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First Class

John Murray CPA Tax Newsletter June 2012

Adam was walking around the Garden of Eden feeling very lonely, so God asked Adam, "What is wrong with you?"

Adam said he didn't have anyone to talk to. God said he was going to give him a companion and it would be a woman. He said, "This person will cook for you and wash your clothes, she will always agree with every decision you make. She will bear your children and never ask you to get up in the middle of the night to take care of them. She will not nag you and will always be the first to admit she was wrong when you've had a disagreement. She will never whine and ask why you don't pay more attention to her. She will never ask for diamonds or a huge house and will never complain when you play golf for 24 hours straight."

Adam asked God, "What will a woman like this cost?"

God said, "An arm and a leg."

Adam replied, "What can I get for just a rib?"

If you are in need of a notary I am a notary and will notarize free for clients.

Cost of kids

The US Agriculture department has calculated the cost for raising a kid from age 0 to 17. In current dollars not accounting for inflation they calculate the current cost at \$227,000. That does not include any medical costs related to birth and does not include college.

More this and that

It is now estimated an average American will spend \$631,000 during their lifetime on medical costs.

New York City has the highest income tax in the world.

There are 12.6 million millionaire households in the world, 5.1 million of them are in the US. Incidentally 80% of millionaires drive a used car.

The average wedding in the US costs \$23K.

The "\$" was in use before US paper money was issued, and does not appear on US currency.

More steel is created every hour than gold has been found in our entire history.

The person who drives 6 miles to buy a powerball lottery ticket is 8 times more likely to be killed in a car accident than win the lottery.

People tip more on sunny days than rainy days.

80% of current retirees left their job before they were eligible to receive full social security. Of current workers only 37% expect to retire before 65.

New mileage rates for 2012:

Business	55.5¢ (Set by IRS)
Medical	23.0¢ (set by IRS)
Charitable	14.0¢ (Set by Congress)

I have done comparisons on actual expenses vs. standard ¢ per mile. Unless you are a low mileage driver with an expensive car the ¢ per mile in the normal case reasonably approximates costs of vehicle operation. A possible exception might be an expensive to operate car used primarily for business where it is not driven a lot of miles during the year.

Also note the documentation requirements: you are required to have written evidence of mileage including beginning of year and end of year odometer readings for the auto, daily log of where you went (marking your calendar will work), a record of the mileage traveled and the business purpose of your trip.

Property tax returns are due in Minnesota on August 15th. Refunds for renters arrive in late August and for homeowners in mid September.

Please check refunds...

The direct deposit to the bank system of both the federal and state refunds work well, but they can have occasional problems. They do not always get it right. If you are doing a direct deposit of your refund check to your bank account check with the bank to make certain it was deposited.

Federal Refunds are normally received in about two weeks or less, Minnesota refunds come in two to five days, Wisconsin is about a week.

If you do not receive your refund in a reasonable timeframe, let's follow up and find out what happened.

Four stages of business

This little gem was passed on to me by a business consultant as advice to startup businesses. There is much wisdom in the observation. Here are the four stages a business goes through:

- 1. Do business with anyone.**
- 2. Do business with anyone who pays the bill.**
- 3. Accept new business from anyone who will do it your way.**
- 4. Only do business with those who will do it your way.**

If you are planning on setting up a business it would be wise to think about those four stages and decide where you want to fit in. Large companies at stage four can get very inflexible and hard to deal with. They shoot themselves in the foot with their own rules. Startups will go broke if they stay in stage one.

Success is about finding a happy medium.

For someone who really has everything...

NBA star DeShawn Stevenson, who has made \$26M in his basketball career, has installed an ATM machine in his kitchen...do you suppose it charges fees?



Have a happy summer !

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