

Tax Newsletter

Volume I - Issue V

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CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS DEVELOPMENT ADVISORS

“Our goal is to assist our clients to find ways to reduce their tax liability and our clients who engage in strategic tax planning do reduce their tax liabilities. Now is the time of year to improve your tax situation. We have the best team of professionals here at Smoker & Company who have the experience and expertise to navigate the tax code and bring about the most advantageous tax outcome for you, your business, and your family. We are ready to serve you!”

The Enclosed Tax Pocket Guide contains information and limitations regarding:

- ◇ Retirement Plan contribution
- ◇ Depreciation
- ◇ Standard mileage rates for business use
- ◇ Tax rates for individuals, C-corporations, estate & gift taxes
- ◇ Earning limits for workers age 62 receiving social security benefits

Start Tax Planning Now and Reap the Benefits

Next April may seem light years away, but December is here and many of the benefits you can reap on tax day require you to act well before the end of the year.

“The further ahead you start your tax planning, the more strategies you will have to save money,” says Mike Smoker. The early-bird tactics that follow can together keep thousands of bucks in your pocket.

The United States income tax is a pay-as-you-go tax, which means that tax must be paid as you earn or receive your income during the year. You can either do this through withholding or by making estimated tax payments. If you do not pay your tax through withholding or

you do not pay enough tax that way, you might also have to pay estimated taxes. If you did not pay enough tax throughout the year, you may have to pay a penalty for underpayment of estimated tax. Generally, most taxpayers will avoid this penalty if they owe less than \$1000 in tax after subtracting their with-

holdings and credits or if they paid at least 90% of the tax for the current year or 100% of the tax shown on the return for the prior year, whichever is smaller. There are special rules for farmers and fishermen.

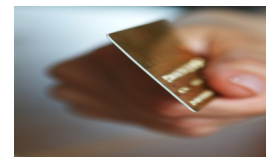


New Reporting Requirement for Credit Card Transactions

6050W of the Internal Revenue Code is an important new measure that requires obligated reporting entities to report the gross amounts of their merchant customers' payment card and third party network transactions to the Internal Revenue Service (IRS). As a result of these new requirements, which will apply to transactions begin-

ning January 1, 2011 (with required reporting to begin in 2012), merchants are obligated to provide their tax identification number (TIN) and tax filing name. If a merchant fails to provide its TIN or if the IRS notifies the reporting entity that there is a discrepancy between the information provided by the merchant and the IRS records,

the reporting entity will be required to withhold tax on the merchant's future funding amounts. Backup withholding, which is currently 28%, will start in 2012.



SMOKER & COMPANY HAS SET A NEW FIRM RECORD

We have had the largest growth of new clients in our history.

THANK YOU FOR REFERRING US TO OTHERS and allowing us to serve you!

Meet the Staff—Lori Kreider, Enrolled Agent



Lori is an Enrolled Agent (EA) and works with many of our large and small business clients, helping them with their tax and accounting needs. She specializes in agricultural tax issues, taking a particular interest in proactive planning to minimize the current year's tax liabilities. In addition, she works with clients to develop plans for structuring real estate sales, as well as transitioning real estate from parents to children. As an EA since 1992, Lori represents clients before the Internal Revenue Service in tax audits

and has been very successful in all levels of representation.

Lori will celebrate 30 years with Smoker & Company in 2012 and is very fond of the many relationships she has built with the clients by working with our affiliate companies, which enables Smoker & Company to provide comprehensive services like no other accounting firm.

As a native of Manheim, Lori manages our Manheim location and has a great support team that is ready to answer your questions or assist with your needs.

Lori attended Shippensburg University, is married, and has two children attending college. She attends Lives Changed By Christ Church (LCBC) and, in her spare time, enjoys spending time with family and friends, golfing, jogging, traveling and yard work at her home.

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of you who
have already
made referrals!
Our family of
clients
continues to
grow due to
your efforts!**

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If you like the job we're doing for you, let others know!

Refer a business associate to us. If that company becomes one of our clients, we will pay you \$50 in Smoker Rewards, to be used as payment on services provided by Smoker & Company or our affiliate companies.

Thank You!!!

Referrals can be mailed to:

**Smoker & Company
49 East Main Street
Leola, PA 17540**

- or -

call anyone at our convenient
offices

Meet the Staff—Wilma Mays, Leola Office Receptionist



Wilma is the Front Desk Receptionist at our Leola office. She is always eager and willing to assist our clients with any of their needs, from scheduling appointments to reviewing paperwork, as well as answering many of their questions.

Wilma is also a Notary Public, which allows her to notarize documents free of charge for our clients.

Wilma has been with Smoker & Company since May 2009. During her employment at Smoker & Company, she has become very familiar with many of our clients and their businesses. She looks forward to being able to see them when they come in for their appointments.

Wilma attended Millersville University, studying Business Administration for one year. She has held various positions

in an office setting, which included typesetting, being an Asset Manager, an Assistant Housing Manager, a Realtor, as well as a Construction Secretary/Administrative Assistant. She grew up in Belleville, PA and is a member of Maple Grove Mennonite Church. She currently resides in East Petersburg, PA, is married, and has two sons and one granddaughter. She enjoys spending time with her family, talking with people, watching movies, camping, boating, and reading.