

# Batty BEA and Associates Certified Public Accountants

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## To Our Clients and Friends ....

In this newsletter we discuss new income tax provisions and elder abuse indications, as well as "spotlight" another one of our valuable clients. With the holidays over, many of you will now start the "tune-up" process for your finances for 2008. We appreciate the opportunity to assist our clients with all financial matters and hope you will call us if you need some help with your 2008 "tune-up".

## Thoughts on the New (Tax) Year

By Gary W. Nogle, CPA



The turning of the calendar to 2008 means it's tax preparation time for us. As you are probably aware Congress passed the Alternative Minimum Tax (AMT) "patch" just before adjourning for Christmas recess. This patch, the final tax legislation for 2007, is a one year stopgap measure to keep more than 20 million taxpayers from owing the AMT. The good news is that many who would otherwise be affected by the AMT will avoid it; the bad news is that, because of the late date, the IRS will not have their computers reprogrammed until February, so that those of you planning on filing early for a refund may find the refund delayed.

Most changes for 2007 are very narrow and will effect few of you, however, there is one change that has a broader impact. Starting in 2007, any charitable contribution of money must have a receipt (cancelled check, bank card statement or written communication from the charity). Thus, cash put in the church collection plate or the Salvation Army kettle will not be deductible. The requirement that you have an acknowledgement from the charity for donations of \$250 or more has not changed. Also, remember that clothing and household items donated to charity after August 17, 2006 must be in good



condition or better to be deductible - no deduction is allowed for used socks or underwear. You do not need to send us all your cancelled checks, receipts, etc. to support your charitable contribution - just have them in your records in case of IRS examination.

Generally, we do not need any of the supporting documents for preparing your tax return, the completed organizer is usually sufficient. One area where we would like to receive the supporting documents (besides W-2's) is the 1099's for dividends. We are finding that sometimes there are items missing on the organizer regarding dividends. We will use the 1099's to verify what is on the organizer and then we return them to you.



We expect that 2008 will see very little tax legislation because of the upcoming election, however, there are some items in previously passed legislation which will impact 2008. One of these changes is that for 2008, the long term capital gain rate for taxable income up to the limit of the 15% regular tax bracket will be zero (that's an attractive rate!).

## Elder Abuse Indicators

By Robert W. Batty, CPA, PFS


We have discussed the potential of elder abuse in previous newsletters and I am continuously reminded that many clients are assisting elderly relatives with their finances. Unfortunately, we can not always be involved on a day-to-day basis as much as we would like, so have to rely on others. The following list of possible indications of financial elder abuse should be of interest to anyone in that circumstance. If any of them exist in your situation, you would be well advised to follow-up on them carefully.



1. An ATM card is used when the elder is physically unable to leave home.

## Elder Abuse Indicators (Cont.)



2. Numerous cash withdrawals from a checking account in a short period of time that are inconsistent with the elder's spending habits.
3. Credit card statements reflect increased and unusual activity.
4. There are unexpected and/or abrupt changes to beneficiaries or provisions in wills, trusts, and similar financial accounts.
5. A new authorized signer has been added to bank and other financial accounts.
6. Deeds reflect changes in title to property.
7. A mortgage is refinanced and there is unexpected cash-out.
8. The elder has made changes to a power of attorney.
9. Addresses for bank or credit card statements have been changed to an address other than the elder's home.
10. There has been a noticeable change in the elder's living situation that is not consistent with usual behavior (bills unpaid, lack of food in the house, needed personal items not present, or a usually neat and tidy house now unkempt and disorganized).
11. Grocery receipts reveal significant meat purchases made by the caregiver for a vegetarian client or alcohol purchases for a client who does not consume alcohol.
12. Valuable personal possessions (jewelry, silver, art, collectibles, and furs) are missing. 
13. A new "trusted friend" is attempting to isolate the elder from family and friends.
14. Pharmacy receipts show medications not prescribed for the elder or an unusual increase in the purchase of existing prescriptions.

## Spotlight On Our Clients:



Dr. Mark Houk purchased a small Chiropractic office in January 1982 located about three miles from where he was raised. He had become interested in Chiropractic from personal experience with a back injury in his freshman year in high school. He suffered with back pain during all of his high school years before seeing a Chiropractor as a last resort.

He was helped so much in the first two months of treatment, that he was inspired to become a Chiropractor. His passion for helping others with spine problems has been so contagious that his practice has grown from one doctor in one clinic to six doctors in two clinics (3809 N. Monroe: 326-3795 and 9720 N. Nevada: 464-2273). The two clinics also offer the services of six massage therapists.

Houk clinic has always had the philosophy of treating others the way that they would like to be treated by putting the "care" back into healthcare. The joy of getting results for people with spine related problems by conservative means is very rewarding. The clinics offer the only digital motion x-ray equipment in the northwest region, which allows them to assess ligament damage from neck sprain or whiplash injuries. They are excellent at removing the "dents & dings" one acquires in life. The clinics enjoy an excellent reputation in the medical and business community. Visit them at [www.houkchiropractic.com](http://www.houkchiropractic.com) or call for a consultation. You'll be treated right and be delighted with the care received.



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