

Evelyn Edwards, CPA

Newsletter

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Need Some Extra Money??

- Clean out your closet: sell your clothes to thrift stores such as Plato's Closet, Restyle Austin, or Second Time around Boutique.
- Sell your books to online retailers such as Chegg.com, Buy.com, Half.com, or Cashforbooks.net (Some even pay shipping!)
- Sell old furniture or appliances on Craigslist or to a furniture consignment shop.

American Opportunity Tax Credit

6 Facts:

1. This credit expands the Hope Credit and can be claimed for tuition and other school related expenses for 2009 and 2010.
2. Credit is 100% of the first 2,000 spent and 25% of the next 2,000 spent for each student. The full credit is \$2,500.
3. The full credit is generally available to eligible taxpayers who make less than \$80,000 or \$160,000 for married couples filing a joint return.
4. 40% of the credit is refundable, so even those who owe no tax can get up to \$1,000 of the credit for each eligible student as cash back.
5. The credit now includes all 4 years of post-secondary education.
6. You cannot claim the tuition and fees tax deduction in the same year that you claim the

American Opportunity Tax Credit or the Lifetime Learning Credit. You must choose to either take the credit or the deduction, which ever is more beneficial for you.

For more information:

<http://www.irs.gov/newsroom/article/0,,id=213584,00.html>

Important Info!

If you're a business owner that uses QuickBooks 2009 or older, make sure to download the latest updates. A flaw was found in the program that could allow hackers to access your business information. If you have the 2006 or older versions, there is no update and you would have to update the version to a different year.

How to Cut Your Tax Bill for 2009 Tax Year!

We all know how to make the check we write to Uncle Sam a little smaller. Don't make as much money, have lots of business expenses, or rack up huge medical bills. Of course, no one wants to be worse off financially. Here are some ways to cut your tax bill without going to extreme measures:

1. Make more contributions to your 401K before the end of the year. This will reduce your taxable income.
2. Buy a house! Take advantage of the First-Time Homebuyer Credit, it's a

FREE \$8,000!!!!

3. Make sure to deduct all expenses if you're self-employed. You can even deduct a portion of your mortgage and utilities if your home office qualifies!
4. If you have children in college take advantage of the Hope Credit. The credit allows for a deduction of up to \$2,500.

For some more ideas view the full article at:

<http://articles.moneycentral.msn.com/Taxes/CutYourTaxes/10-ways-to-lower-your-2009-taxes-now.aspx>

Something to Ponder...

If you want to cut up a credit card make sure to do it the "right" way. You can use a diamond cut shredder that can handle the thickness of a credit card. If you don't have a shredder, you can manually cut the card but follow these steps and they could protect you from identity theft:

1. Take a refrigerator magnet and run it along the magnetic strip.
2. Make sure to cut through the magnetic strip, the expiration date, your name, your signature, the security code, and the credit card number.
3. Cut the card into 5 horizontal strips and then continue to cut the numbers to where they're unrecognizable, cut up your name, the card number, the security code, and the magnetic strip into as many tiny pieces as you can handle.
4. When throwing away the pieces: put a handful of pieces in different trash

cans around your home or your office.

This makes it harder for an identity thief to put the pieces together.

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