained by the best and know all of his strategies to get you the most money possible!

"One of the best tax vehicles available to increase your refund is a home-based business".



VISIT DEBRA AT THE BTAS

SATELITE OFFICE.

CONVENIENTLY LOCATED AT

3604 CARA DRIVE

SPRINGDALE MD.

301-322-6545

Call 202.563.7640 for your

Appointment TODAY!

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603 Raleigh Place SE
Washington, DC 20032

Phone: 202.563.7640
Fax: 202.561.4640
E-mail: office@bakerstaxservice.com

Specializing in Old and Delinquent Taxes

We're on the WEB!

www.bakerstaxservice.com

«Taxpayer First Name» «Taxpayer Last Name»

«Street Address»

«Apartment»

«City», «State» «ZIP Code»

TAX MATTER'S

Baker's Tax and Accounting Service, Inc.

Are you dealing with one or more of these situations?

- Have you failed to file you return for the last year; two years; or ten years?
- Are you concerned that your taxes may not have been prepared in the best possible fashion?
- Was your refund short of what you thought it should have been?
- Is the IRS or some State agency giving you the blues and you don't know where to turn?

**FREE
EFILE**

**FREE
STATE
RETURNS**

GIVE US A CALL!!!

Baker's Tax and Accounting Service, Inc. is a full service, year round office providing tax, accounting and payroll services. We also offer preparation of corporation, LLC, partnership formations and 501(c)3 applications.

BTS has been in existence since 1983. We have spent the entire time in Southeast, Washington, DC and are still proud to call Southeast DC home!