KAKENMASTER REPORT

A Newsletter from Kakenmaster & Associates and Libertyville Insurance Agency

Data Sheet Issue 2010 *Volume XIII Issue III*

Tax Appointments

Schedule your tax appointment soon to help assure that you will receive the appointment time that is best for you. Both Saturday and evening hours are filling up quickly. We have added additional staff to better serve you. Also, remember it is not necessary for your spouse to be with you at the appointment.

Drop-Off Service

Kakenmaster & Associates also offers a tax drop-off service. Just drop off or mail in your tax information and data sheet, and your taxes will be completed within five days. No appointment is necessary for this service. A tax preparer will also be available for a portion of each day to review your return with you, if desired.

Electronic Filing

Returns prepared by Kakenmaster & Associates must be filed electronically. The IRS usually has a two-week turnaround time. Even if you have a balance due, your return can be filed electronically. Payment is not due until April 18, 2011.

Credit Cards

The IRS is now accepting credit cards for payments on balances due by calling 1-888-2paytax (1-888-272-9829). Master Card, Visa, American Express, and Discover cards are accepted. The credit card company will charge the taxpayer a fee for this service. This fee is deductible.

What the New Tax Laws Mean for You

Data Sheet 2010

The recently passed $858 billion tax bill extends the Bush-era tax cuts that were due to expire at the end of 2010, providing lower income tax rates for all taxpayers for the next two years. The new legislation allows for a temporary payroll tax holiday of two percentage points, decreasing an employee's Social Security tax on wages from 6.2% to 4.2%, and from 12.4% to 10.4% for the self-employed through 2011.

The bill lowers the estate tax for the next two years to 35%, with the first $5 million exempt per person, or $10 million per couple. The capital gains rates are also extended through 2012, zero percent for taxpayers below the 25% tax bracket and 15% for those in the 25% and above tax brackets. Qualified dividends will be taxed at capital gains rates through 2012.

Other extended tax deductions include the teacher out-of-pocket classroom expenses, state and local general sales tax, and qualified tuition and related education expenses. Businesses also benefit from the extension of tax credits for R&D, accelerated depreciation for capital improvements, and several other provisions.

2010 Tax Checklist

_____ Did any births, adoptions, marriages, divorces, or deaths occur in your family during the year?

_____ Can you or your spouse be claimed as a dependent by someone else?

_____ Did you have a change in residence or job location during the year?

_____ Did you use your vehicle on the job other than for commuting to and from work?

_____ Did you have an employer-provided vehicle which you drove home or used personally?

_____ Did you work out of town at any time during the year?

_____ Did you start a new business or purchase any new rental property during 2010?

_____ Did you purchase, sell, or refinance your principal home or your second home or take out a home equity loan during the year? If yes, please bring closing papers and other pertinent information.

_____ Have you purchased any business assets (furniture, equipment, etc.) or converted any assets to business use? If yes, please list on attached sheet. Also, bring closing papers for purchases of real estate.

_____ Did you dispose of any business assets (including real estate)? If yes, list on attached sheet.

_____ Did you receive any notices from the IRS or the state? If yes, please attach notice.

_____ Did you convert a traditional IRA to a Roth IRA in 2010?

see **Tax Checklist** on back page

Kakenmaster and Associates
Libertyville Insurance Agency

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333 Peterson Road, Suite E
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K&A 847.367.0888
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Fax 847.367.6925

2010 Tax Data Sheet

Your Name	S.S. #	Date of Birth (D.O.B.)	Occupation
Spouse's Name	S.S. #	D.O.B.	Occupation
Address	City	State	Zip Code
Home Phone Number	Work Phone Number	E-mail address	Cell Phone

Dependents

1) Name	S.S. #	D.O.B.	Relationship Live with you? ____ Yes ____ No
2) Name	S.S. #	D.O.B.	Relationship Live with you? ____ Yes ____ No
3) Name	S.S. #	D.O.B.	Relationship Live with you? ____ Yes ____ No
4) Name	S.S. #	D.O.B.	Relationship Live with you? ____ Yes ____ No
5) Name	S.S. #	D.O.B.	Relationship Live with you? ____ Yes ____ No

Income: Enclose all W-2 and 1099 Forms for Wages, Pensions, Dividends, Interest, Gambling, Social Security, etc. Include taxable and non-taxable income.

Other Income: Furnish complete information. If necessary, please attach any explanatory notes on a separate sheet.

- Alimony
- Annuities
- Capital Gains (Losses)
- Commissions
- Debt Cancellation
- Disability Pay
- Farming
- HSA/MSA Withdrawals
- IRA/Pension Distribution
- IRA Rollover
- (K-1) Partnerships/Trust/ S-Corporations
- Lawsuit Settlement
- Lottery/Gambling
- Railroad Retirement
- Rental Income
- Second Job
- Self-Employment
- State Tax Refund
- Stock Options
- Unemployment Compensation

Stock or Property Sales: Enclose all data regarding selling, including the date purchased, date sold, the name of the stock, cost to acquire, and the amount received. Enclose all 1099B forms from the brokers.

