



Your IRS Tax Relief Team!

June 2014
Newsletter
(770)939-7710

HOW MAY WE HELP?

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

**Knowledgeable, Determined & Experienced
IRS & State Tax Problem Representation
Services Include:**

- Unfiled Tax Return Preparation
- Innocent Spouse Claims/Injured Spouse Claims
 - Offers In Compromise
 - Installment Payment Plans
 - Identity Theft
 - IRS Penalties & Interest
 - State Tax Problems
 - Settle IRS Back Taxes
 - IRS Audits
 - Payroll Tax Problems
 - IRS Appeals
- Foreign Bank Account (FBAR) Cases
- Offshore Voluntary Disclosure Cases

Other Services Include:

- Wills & Estate Planning
- LLCs & Incorporations

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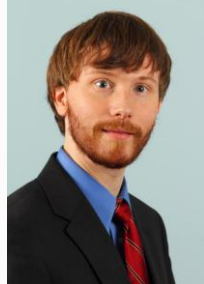
**(770) 939-7710
Toll-Free 1-866-945-5447**

Attorney Spotlight



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

Attorney Spotlight



Judson Mallory
Associate Attorney

email: norma@gartzmantaxlaw.com

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

See end of newsletter for Special \$50.00 Discount Opportunity!

Dear Norma,

It's tempting to take some "time off" this summer from all the seriousness of work, business planning, tax planning and all that grown up stuff and just relax. Of course, we all need to do that from time to time. However, even if you take some down time don't forget to get back on track with your monthly planning and keeping an eye on the bottom line. Now, rather than later is the best time to **start** thinking about tax planning for 2014. This can save a lot of time, stress and money in the long run!

Remember, we are a law firm with attorneys and CPAs. We file back tax returns and solve tax problems. If you have outstanding balances due to the IRS or state we can help you get it straightened out. We can help set you on the path of planning properly for 2014.

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.

So take a dip in the pool, chill, enjoy the summer, attend a few Braves games! But make time to stay organized and plan along the way!

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

DON'T OVERLOOK FBAR FILING REQUIREMENTS:

If you hold foreign bank or financial accounts and the total value of your account exceeds \$10,000 at any time during the calendar year, you may be required to file a Treasury Department report known as the FBAR. It's easy to overlook this requirement because it's separate from your federal income tax filing, with a different deadline and strict rules.

FBAR refers to "Form 114, Report of Foreign Bank and Financial Accounts." That form is new this year, replacing the prior Form 90-22.1.

Testimonials

A huge burden has been lifted off of us. Thank you again for all your effort! It was a pleasure to work with The Gartzman Law Firm. We felt very confident that our case was in the best of hands with professional ethical people.

Your 2013 Form 114 must be filed electronically with the Treasury Department no later than June 30, 2014. No filing extension is available. Contact us if you need details or filing assistance. Give us a call. We're here to help!

PREPARE FOR THE MEDICARE SURTAX IN YOUR 2014 PLANNING:

The new 3.8% Medicare surtax on net investment income (NII) appears to be here to stay. If this tax caught you by surprise when you filed your 2013 tax return, you should be better prepared this year.

- Here's how the tax works.
If your investment income exceeds certain thresholds, you may owe a 3.8% Medicare tax on the excess. The taxable amount would be the lesser of (a) your net investment income (NII), or (b) the excess of your "modified adjusted gross income" (MAGI) above \$200,000 for singles, \$250,000 for spouses filing jointly, or \$125,000 for spouses filing separately. MAGI is adjusted gross income increased by certain deductions and exclusions.
- Net investment income includes items from most taxable income sources, such as interest, dividends, capital gains, passive activity income, and the like. However, certain other items - including income from an active trade or business, tax-exempt interest and distributions from qualified plans and IRAs - are specifically exempt.
Note that items exempted from the definition of NII could still cause problems because of the way the surtax is calculated. For instance, if you're over age 70½ and you take a required minimum distribution (RMD) from your IRA, the payout increases your MAGI. This could push you over the threshold for the 3.8% surtax or add to the amount you already owe.
- What can you do now to reduce your exposure to the surtax? Consider these five potential strategies.
 1. Time income to stay below the threshold. For example, you might delay the sale of securities until next year or sell real estate property on the installment sale basis to reduce current capital gains.
 2. Include municipal bonds ("munis") in your

CPA Spotlight



Laura McAllister
Associate CPA

Staff Spotlight



Norma J. Padilla
Associate Case Manager

Staff Spotlight



Tabitha Relota-
Client Service Manager &
Legal Assistant

investment portfolio. Income from munis doesn't count as NII or increase your MAGI for this purpose.

3. Avoid the passive activity rules. By meeting the tax law test for "material participation," you might be able to turn a passive activity into a regular business activity. But be aware that special rules affect rental real estate activities.
4. Convert traditional IRA funds into a Roth. Because qualified Roth distributions are generally tax-free, this may avoid future problems. Calculate the optimal amount to convert for your personal situation.
5. Maximize deductible contributions to traditional IRAs, 401(k) plans, or similar sheltered investments. Earnings in these accounts are not included in NII, and the contributions will reduce your MAGI.

At the very least, you can't simply ignore the surtax and hope it will go away. Develop a tax plan for 2014 that takes the relevant factors into account.

From our Staff...
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.

Team Spotlight



The Gartzman Law Firm Team!

Reminder: Second Estimated Tax Payment Due June 16th:

June 16, 2014, is the due date for making your second installment of 2014 individual estimated tax. Your check to the United States Treasury should be accompanied by Form 1040-ES. June 16 is also the due date for calendar-year corporations to make their second quarter 2014 estimated tax payment. Contact us if you need details or filing assistance.

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.



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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