

John Murray CPA
888 County Road D # 101
New Brighton MN 55112
651-631-1717

First Class

John Murray CPA Tax Newsletter June 2013

We all finally survived tax season!

Even the IRS admitted it had a bumpy start. *Bumpy* is an understatement. It was unfortunate that same year the IRS completely revised their electronic filing system, Congress waited until after the last minute to make major revisions in the tax law. The combination made it very difficult. In addition the new electronic filing system does not make it easy to decipher the acceptance notice as to whose return it is or if they are rejecting it what the reason is and how it supposed to be fixed.

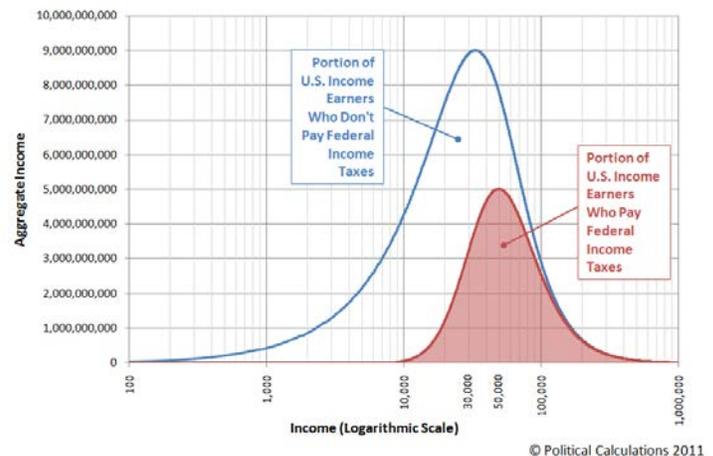
If you are supposed to get a refund, either by direct deposit or check please check to make sure the amount is correct and you did get your refund. If not let's follow up and find out what happened. Even electronically the IRS seems to lose tax returns in their system.

Do the rich pay?

It depends on what numbers you look at, but the chart below should give some idea. The top 5% of taxpayers pay 59% of the total federal income taxes paid, the top 1% pay 37% of federal income taxes paid.

The chart gives a graphic representation of who pays taxes. Yes there are loopholes, but income tax collections are heavily skewed to take from the high end taxpayers.

Total Aggregate Income Within Each \$100 Increment of Personal Annual Income in the U.S. for 2009



Small change....

33% of adults 40 and younger agree with the statement "money can buy happiness" But only 18% of people 61 and older agree with that statement. (Spectrem)

30% of small business owners fear they may not be in business 12 months from now (Wells Fargo)

9.7% of children in the US live with their grandparents. (US Census Bureau)

The average couple has five fights over money per year, and an average of two financial discussions per month. (TD America Inc)

There are 8.99 million households in the US whose net worth not including their residence exceeds \$1 million. (Yahoo Finance)

Average household income in Minnesota: \$58,476
Per capita income in MN: \$30,310
Scott County has the highest household income in
Minnesota: \$82,190 (US Census)

QUOTATION OF THE DAY

“Children today are tyrants. They contradict their parents,
gobble their food and tyrannize their teachers.”
-Socrates

Paper overload

Those of you who do not stop by the office during the busy season have not seen this, but the picture below is the pile of completed tax returns. The paperwork has gotten so heavy I believe I have arrived at the point where I am going to join the modern world and try electronic storage for backup documentation.

No one should notice any difference but it will give faster access to records. Currently the tax returns themselves are electronically stored. I can email a copy of a tax return within minutes of a phone call if requested; now I will be able to find digital copies of w-2's, 1099s and other records.



Here are most (not all) of the completed tax returns in my office at the end of April

Just a reminder

The IRS does not provide a way to electronically file an amended return; it must be done on paper. This slows down the processing and takes considerably longer for a refund.

Happy Birthday

Happy Birthday to anyone who did not get a birthday card, and yes I did take the picture on the card you received.

Property tax refunds

As I did last year I will be reviewing all the tax returns I completed to look for possible property tax refunds.

MN Estate tax

The 2013 legislature has changed the estate law (again). If you own an interest in an S-Corp, partnership or other pass through entities in MN, owners are subject to MN estate taxes even though they are a non resident of MN and not subject to estate tax in their home state.



Buried in paperwork

Have a great summer!

John Murray CPA

651-631-1717

Email : MurrayCPA@juno.com

Fax 651-636-5467