

Newsletter



MARCH 2011

Major tax deadlines for March

- **March 1** – Farmers and fishermen who did not make 2010 estimated tax payments must file 2010 tax returns and pay taxes in full.
- **March 15** – 2010 calendar-year corporation income tax returns are due.
- **March 15** – Deadline for calendar-year corporations to elect S status for 2011.
- **March 31** – Deadline for taxpayers who file electronically to file 2010 information returns (such as 1099s) with the IRS.
- **March 31** – Deadline for employers who file electronically to send copies of 2010 W-2s to the Social Security Administration.

IRS changes the April 15 filing deadline

This year the deadline for filing various tax returns normally due on April 15 is being changed to April 18, 2011. The reason? Washington, D.C. is observing its Emancipation Day holiday on Friday, April 15, and though that's not a national holiday, the Treasury Department has extended Tax Day 2011 to Monday, April 18. The new deadline applies to individual and partnership tax returns, extension requests, and other tax deadlines such as making 2010 IRA and education savings account contributions and making the first 2011 estimated tax payment.

Stephenson and Warner will be open on Emancipation Day and filing all remaining returns. Only extended returns will be filed after this date. We will not be observing the April 18th deadline.

More options for tax refunds this year

Last year, you could use your tax refund to purchase U.S. Series I Savings Bonds in your name. This year, there are some new options for purchasing savings bonds with your income tax refund.

You can buy savings bonds for yourself and up to two other individuals. Form 8888 is used to designate the person or persons in whose name the bonds are to be issued. The savings bonds will then be mailed to those individuals.

Up to \$5,000 in bonds can be purchased in \$50 increments. Also new this year: You may request a paper check for the balance of your refund if you prefer that to direct deposit.

Filing threshold raised for nonprofit organizations

Tax-exempt organizations are required to file annual reports with the IRS. Those with gross receipts below a certain threshold amount can file an E-postcard rather than a longer version of Form 990. The IRS has just raised that threshold amount to \$50,000, an increase over the previous filing threshold of \$25,000.

The deadline for nonprofit filings is the 15th day of the fifth month after the organization's year-end. For calendar-year organizations, the filing deadline for 2010 reports is May 16, 2011.

Is it time to talk finances with your parents?

One day you may find yourself taking care of an elderly parent who is in declining physical or mental health. This can be stressful, both emotionally and financially. On the financial side, there are steps you may want to take to prepare for this situation.

Talk to your parents about their financial affairs. Parents may be reluctant to discuss their finances, but someone needs to know the names of their lawyer and accountant. Someone needs to know where their important financial papers are located. Chances are that much of the information will be in your parents' heads, or scattered in various places around their house. Here's a general overview of the topics you might want to cover with your parents.

- **Vital statistics**
 - Where are social security cards kept?
 - Where are marriage or divorce records and family birth certificates?
 - Where are military service records and pension records?
- **Financial records**
 - Help your parents make a list of their financial assets, bank accounts, investments, etc.
 - Review the beneficiaries they have designated and how accounts are titled.
 - Do they have a safe deposit box? Record the location and box number.
 - Find the name of their accountant and copies of tax returns.
- **Physical assets**
 - Locate mortgage records and the deed to their house and other properties.
 - Locate vehicle titles.
 - Do they own any assets stored elsewhere?
- **Insurance**
 - Locate records for home, vehicle, health, and life insurance.
- **Estate planning**
 - Do they have a will or living trust?
 - What is the name of their attorney?
 - Discuss any special wishes for bequests; encourage your parents to put them in writing.
 - Have they set up directives for medical care (living wills)?
 - Have they set up a Power of Attorney in case they become disabled?

Don't try to find all this information in one exhausting session. Instead, use the list as a starting point for a series of conversations. Wherever possible, involve your parents in putting their own affairs in order. You may find it's a great opportunity to bond with your parents in their golden years.

This newsletter provides business, financial, and tax information to clients and friends of our firm. This general information should not be acted upon without first determining its application to your specific situation. For further details on any article, please contact us.

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