

# Tax Talk

**A Service of:**  
**Quinton L. Hiebert, CPA, PC**  
**2019 E Highway 152, Ste. 103**  
**Mustang, OK 73064**  
**405-256-6805**

## **THANK YOU FOR YOUR BUSINESS**

– My staff and I want to say thank you. You are great clients and we appreciate your business. Tax season was difficult this year due to my heart attack and recovery and every staffer had a family member with a procedure during this time. Now we are all healthy and ready to go!

## **VEHICLE DEDUCTION**

– There are two methods to use to write off vehicle expense; the actual expense method and the mileage method. Call for details when you get a new vehicle as the election is permanent for each vehicle and can be changed only when you get another vehicle.

You should track mileage for both

methods. I am often asked how. Use a method that you will use consistently. Many turn in an expense report to employers. If you are not reimbursed for your mileage, we may be able to deduct it although there are limitations.

If you own a company and use your personal vehicle, give us the mileage at the time we start your company return since it should be deducted from company income.

Need an app? Several clients use MileIQ and it appears to do a good job with reports that are useful at tax time.

## **CREDIT REPORTS**

– Changes are coming to credit reports which should improve your ability to get loans. If

you plan to purchase a home, please consider these pointers. 1) Don't quit a W-2 job to become self-employed. It is much harder to get a loan. 2) Don't make major purchases such as furniture or cars just before or during the time your loan is being processed. It can affect your credit score and interest rate. 3) Let us know so that we can advise you especially if you have a business. We try to reduce your taxes as much as possible, but you need a certain level of income to qualify for that mortgage!

**Two are better than one, because they have a good return for their work: if one falls down, his friend can help him up, but pity the man who falls and has no one to help him up! Ecclesiastes 4:9-10**

## **REPORTING INCOME**

– remember that you are responsible for reporting your income correctly. If you forget to turn in documents, the IRS will send you a letter changing your return and assessing more taxes. If the amount of income missed is 25% or more, the IRS will assess extra penalties and your audit period extends from three to six years! Be careful!

**US CONGRESS Resolution – May 1854 – “The great vital and conservative element in our system is the belief of our people in the pure doctrines and divine truths of the gospel of Jesus Christ”.**

**WATCH OUT!** – A distribution from retirement plans or gambling income can have a domino effect on your income and taxes. First, they raise your adjusted gross income which affects many calculations. That may increase the amount of taxable Social Security and reduce medical and employee deductions. All of those will raise the amount of tax paid.

If you gamble and win, but do not itemize, you may not be able to deduct those gambling losses, so you will get to pay taxes on the income even though you had offsetting losses.

**George Washington Carver, the famous black scientist, testified before Congress in 1921 about the uses of the peanut. When questioned about his knowledge, he stated that he got it from an old book, the Bible. He called his lab “God’s Little Workshop”.**

**QUICK TIP #1** – Be sure to change beneficiaries after divorce, remarriage, birth of a child or the death of a loved one. The insurance company is required to follow your instructions and a death benefit may be paid to the wrong person if you don’t make changes.

**QUICK TIP #2** – Be sure you have legal documents updated if a loved one begins to show signs of deterioration. You may need to sign tax returns or access medical

information but you don’t want to go through the expense of a court appointed guardian.

**Psalm 89:2 “I will declare that your love stands firm forever, that you established your faithfulness in heaven itself.”**

## **LOCAL BUSINESS NEEDED?**

– Storm damage? I can refer you to a roofing company or a body shop as well as a restoration company if you have water or fire damage. Medical professionals include a chiropractor, pediatrician and a dentist. What about a painter or a plumber or a landscaper? I work with about 200 local business people that want to do a good job for you. Contact me for more details.

**President Grover Cleveland declared “The citizen is a better business man if he is a Christian gentleman, and, surely, business is not the less prosperous and successful if conducted on Christian principles...”**