Real Estate Tax Paid:
Personal Residence: $ ________________ 2nd Home: $ ________________ Other: $________________

Sales Tax Paid: Auto: $ ________ R.V.: $ ________ Mobile Home: $ ________ Boat: $ _______
Building Materials: $ __________ Motorcycle: $ ________

Points Paid in 2010: New Home Purchase: $ ____________ Equity Home Loan: $ ____________
Refinanced Personal Residence: $ ______________ Home Improvement Expenses: $ ______________

Interest Expenses:

Home Mortgage: $ ____________________
2nd Home: $ ____________________
Other: $ ____________________
Home Equity Loan: $ ____________________
Contract Purchase: $ ____________________
Contract Holder's Name and Social Security Number: ____________________
Student loan interest paid: $ ____________________
For Whom: ____________________
Investment interest on margin account: $ _______

Un-reimbursed Medical Expenses:

(Must exceed 7.5% of adjusted gross income.) Hospital, M.D., D.D.S., prescriptions, eye care, long-term care expenses, medical equipment, childbirth class fees, etc.

Total un-reimbursed medical expenses: $_______
Medical Insurance: $ ____________________
Long-term Care Insurance: $ ____________________
Medical travel miles: ____________________
Lodging while receiving treatment: $_________
HSA/MSA Deposits: $ ____________________
Handicap school: $ ____________________

* If you or your spouse is legally blind, please enclose certificate.

Alimony Paid:

Name: ____________________
S.S. # ____________________
Amount: $ ____________________

Gambling Losses: $ ____________________

(Please call the office for a gambling expense record envelope. A listing from the casino of amounts gambled is no longer an acceptable proof of gambling losses.)

Other Miscellaneous Deductions:

Job-Related Expenses:

(Expenses must exceed 2% of adjusted gross income.)

Uniforms: $ ____________________
Malpractice Insurance: $ ____________________
Union Dues: $ ____________________
Professional Dues/Licenses: $ ____________________
Tax Consultation: $ ____________________
Work Tools: $ ____________________
Safety Equipment: $ ____________________
Job Education/Tuition/Books: $ ____________________
Mileage: ____________________
Job Seeking Expenses:
Travel: $ ____________________
Phone: $ ____________________
Mileage: ____________________
Educator's Out-of-Pocket Expenses: $ ________
Investment Advice Expense Fees: $ ________

Childcare Expenses:

1) Amount paid: $ ____________________
To Whom: ____________________
S.S. #: ____________________
Services in your home? Yes ____ No ____
2) Amount paid: $ ____________________
To Whom: ____________________
S.S. #: ____________________
Services in your home? Yes ____ No ____
3) Summer Camp Costs: $ ____________________
(This is only deductible if the child went to camp to allow parents to work. It does not include the cost of overnight camp.)

Notes:

Supplemental Data Sheets:

If you have any of the following items, please call our office for additional data sheets that we can fax, mail, or e-mail to you:

- **Moving expenses**
- **Auto use for business (un-reimbursed)**
- **Home office use for business**
- **Capital gains worksheet**
- **Business travel expenses (un-reimbursed)**
- **Rental income and expenses**

Should we make a mistake, our policy is to correct it at no additional cost. If there are penalties and interest charges resulting from the mistake, these will be paid by us up to the amount of the preparation fee. If this is your first time filing with **Kakenmaster & Associates**, please include a copy of last year's tax return. If you have any questions, please call 847-367-0888. ***Thank you for your cooperation.***

Charitable Contributions:

A receipt from a qualifying charitable organization is needed for cash contributions.
Religious Organizations: $ ______________
Payroll Deductions: $ ______________
Donated Goods*: $ ______________
Other Charitable Donations: $ ______________
Volunteer Service Mileage: ______________
* Must be in good or better condition and have receipts to claim donations on tax return, as well as photos/list as proof of each item's condition.
Include 1098-C (for used car donation to charity)

Charitable Contributions from an IRA:

Direct Donation Amount*: $ ______________
*Must have receipt to claim donation on tax return.

Gifts:

Did you gift some college tuition to a grandchild?
If so, how much? $ ______________

Prepayment of Private School Tuition:

Did you pay for a grandchild's tuition from a Coverdell Savings Account directly to the school?
If so, how much? $ ______________

Education Expenses:

Post Secondary

Tuition Paid: $______________
Date: ______________ Year in School: ______
For Whom: ______________

Private and Parochial School Expenses (Grades K-12)

Tuition: $ ______________ Books/Fees: $ ______
For Whom: ______________
Grade in school: ______________
Name of School: ______________

Qualified Tuition Programs (529 Plans)

Contribution: $ ______________
Distribution: $ ______________
Transfers: $______________
Home State Plan? Yes ____ No____

Hybrid/Lean Burning Diesel/Qualified Plug-in Electric Car Credit:

Hybrid Model Purchased: ______________
Date Purchased: ______________

Residential Energy-Efficient Property Credit:

Solar Powered Equipment Costs: $ ______________
Qualified Fuel Cell Property Costs: $ ______________
Geothermal Heat Pump Property Costs: $ ______________
Wind Energy Property Costs: $ ______________

