



Your IRS Tax Relief
Team!

December 2013

Newsletter

(770)939-7710

HOW MAY WE HELP?

The Gartzman Law Firm, P.C.
2851 Henderson Mill Road
Atlanta, Georgia 30341

**Knowledgeable, Determined & Experienced
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Services Include:**

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(770) 939-7710

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**Atlanta-based Tax Attorney & CPA serving clients throughout
Georgia and nationwide since 1982!**

See end of newsletter for Special \$50.00 Discount

Attorney Spotlight



Jeffrey S. Gartzman
Serving clients
throughout Georgia and
nationwide for over 30 Years!

Attorney Spotlight



Judson Mallory
Associate Attorney

Opportunity!

Dear Norma,

Happy Holidays!

If you need any end of the year legal or tax advice or tax planning assistance we are here. We at The Gartzman Law Firm want to remind you we are here to help with all your tax needs and would consider it an honor to handle your tax matters.

If you have been pleased with our service one of the greatest compliments you can give us is to recommend us to your friends and family!

Sincerely,
Jeffrey S. Gartzman
The Gartzman Law Firm, P.C.
(770)939-7710

Time Is Running Out For Making Tax-Smart Gifts & Donations in 2013:

You've worked hard to accumulate and protect your wealth this year. Now might be the time to consider tax-savvy ways to give some of it away.

To begin with, you might consider using the annual gift tax exclusion to give money to your family and friends in a tax-favored manner. Up to \$14,000 can be given to any number of individuals per year without tapping into your lifetime federal estate tax exemption. The current lifetime exemption is a lofty \$5,250,000, but making \$14,000 gifts each year could help lower your taxes if your estate is eventually valued above the exemption amount.

Another way to provide for your family is investing in a student's 529 college savings plan. Such contributions can provide for tax-free appreciation and withdrawals when used for qualified college expenses.

If it's a federal income tax deduction you're after, however, your gifts will need to go to a qualified charity instead. Consider donating appreciated stocks or mutual fund shares owned for more than a year instead of donating cash. You will save on capital gains tax (which will be higher for many taxpayers in 2013) and receive a deduction equal to the market value of the security on the date of transfer.

Gifts of other types of assets, such as real estate, jewelry, and artwork, can also score a deduction this

Testimonials

5.0 out of 5.0

The Gartzman Law Firm cares about you and your legal issues. The staff has the competency needed to address all your tax concerns. Knowing that your tax returns and all tax issues are being handled by true professionals gives this client a certain confidence and peace of mind that is priceless.

Posted by a Consumer on 03/02/12

CPA Spotlight



Laura McAllister
Associate CPA

year. Be aware that if the gift is valued over \$5,000, a qualified appraisal will be required. And no matter the type of gift, if its value is \$250 or more, a tax receipt from the charity is required before you can write it off. Giving away your resources in a thoughtful and tax-smart way can be as difficult as accumulating them in the first place. For help in making these important and sensitive decisions, contact our office.

Business Or Hobby? Nine Factors Help The IRS Decide:

The dividing line between a business and a hobby may be thin, but it can look like a canyon when you are on one side and your tax deductions are on the other. The gap is a function of differing treatment of expenses. For example, when you incur ordinary and necessary expenses in the operation of your business, those costs reduce the taxable income of the business. In addition, business losses can generally be used to offset income from other sources, such as wages.

When your activity is considered a hobby, expenses can only be claimed to the extent of income from the activity, and are generally deductible as a miscellaneous itemized deduction on your personal return.

Here are nine ways to help convince the IRS that you have a business rather than a hobby:

1. Act like a business. Keep accurate books, adopt new techniques, and adjust your operating methods to improve profitability. Other good moves: advertising, purchasing insurance, and maintaining a bank account used only for the activity.
2. Expand your expertise. The key here is to increase your knowledge of the economic aspects of your business. Seek relevant advice from experts on an ongoing basis.
3. Expend time and effort. Focus your energy on the business to show profit intention. Hiring competent managers also indicates your intention to operate as a business.
4. Invest in appreciating assets. A reasonable expectation that property you purchase will increase in value and help create an overall gain can show profit

Staff Spotlight



Norma J. Padilla
Associate Case Manager

Staff Spotlight



Tabitha Relota-Legal
Assistant

From our Staff...

**Happy Holidays!
Thank you for the
opportunity to serve
you this past year.
Your business is
appreciated, and your
referrals are welcome.
Please mention our
name to friends and
business associates
who may need our
services.**

**Warmest wishes for a
happy holiday season
and a prosperous
2014.**

motive.

5. Create a record of success. Have you run other businesses successfully, whether or not related to the present activity?

6. Establish a history of income. No need to be nervous if your startup loses money the first year or two, or if losses in later years are the result of events that are out of your control, such as natural disasters. The general rule for proving your intention to operate a business is to make a profit in three of the last five years.

7. Show a profit. No set amount of profit establishes business intent. Instead, compare the profit you have the opportunity to earn to the losses you may incur and the amount of your investment.

8. Check financing. How are you financing the business? Do you have substantial income from other sources? Does the activity generate losses that provide tax benefits you might not otherwise enjoy?

9. Limit the fun factor. Liking what you do does not necessarily turn a business into a hobby. However, substantial "recreational" aspects can lend weight to classification of your activity as a hobby.

Remember, no one factor is controlling. Instead, you need a pattern that establishes your intention to make a profit.

Note These December Deadlines:

- December 16 - Due date for calendar-year corporations to pay the last installment of 2013 estimated income tax.
- December 31 - Deadline to complete 2013 tax-free gifts of up to \$14,000 per recipient.
- December 31 - Deadline for paying expenses you want to be able to deduct on your 2013 income tax return.
- December 31 - Deadline for taking 2013 required minimum distributions (RMDs).

NOTE: This newsletter includes general legal and tax topics of interest for a broad range of readers. It is not legal or tax advice that readers may rely on as a recommendation for their particular situation nor is it a promise or guarantee of a particular outcome or result.

Team Spotlight



The Gartzman Law Firm Team!



About Our Firm:

Atlanta tax attorney and CPA Jeffrey S. Gartzman has been helping individuals and businesses with tax solutions for over 30 years. Having a local [Atlanta tax attorney](#) and CPA on the pulse of current IRS laws and regulations will save you time, stress and money.

Jeffrey S. Gartzman bolsters his down-to-earth demeanor with a background in the big leagues - serving his clients with a practical, professional and effective approach to solving tax problems large and small. We are here to help!

The Gartzman Law Firm, P.C.

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us to family & friends!

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