



RICK TAYLOR

CERTIFIED RETIREMENT PLANNER, CRP™

CLIENT NEWSLETTER – FOR EVERY LIFE STAGE

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“Believe that problems do have answers, that they can be overcome, and that we can solve them.” ~Norman Vincent Peale~

“Great opportunities to help others seldom come, but small ones surround us every day.” ~ Sally Koch ~

Groundhog Day: Check Phil's Weather Prediction!

On February 2, Punxsutawney Phil, Pennsylvania's groundhog extraordinaire, will again stick his head out of his den. The nation awaits his verdict. Groundhog Day is said to have its origins in ancient weather lore where the prognosticator was often a badger or a sacred bear. In the United States, its origin is said to come from a Pennsylvania German custom.

If Phil, peeking from his burrow, fails to see his shadow, winter will soon be over. If the sun happens to be shining and Phil sees his shadow, winter will continue for six more weeks.

The first trek to meet with Phil began in 1887. He has been emerging from his burrow in Pennsylvania ever since, always eager to greet his public. Phil is private in many ways, but a few rumors have circulated about him.

*He gets his longevity from drinking the "elixir of life" of which he takes one sip every summer during the Groundhog Picnic. This gives him seven more years of life.

* It is said he is named after King Philip, a famous Native American leader. In his more plebeian days, he was called Br'er Groundhog.

* He speaks only in Groundhogese, which luckily is a language understood by the President of the Inner Circle. The Inner Circle provides for Phil during the year, rather like a court provides for its king.

The city of Punxsutawney offers several days of celebration for those who gather from around the world to hear Phil's proclamation. The city offers food, music, carriage rides, magicians, crafts and games.

Some Thoughts About Our Tax Nightmare

With all this “Tea Bag” movement going around the country, we thought we’d take a look at some other issues relating to taxes and the scope of the money involved. Since the 2008 and 2009 bailouts the word “Billions” seems to not mean anything any more. Now “Trillions” is the unit of measurement they think about.

So the next time you hear a politician use the word “Billion” in a casual manner, think about this: A billion is a difficult number to comprehend, but we did some calculating, and put that figure into some perspective:

- A. A billion seconds ago it was 1978.
- B. A billion minutes ago Jesus was alive.
- C. A billion hours ago our ancestors were living in the Stone Age.
- D. A billion days ago no-one walked on the earth on two feet.

Speaking of taxes, here’s a poem we got from a friend:

Tax his land,
Tax his wage,
Tax his bed in which he lays.
Tax his tractor,
Tax his mule, teach him taxes is the rule.

Tax his cow,
Tax his goat,

Tax his pants,
Tax his coat.

Tax his ties,
Tax his shirts,
Tax his work,
Tax his dirt.

Tax his tobacco,

Tax his drink,
Tax him if he tries to think.

Tax his booze,
Tax his beers,
If he cries,
Tax his tears.

Tax his bills,
Tax his gas,
Tax his notes,
Tax his cash.

Tax him good and let him know
That after taxes, he has no dough.

If he hollers, tax him more,
Tax him until he's good and sore.
Tax his coffin,
Tax his grave,
Tax the sod in which he lays.

Put these words upon his tomb,
'Taxes drove me to my doom!'

And when he's gone,
We won't relax,
We'll still be after the inheritance TAX!!

We liked this poem, even though it's funny on one hand and sad as hell on the other hand.

We also went about looking up different taxes we have to pay. Here is just a partial list. We didn't list them all, but when you look at this list, it should make you mad. It makes us plenty mad. And sick. There's no way to reduce almost every tax on this list if you're subject to them. Which is not true of income and some estate taxes (if they bring them back) which can be reduced legally. Anyway, check this out:

Accounts Receivable Tax	Real Estate Tax,
Building Permit Tax	Service charge taxes,
CDL License Tax	Social Security Tax,
Cigarette Tax	Road Usage Tax (Truckers),
Corporate Income Tax	Sales Taxes,
Dog License Tax	Recreational Vehicle Tax,
Federal Income Tax	School Tax,
Federal Unemployment Tax (FUTA)	State Income Tax,
Fishing License Tax	State Unemployment Tax (SUTA),
Food License Tax	Telephone Federal Excise Tax,
Fuel Permit Tax	Telephone Federal Universal Service Fee Tax,
Gasoline Tax	Telephone Federal, State and Local Surcharge Tax,
Hunting License Tax	Telephone Minimum Usage Surcharge Tax,
Inheritance Tax	Telephone Recurring and Non-recurring Charges Tax,
Inventory Tax	Telephone State and Local Tax,
IRS Interest Charges (tax on top of tax),	Telephone Usage Charge Tax,
IRS Penalties (tax on top of tax),	Utility Tax,
Liquor Tax,	Vehicle License Registration Tax,
Luxury Tax,	Vehicle Sales Tax,
Marriage License Tax,	Watercraft Registration Tax,
Medicare Tax,	Well Permit Tax,
Property Tax,	Workers Compensation Tax.

Not one of these taxes existed 100 years ago, and our nation was the most prosperous in the world. We had absolutely no national debt, had the largest middle class in the world, and Mom stayed home to raise the kids. What happened? As Mr. Rogers used to say, "Can you say 'politicians?'"

So, since income taxes are one of the few taxes you can LEGALLY reduce, in order to pay the lowest amount of taxes legally possible, you need to take action right away! Now, at the beginning of the year.

Now more than ever is the time to start making your plans, so that you and your family pay the least amount of taxes...and are prepared to manage ALL your finances the best way for your family. PLANNING is the key.

Please don't try this at home. Planning is NOT a place for amateur night. We can help you decide what you should be doing in the context of your financial planning for 2010 and beyond!

Remember, we HATE hearing about what you just did with your money. We want to hear, "Here's what we're thinking about doing...", not that you've already done it! We look forward to hearing from you soon!

Financial Tip of the Month...

The first-time home buyer tax credit of up to \$8,000 is still in place. The extension of time by Congress also includes a new credit of up to \$6,500 for certain repeat home buyers.

The first-time buyer credit is essentially the same as the original credit, which expired in November. The buyer can't have owned a home for three years, and a home can't be bought from a parent, grandparent, child or grandchild. Buyers can claim the credit on either 2008 or 2009 tax returns. If they don't owe enough tax to qualify for the \$8,000 credit, they will receive a check from Internal Revenue for the amount between what they owe and \$8,000 or for \$8,000 if all taxes are already paid. New provisions:



- * For purchases made after November 6, 2009, no credit is available for any home costing more than \$800,000.
- * Taxpayers who lived in their homes for five consecutive years or more can qualify for a tax credit of 10 percent of the purchase price, or a maximum of \$6,500. The new home doesn't have to cost more than the old one.
- * Income limits for buyers are more generous. For single filers, the credit phases out between \$125,000 and \$145,000 of modified adjusted gross income. For married couples, the range is \$225,000 to \$245,000.
- * Buyers must be 18 or older and can't be a dependent on someone else's tax return. And buyers must show proof of purchase to qualify for the credit.
- * The credit must be for purchase of a principle residence. It can be a house, condo, semi-attached townhouse, or (if it has eating, sleeping and toilet facilities) a boat, motor home or trailer.
- * Members of the military have an extra year to use these credits.

Visit federalhousingtaxcredit.com for more information.

Please keep in mind that this tip is designed to be of help for you, but is not to be relied upon as advice. It is merely a reminder that there are many choices you have available to you, and that planning is the only way to find the right answers for your situation! As with any financial issues, make sure you get the right information before making a decision! If you have any questions, we'll be glad to help you!

Rick Taylor, Certified Retirement Planner, CRP™
800 Columbiana Dr Suite 116
Irmo, SC 29063
Phone: 803-407-9991
Fax: 803-407-4380
Email: rtaylor@gciagents.com
Website: www.gciagents.com
License Number: 140713