

■ KIMBROUGH SELECTED FOR LEADERSHIP LAKELAND XXVIII



We are pleased to announce that Tracy Y. Kimbrough, CPA, has been selected for Leadership Lakeland Class XXVIII. Leadership Lakeland is a well respected one year program offered through the Lakeland Area Chamber of Commerce which identifies and develops community leaders.

This past year Tracy demonstrated her leadership abilities by successfully (and simultaneously!) completing terms as both President of the Polk Chapter of the Florida Institute of Certified Public Accountants and President of the Camp Fire USA Sunshine Council. Tracy is also involved in quite a few other community activities and really enjoys giving back to the community she loves.

Tracy is a Shareholder at Baylis & Company and has worked for our Firm for the past 22 years. She currently oversees the audit and assurance services department and provides leadership in the tax and client services departments. Tracy holds two Bachelor of Science degrees: one in Accounting from Florida Southern College and one in Management from the University of South Florida. To learn more about Tracy visit www.bayliscpas.com/professionals/tyk.php.

■ CHARITABLE CONTRIBUTIONS

Donations made to charities help strengthen our community and as an added bonus are often tax deductible. The IRS has strict contribution regulations, so proper documentation is imperative.

RECORDKEEPING IS KEY – Copies of cancelled checks, bank statements and credit card statements must be maintained to document contribution amounts for tax purposes. Written confirmation from the charity for donations of cash or goods must also be kept. Only contributions actually made during the tax year are deductible. For example, if you pledged \$500 in September but paid the charity only \$200 by December 31, your deduction would be \$200. Include credit card charges and payments by check in the year they are given to the charity, even though you may not pay the credit card bill or have your bank account debited until the next year.

KNOW THE LIMITS – There are different IRS rules for cash and noncash contributions less than \$250, from \$250 to \$500, over \$500 and over \$5,000. For any cash or property contribution of \$250 or more, you must have written proof from the organization which includes the amount of cash or description of property contributed. If you receive a benefit (merchandise, goods or services) in exchange for a charitable contribution, your deduction is reduced by the value of the benefit you have received. An appraisal generally must be obtained if you claim a deduction for a contribution of noncash property worth more than \$5,000.

VOLUNTEER SERVICE – Unreimbursed expenses incurred while performing volunteer service are potentially deductible. These expenses include the cost of gas and oil used driving your car while performing services, the cost of uniforms and other out-of-pocket expenses. Transportation, travel, lodging and meal expenses for overnight trips on behalf of an organization may also be deductible. Out-of-pocket expenses you incur while volunteering for a qualified charity can be deducted as cash contributions on your tax return. You cannot deduct the value of the time you spend doing volunteer work or the value of your services.

■ \$250 “DONUT HOLE” REBATE FOR SENIORS IS TAX FREE

The health care reform package enacted earlier this year includes a \$250 tax-free “donut hole” rebate which is intended to help seniors bridge the Medicare coverage gap. The rebate is intended for individuals who meet the Medicare Part D coverage gap (i.e. the “donut hole”) and who are not eligible for Medicare Extra Help or enrolled in a qualified retiree prescription drug plan.

The Department of Health and Human Services will mail one-time \$250 rebate checks as qualifying Medicare recipients “fall into the donut hole.” These rebates are completely tax-free to recipients.

Our professionals are glad to assist you with individual tax consulting and planning services. We work hard to provide our clients with assistance minimizing tax liability while complying to the greatest extent possible with the letter and intent of the law and regulations. Visit www.bayliscpas.com/services/taxfinancial.php to learn more about the wide range of tax services we can provide.

■ IRS ANNOUNCES PROPOSED PLAN TO DISCONTINUE COUPON TAX DEPOSITS

The IRS has issued proposed regulations to significantly increase the number of electronic transactions between taxpayers and the federal government. The regulations would also eliminate the rules for making federal tax deposits by paper coupon because the paper coupon system would no longer be maintained by the Treasury Department after December 31, 2010.

The proposed regulations would generally maintain existing rules for the Electronic Federal Tax Payment System (EFTPS). EFTPS allows users to make tax payments 24 hours a day, seven days a week online or by telephone. Some businesses paying a minimal amount of tax may make payments with the related tax return instead of using EFTPS.

Please contact our small business services department if we can assist you with EFTPS federal tax deposits or other small business services.

■ CLOSING THOUGHTS

Our firm is dedicated to giving back to the community by volunteering our time, giving of our talents and giving of our treasures. We are so proud of our staff and their individual commitments to make Lakeland a better place to live and raise our families.

We know that many of our clients and friends share the passion to give with us. To that end, this month we present a few words of wisdom from Albert Einstein:

“The value of a man resides in what he gives and not in what he is capable of receiving.”



Please visit our website at www.bayliscpas.com

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