Energy Efficient Home Improvements such as new furnace, hot water heater, air conditioner, insulation, exterior doors/windows, and metal roofing. List item and cost below:
Purchase: ______________ Cost: $ ______________
Purchase: ______________ Cost: $ ______________
Purchase: ______________ Cost: $ ______________

IRA Deposits:

Roth	**Traditional IRA**
Taxpayer: $ ________	Taxpayer: $ ________
Spouse: $ ________	Spouse: $ ________

Other Retirement Contribution:

SEP:$______SIMPLE:$______ Keogh:$________
Taxpayer: $ ______________
Spouse: $______________

Estimated Taxes Paid:

Federal Taxes:

1st payment:
Date Paid: ______________ Amount: $ ______________
2nd payment:
Date Paid: ______________ Amount: $ ______________
3rd payment:
Date Paid: ______________ Amount: $ ______________
4th payment:
Date Paid: ______________ Amount: $ ______________

State Taxes:

1st payment:
Date Paid: ______________ Amount: $ ______________
2nd payment:
Date Paid: ______________ Amount: $ ______________
3rd payment:
Date Paid: ______________ Amount: $ ______________
4th payment:
Date Paid: ______________ Amount: $ ______________

Kakenmaster and Associates, Inc.
Libertyville Insurance Agency, Inc.

Privacy Policy Notice

We understand that you have provided certain personal and financial information necessary to process your transactions. We always have and will continue to take very seriously the obligation to keep that information confidential and private. Under federal law you have the right to know what information is being collected about you and how that information will be used.

Information we receive from interviews regarding your tax situation;

Information we receive on applications, organizers, or by other means, such as your name, address, telephone number, social security number, dependents, income and other tax-related data;

Information from tax-related documents you provide that are required to process tax returns, such as Forms W-2, 1099R, 1099-INT and 1099-DIV, and stock transactions, etc.

We will not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law. Under the law, the information we collect is provided to companies that perform support services on our behalf as necessary to effect, administer, or process a transaction, or for maintaining and servicing your account.

We do not give or sell information about you or your accounts to any other company, individual or group.

We restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

No action is required on your part. This notice is meant to inform you how we safeguard your nonpublic personal financial information. You may wish to file this notice with your financial records.

If you have any questions about our Privacy Policy, please contact us. Thank you for reviewing our privacy commitment to you and for your trust in us.

Sincerely,

Peter Kakenmaster
Mark Kakenmaster

Kakenmaster and Associates/
Libertyville Insurance Agency

333 Peterson Road, Suite E
Libertyville, Illinois 60048-1085

Kakenmaster & Associates wishes you and yours a healthy, happy, and rewarding 2011!

Financial, Insurance, and Real Estate Services for Businesses and Individuals

2011 Tax Info

2011 Mileage Rates
Standard rate for business driving: 51¢ per mile (a increase of 1¢). If the standard rate is used, the vehicle depreciation rate is 22¢ per mile, lowered 1¢. *Medical and moving rates:* 19¢ per mile (an increase of 3 1/2¢ per mile). *Charitable driving:* 14¢ cents per mile.

2011 Social Security Wage Base
The S.S. wage base remains at $106,800. FICA decreases to 4.2% for the employee's portion, but remains at 6.2% for the employer's portion and Medicare at 1.45% for both the employee and employer. Self-employed taxpayer will pay 13.3% on the first $106,800, and 2.9% after this point.

2010 Tax Checklist, Cont'd...

_____ Did you have an interest in or signature over a bank or brokerage account in a foreign country, or were you a grantor of or transferor to a foreign trust?
_____ Did you receive any type of prize or award during 2010?
_____ Did you engage in any bartering transactions in 2010?
_____ Did you redeem any U.S. Savings Bonds during 2010?
_____ Does anyone owe you money which has become uncollectible?
_____ Did you incur a loss due to damaged or stolen property?
_____ Did you or your spouse "rollover" a profit sharing or retirement plan distribution into another plan?
_____ Did you make any gifts over $13,000 to any one person in 2010?
_____ Did you have any casualty or theft loss (must exceed 10% of gross income)?
_____ Do you have any children or dependents under age 18 that had unearned income of over $1,900 in 2010?
_____ Do you have any household employees?
_____ Do you need any supplemental data sheets? (Can be sent by fax or email)
_____ Do you anticipate any significant changes in your financial situation in 2011?

If this is your first time filing with **Kakenmaster & Associates**, please include a copy of last year's tax return. We also offer a discount for the referral of a new client. Give the coupon below to the new client and when they come in, we will send you a check for $25.00, and they will receive $25.00 off their tax preparation fee. Please note that we will no longer bill for services. Payment may be made by check or credit card upon delivery of your return. *Thank you.* If you have any questions, please call **847-367-0888.**

New Client Coupon

This referral coupon is good for a **$25.00 discount** on 2010 tax preparation fees for new clients at:

Kakenmaster Tax Service
333 Peterson Road
Libertyville, IL 60048
847/367-0888

This referral is from:

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