

Leif Jensen and Associates

Newsletter

November, 2014

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It Happened in November:

Thanksgiving was first celebrated as a national holiday, 1789.

The Bank of Italy became the Bank of America, 1930.

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Dear Reader,

As CPA's we are committed to providing a full range of high quality professional services including: accounting, bookkeeping, consulting, payroll, management advisory services, income tax preparation, auditing and other attestation services. Our goal is to meet our client's expectations as their most trusted advisor.

If you need help preparing your 2013 taxes, please call our office to schedule an appointment.

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The Search Continues

We continue our search for the opportunity to grow our practice through purchases. At the beginning of the year we picked up part of a small practice from an Enrolled Agent.

We have also made arrangements to pick up a very small practice from one of the many 87 year old CPA's we met.

But then we hit brick wall. We have couple of possible prospects that are potentials for future. This is promising for the future, but not the immediate present.

In an attempt to expedite growth we even registered with a broker. But with the structure they have devised, its only allows initial questioning so we can only dance on the surface. We can only guess as to the fit, before we can dwell deeper to ensure that we share the same belief is serving clients.

So we sojourn on. Talking to all that will listen of what we are striving to do.

Dates to Remember

- Veteran's Day
- Thanksgiving

This Month's Featured Service

Quickbooks Training

We provide Quickbooks training seminars wither in-house or at a client's offices. These seminars are structured to each client's specific needs. We are Certified Quickbooks Advisors (2006 - 2014) for multiple product lines.

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W-9

As we start the wind down of the year. Now is the time to act on tax issues and year end planning. Businesses should be making sure that they have valid up to date W-9's for all of the Independent Contractors that are utilized. I am also talking about those whom you do businesses with beyond the mis-categorized employees you have.

To further assist I again have included the IRS definition of an Independent Contractor:

People such as doctors, dentists, veterinarians, lawyers, accountants, contractors, subcontractors, public stenographers, or auctioneers who are in an independent trade, business, or profession in which they offer their services to the general public are generally independent contractors. However, whether these people are independent contractors or employees depends on the facts in each case. The general rule is that an individual is an independent contractor if the payer has the right to control or direct only the result of the work and not what will be done and how it will be done. The earnings of a person who is working as an independent contractor are subject to Self-Employment Tax.

If you are an independent contractor, you are self-employed. To find out what your tax obligations are, visit the Self-Employed Tax Center.

You are not an independent contractor if you perform services that can be controlled by an employer (what will be done and how it will be done). This applies even if you are given freedom of action. What matters is that the employer has the legal right to control the details of how the services are performed.

If an employer-employee relationship exists (regardless of what the relationship is called), you are not an independent contractor and your earnings are generally not subject to Medicare and Social Security Taxes for Self-Employed.

Hobby Losses

In a recent case involving a long series of losses did not trigger the hobby loss disallowance rules.

The case of an artist had losses in 18 out of 20 years. Although she was a full-time art professor, while she spent a lot of time on her art career, creating 2,000 pieces of art over 40 years.

Some of her works hang in major museums. She acted in a businesslike manner despite the losses, keeping track of her inventory, hiring a gallery to market her art and going to networking events. Recognizing that it takes a long time to achieve success in the arts and that her losses were magnified partly by her claiming personal expenses, the Tax Court said that her art endeavors were not a hobby.

So the point to recognize is to keep running your business in a businesslike manner. Keep great records.

Crile, TC Memo. 2014-202
-Leif Jensen

Featured Client



Gloria Ortiz
Your Bilingual - Full Time
Real Estate Broker

I am fluent in Spanish and English. My background is in management. I have a degree in Marketing Management. I obtained my Real Estate License in 2005 and fell in love for the 2nd time in my life (first time of course with my husband of 12 years). It's a lot of hard work but there is nothing more rewarding to me. I do not limit myself. I have sold everything from a mobile home to a commercial property. I travel to wherever the deal takes me and am with my clients from beginning to end.

I am focused on providing you with the best results and service in the industry. I listen carefully to understand your real estate goals and work hard to create solutions that make sense for you. Whether you are new to the market or an experienced investor, I have the expertise, proven track record, and resources to help you achieve your real estate goals.



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