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“Working together for you.”

Criser, Gough, & Parrish

The Advisor

Stephen M. Criser — Laura B. Parrish — Stephen J. Mardis — Greg R. Gough

IRS Announces 2008 Standard Mileage Rates

The Internal Revenue Service issued the 2008 optional standard mileage rates to be used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes.

Beginning January 1, 2008, the standard mileage rates for the use of a car (including vans, pickups or panel trucks) will be:

- 50.5 cents per mile for **business** miles driven;
- 19 cents per mile driven for **medical** or **moving** purposes; and
- 14 cents per mile driven in service of **charitable** organizations.

(Source: IR-2007-192, 11/27/07)

New Year, New Filing Season

I hope your new year is off to a great start. Along with the new year comes another tax filing season. Tax Organizers were sent out in mid-January. If you did not receive yours and would like one, please let us know. In addition to the paper copy of your tax return always provided, we will also provide an optional copy for you on C.D., via e-mail, or posted to a secure internet site. There is an option in the tax organizer information where you can indicate if you would like one of these additional copies.

In late December Congress passed an AMT “patch” increasing the exemption slightly above the 2006 amounts. Due to the change in the Alternative Minimum Tax many taxpayers will not be able to e-file their returns until February 11. We can still prepare returns prior to that date, and then we can e-file them on February 11.

We encourage you to start your tax preparation early so that you have time to review options on items such as IRA funding. Also, by creating a financial plan, you can address your short- and long-term financial situations. The team at Gough Financial Group specializes in helping you discover your needs and setting a path to accomplish your goals. Please feel free to contact us if you have any questions concerning your financial or tax situation.

Laura Parrish

The art of taxation consists in so plucking the goose as to obtain the largest amount of feathers with the least amount of hissing.
— Jean-Baptiste Colbert

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The Importance of Financial Planning in an Uncertain Economy

2 part series by Greg Gough, ChFC

Part 1—Get Off the Roller Coaster & Get A Financial Plan

You may find yourself extremely unsettled by the ups and downs of the market. It has become increasingly difficult to make educated decisions on what you should do with your money. From television to next-door neighbors to internet chat rooms, everyone seems to have an opinion, but how can you be sure you are getting the right advice? What can you do to ensure you make the right choices? A well thought out financial plan may be the answer.

A financial plan can help you negotiate the twists and turns of the market because your investment strategy is based on your own situation and goals—not what the market is doing at the moment.

A financial plan is simply a guide to help you determine where you are financially, where you want to be, and how to get there. Many people resist creating a financial plan because it seems like too much trouble—until they find themselves in a pinch. If you've been seeing the value of your investments seesaw, now may be the time to consider the benefits of putting a solid financial plan together.

You can create the plan yourself or seek a qualified financial professional who has the knowledge and experience to help you guide your key decisions. A good financial plan will address more than your investments—it will look at all the pieces of your financial picture, including investment objectives, risk tolerance, budgeting, saving, credit, taxes, insurance, retirement planning, estate planning and more.

Since it's the investment portion of your financial picture that we are most concerned with here, let's look at some of the related questions your financial professional will ask:

- What are your investment goals? Are you saving for a long-term goal, like retirement or a child's education? Or are you looking forward to fulfilling some more immediate dream, like starting your own business or paying for a daughter's wedding?
- How much money do you have available to invest?
- How long will you keep the money invested? Can you add to your investments on a regular basis? Do you need the income from your investments for living expenses?

Do you have enough cash readily available in the event of an emergency?

- How much can you afford to put at risk? In other words, what is your risk tolerance level? Partly, this is a question about your psychology of investing. But it's also a question that concerns your age, your current income, your potential income, and your total assets.

The answers to these and other important questions are the starting points for the investment portion of your plan. The next step is to outline the types of investments that are appropriate for you (diversification) and how much of each to invest in (asset allocation). Specifically, you need to decide how much to put in liquid investments, like money market funds*, how much in dividend paying investments, like bonds, and how much to put in stocks, and what kind of stocks.

Wise investors know that a diversified stock portfolio helps cushion against the ups and downs of the market. There are many different grouping of stocks—by industry, by market cap size (large, medium and small), by investment style (growth, value and blended), by country (U.S., international), and so forth.

Each of these different types of investments performs in different ways. Often some segments of the investment universe will be rising while others will be falling. Deciding on an appropriate asset mix for your particular situation can be the most important investment decision you make.

Whether you choose to create your own financial plan or seek out the help of a professional, having a plan in place can help ensure that your investment decisions are the right ones for you. Markets go up and markets go down, but good planning can help you take control of your finances.

