

SEASONAL TAX STAFF PROVIDES EXPERTISE

At Whalen, we are fortunate to have a talented and experienced group of professionals who provide us with assistance during each tax season. The eight returning seasonal staff who are returning this year are seasoned professionals who have an average tenure at the firm of seven years.

According to partner, Richard Crabtree, "the seasonal staff undergo ongoing continuing education as well as rigorous pre-tax season training that enhance and re-fresh their skills. They bring a wealth of experience to the firm and are instrumental in the success of each tax season at Whalen."

The firm believes strongly in maintaining the tax preparation services in house. Many firms have resorted to international outsourcing (for example, utilizing a third party who has tax preparers in India). Whalen & Company, CPAs has made a conscience decision *not* to outsource return preparation outside of the firm. Our talented and select group of professionals helps us accomplish this goal.

WHALEN DEADLINES FOR TAX INFORMATION

In order to insure timely completion of individual tax returns, we ask that all individual tax information be received by **Monday March 26th**.

Any information received after these deadlines will likely require being placed on extension for preparation to occur subsequent to the original filing due date of April 17th.

FIRM HAPPENINGS

Managing Partner Valerie Ujvari has announced her retirement from Whalen & Company, CPAs, effective April 27, 2007. Valerie has been with Whalen for over 22 years and has been a partner since 1989, overseeing the audit, peer review, and administrative functions within the firm.

As many of you are aware, 1040 tax preparer Peggy Foster will also be retiring after the 2007 tax season. Peggy has worked with Whalen & Company, CPAs for the past 20 years and we wish her much happiness in her retirement.

FINANCE CHARGES IN '07

Reminder...accounts over 60 days are assessed a finance charge of 1½ percent of the outstanding balance. There is a \$5 minimum charge and compounding takes place every 30 days thereafter.

*Whalen & Company is in the process of arranging online bill payment services in an effort to enhance our focus on customer service.

CHECK OUT OUR WEBSITE

www.whalencpa.com

We offer financial planning tools, archives of our tax planning, business, 1040, and non-profit newsletters, as well as additional web resources and links that you may find useful.

TAX SEASON HOURS




Through Saturday April 14th, we will maintain our extended tax season office hours:
Monday – Friday 8:00–5:00
Saturday 9:00–3:00

We also have an "After Hours Drop Box" which is located just to the right of our glass doors.

IRS ANNOUNCES 2007 MILEAGE RATES

The IRS has released the 2007 optional standard mileage rates which are used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes.

Beginning January 1, 2007, the standard mileage rates for the use of a car (including vans, pickups or panel trucks) will be:

-  48.5 cents for business miles driven
-  20 cents for medical or moving purposes
-  14 cents driven in service to a charitable organization.

CHARITABLE DONATIONS

As of January 1, 2007, you will face tighter substantiation requirements and will need a receipt for all charitable donations, no matter how small.

In addition, deductions for clothing and household goods donated after August 17, 2006 are denied unless the items are in “good condition.”

Exception: If you obtain an appraisal of more than \$500 for a single item, the amount may be deducted regardless of the item’s condition.

Furthermore, the new tax law permits individuals age 70½ or over to take tax-free distributions from an IRA if the funds are donated directly to a qualified charity. The tax-free distributions are capped at \$100,000 per year.

OTHER TAX INFO

When permitted by state law, you might consolidate outstanding personal debts into a home equity debt. Although interest on personal debts is not deductible, you may deduct the mortgage interest paid on the first \$100,000 of home equity debt—regardless of the use of the proceeds.

Caution: Because the debt must be secured by your home, use this technique with discretion.

OHIO RESIDENCY BILL PASSED

On January 2, 2007, Governor Taft signed the “residency bill” which will affect tax year 2007.

The bill has increased the amount of time (from 120 contact periods to 182) an individual may spend in Ohio before they are considered an Ohio resident and therefore responsible for income taxes.

If an individual has 182 or fewer contact periods (*an individual has one contact period in Ohio if the individual spends at least some portion, however minimal, of each of two consecutive days in Ohio while away overnight from an abode located outside Ohio*), and has filed the required paperwork with the Tax Commissioner, then the individual is presumed not to be an Ohio resident.

For additional information on this bill, please see our website for a summary link.

IRS EXTENDS 2007 TAX DEADLINE

The deadline for the filing of individual taxes will be Tuesday April 17th, 2007. Emancipation Day, which falls on April 16th, is a legally recognized holiday in the District of Columbia and therefore impacts the entire country.