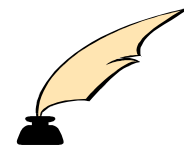


Accountants' Notes



Volume 10, Issue 7

July 2008

QUARTERLY PAYROLL REPORTS

Quarterly payroll reports are due July 31, 2008. Please provide us with your payroll information and any payroll forms you received from the taxing authorities by July 11 to ensure timely filing of your payroll reports.

EXTENDED 2007 INDIVIDUAL TAX RETURNS

The extension deadline for 2007 individual income tax returns is **October 15, 2008**. In order to complete your return by the extension due date, please provide us with the necessary information as soon as possible. If you have any questions regarding the items needed to complete your return, please call our office.

2007 CORPORATE INCOME TAXES

If you have not yet filed your 2007 Corporate Income Tax Return, the extension due date is September 15, 2008.

Please provide your information to our office as soon as possible for timely filing. Note: This is the final extension for corporations.

INCREASE IN OPTIONAL STANDARD MILEAGE RATES

The Internal Revenue Service has revised the optional standard mileage rates for computing the deductible costs of operating an automobile for business, medical, or moving expense purposes and for determining the reimbursed amount of these expenses that is deemed substantiated. The modification results from recent increases in the price of fuel. The revised mileage rates are:

- | | |
|------------------------|---------------------|
| (1) Business | 58.5 cents per mile |
| (2) Medical and Moving | 27 cents per mile |

The mileage rate that applies to the deduction for charitable contributions is fixed under Section 170 (i) of the Internal Revenue Code at 14 cents per mile.

The revised standard mileage rates apply to deductible transportation expenses paid or incurred for business, medical, or moving expense purposes **on or after July 1, 2008**, and to mileage allowances that are paid both (1) to an employee **on or after July 1, 2008**, and (2) with respect to transportation expenses paid or incurred by the employee **on or after July 1, 2008**.

The 2008 rate established effective January 1, 2008 still applies to miles driven **from January 1, 2008 to June 30, 2008**.

January 1 - June 30, 2008

- | | |
|--------------------|---------------------|
| Business | 50.5 cents per mile |
| Medical and Moving | 19 cents per mile |
| Charitable | 14 cents per mile |

BUSINESS TAX EXTENSION PERIOD REDUCED

The IRS has moved the extended due date for partnership, estate and trust tax returns from October 15 to September 15 to avoid overlapping with the extended deadline for individual taxes.



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Success in life can be measured in a Degree.

A child has boundless opportunities. What will he do for a living when he grows up? One of the most important questions a parent has about their child is: Will he or she be successful when they grow up? That success may be determined by one fact – did he or she receive a college education. **Whether you are a parent, grandparent, or other family member or friend, to help a child attend college is to give them a long-term advantage in life.**



Invest today OR borrow tomorrow?

When you have a future goal for which a large sum of money is needed, you ordinarily have two choices as to how to obtain it: *investing or borrowing*. When investing, your total outlay is generally less than the amount needed; if borrowing, the total is always more.

Did you know?????

- There is a lot of flexibility in a 529 College Savings Plan...low investment minimums and high maximum limits.
- Contribution flexibility - money may be added at any time.
- No income restrictions.
- Grandparents, that you can use your RMD to open or fund a 529 College Savings Plan for grandchild.
- There are Ohio approved 529 Plans that offer you a tax savings on your Ohio income tax return.
- The beneficiary on the account (child) can be changed, without incurring federal income tax liability, as long as the beneficiary is an eligible family member of the current beneficiary (includes a spouse, sibling, grandchild, or even first cousin)
- The account owner maintains complete control of withdraws.
- Most states do not tax withdrawals used to pay qualified higher education expenses, including tuition, mandatory fees, supplies, books, computers or other required equipment, and room and board, if the beneficiary is enrolled at least half-time. For example, withdrawals taken by an Ohio resident for qualified higher education expenses from an investment in an Ohio 529 Plan are federal, state and local income tax free.
- Estate planning – five years' worth of gifts (up to \$60,000 for an individual or \$120,000 if a married couple) can be made at once to a 529 Plan without owing federal gift tax, as long as no other gifts are made to the same beneficiary over the five years.

However, the 529 College Savings Plan is not the only investment vehicle out there to be utilized for college savings. Other options include, but are not limited to:



- Cash Value in Life insurance Policies
- Roth IRA's
- Equity line of credit
- Coverdell IRA's
- EE Bonds

Choosing how to save for college and knowing how to determine the investment goal can be difficult. **Take the first step today. Contact our office to schedule a FREE consultation to find out how we can help you customize a plan that fits the needs of your family.**

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