** An investment in the fund is neither insured nor guaranteed by the U.S. Government or any other government agency. Although the fund seeks to preserve the value of the investment at \$1.00 per share, it is possible to lose money.*

This material is not intended as tax or legal advice. You should consult with your personal financial, tax or legal advisor regarding your specific situation before implementing any estate or business strategy.

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GE-41873 (10/07) (Exp. 10/09)

Keeping Good Records

You can avoid headaches at tax time by keeping track of your receipts and other records throughout the year. Good recordkeeping will help you remember the various transactions you made during the year, which in turn may make filing your return a less taxing experience.

Records help you document the deductions you've claimed on your return. You'll need this documentation should the IRS select your return for examination. Normally, tax records should be kept for three years, but some documents — such as records relating to a home purchase or sale, stock transactions, IRA and business or rental property — should be kept longer.

In most cases, the IRS does not require you to keep records in any special manner. Generally speaking, however, you should **keep any and all documents that may have an impact on your federal tax return:**

- Bills
- Credit card and other receipts
- Invoices
- Mileage logs
- Canceled, imaged or substitute checks or any other proof of payment
- Any other records to support deductions or credits you claim on your return.

Good recordkeeping throughout the year saves you time and effort at tax time. The records you have kept will assist your tax preparer in quickly and accurately completing your return.

For more information on what kinds of records to keep, see IRS Publication 552, *Recordkeeping for*

Individuals, which is available on IRS.gov or by calling 800-TAX-FORM (800-829-3676). (For information on business records, see Publication 583, *Starting a Business and Keeping Records*.)

Remember that for the genuine IRS web site be sure to use .gov. Don't be confused by internet sites that end in .com, .net, .org or other designations instead of .gov. The address of the official IRS governmental web site is www.irs.gov.

(IRS Tax Tip 2008-08)

Buy a \$2 Pen

Check washing is a form of check fraud where criminals steal checks from the mail and erase the handwritten ink using common household chemicals. They then rewrite the checks to themselves for any amount they choose.

Use only a gel pen with black ink to write checks. Gel ink has pigment that cannot be chemically stripped. The pigmented ink in the uni-ball 207 Gel permanently binds itself to the paper fibers in the check, and cannot be washed off or removed.

A uni-ball 207 pen can be purchased at any office supply store.

(From *Woman's Day* magazine, 10/2/07 and www.sanfordb2b.com)

Pursuant to federal regulations imposed on practitioners who render tax advice ("Circular 230"), we are required to advise you that any tax advice contained herein is not intended or written to be used for the purpose of avoiding tax penalties that may be imposed by the IRS.

KIDS Matching Grant Program

K.I.D.S. (Kansas Investments Developing Scholars) matching grant program will contribute up to \$600 a year to each participant's Kansas 529 Education Savings account. K.I.D.S. is a pilot program developed specifically for Kansas residents with income less than 200% of the federal poverty level.

How does K.I.D.S. work?

- Participant must be a resident of Kansas.
- Household Federal Adjusted Gross Income for all members must be less than 200% of the Federal Poverty Level. For example:
 - ⇒ a one-person family's income must be below \$20,420
 - ⇒ a two-person family's income must be below \$27,380
 - ⇒ a three-person family's income must be below \$34,340
 - ⇒ a four-person family's income must be below \$41,300.
 - ⇒ For each additional person, add \$6,960.
- If you don't already have a Kansas Learning Quest Education Savings account, you will need to submit a Learning Quest application with your KIDS matching grant application. To open a Learning Quest account you'll need to either sign

up for an automatic monthly withdrawal from their bank account or through payroll deduction of at least \$25 or make a one-time contribution of at least \$250. Each January, the State Treasurer's office will review contributions made to each Learning Quest account for the previous year and deposit matching grant funds into the account. To receive matching grant funds, participants must contribute at least \$100 a year.

If you participated in K.I.D.S. in 2007, you must reapply this year. You'll receive a confirmation statement from Learning Quest when the state makes its matching deposit in your account. The program is limited to 1,200 participants during the 2008 year. Please submit your applications as soon as possible after Feb. 1 to ensure availability as it is based on first come, first served.

If you have any questions, please feel free to contact the office of Lynn Jenkins, Kansas State Treasurer by phone (1-866-504-5898) or you can email her at lynn@treasurer.state.ks.us. (Source: <http://www.kansasstatetreasurer.com>)

REMINDER: The additional 1% Sedgwick County Arena Sales Tax ended January 1, 2008.

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Return Service Requested

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