

EZX^{co.} Newsletter

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"EDUCATING TAXPAYERS"

EZXco. is dedicated to taking the mystery out of taxes and finances for our clients. We emphasize and accentuate tax tips that can put more money in your pocket and reduce your tax bill. This goal is accomplished through our seminars, consultations and halftime reviews. Our presentations focus on tax deductions, write offs and wealth building strategies for Healthcare Professionals and Self-Employed/Independent Contractors.



Increase in IRS Audits



Over the past two years, I have seen an increase in IRS audits across the board; itemize deductions, sole proprietors and rental property owners. This increase in audits is likely secondary to our country's economic crunch as our government is looking to raise capital!

Unfortunately, there is no way to prevent getting audited entirely but here are a few recommendations. Don't take unnecessary risks to get more money back (i.e. claiming dependents you didn't support, over estimating charitable contributions or making up a fictitious business you didn't operate). After paying back the refund, penalties and interest it's not worth it.

Head of Household Questionnaire

The state of California issues a random Head of Household questionnaire to taxpayers who claim the Head of Household filing status on their tax return. Note that in order to be Head of Household, you must have a qualifying dependent (i.e. parent, sibling, child, etc).

There are additional tests that must be met: support, dependent's income and length of time the dependent stayed with you. These are just a few of the requirements. If you receive this form/questionnaire from the state, call me so we can complete it together. If it is filled out incorrectly your Head of Household status will be disallowed, resulting in an increased tax liability \$\$\$ to both the state and the Federal.

Update on The Real Estate Market

Contrary to popular belief, properties are still selling! The decline in home prices has started to slow down a bit in most areas. We've definitely seen the worst in price reductions. Most people are asking, "when are prices going to start going up?" The real estate housing market is still mostly comprised of short sales and REO's with a few standard sales. Standard sales help to stabilize the housing market, along with other variables. I think that once more standard sales start to hit the market we'll see an upward shift in home prices. In the meantime, it is still a buyers market. Be sure to come to our real estate dinner this year for more info on purchasing or selling your home.



Taxes ■ Insurance ■ Seminars ■ Real Estate ■ Home Loans