



TAX & ACCOUNTING FOCUS

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QUICK LINKS

PescatoreCooper.com
[Internal Revenue Service](#)
[AZ Department of Revenue](#)
[CA Franchise Tax Board](#)
[Small Business Administration](#)
[Social Security Administration](#)
[Individual Tax Organizer](#)
[Order Your Federal Return](#)

For additional resources and quick links visit our website.

FALLING INTO THE SEASON

With Fall among us and the holidays around the corner, this means year-end is fast approaching and tax season is nearing. Our annual year end thoughts will be coming your way soon!. Please keep an eye out for this letter containing information that may be of value for your individual or small business needs.

Currently, tax planning is here. We are readily available to assist you with your planning needs. Please contact Christine to schedule an appointment.

Our quarterly email blast recently was sent out to ask for your vote in the Raking Arizona poll. Please help us continue our ranking by voting. It takes just one minute. You can vote one time per email address, so please pass this along to your friends, family, and colleagues. Click on the link below to cast your vote today!

Warmest regards,

Tony, Rachel, Patricia, Katie and Christine

TIPS FOR TAXPAYERS WHO RECEIVE AN IRS NOTICE

Every year the Internal Revenue Service sends millions of letters and notices to taxpayers, but that doesn't mean you need to worry. Here are eight things every taxpayer should know about IRS notices – just in case one shows up in your mailbox. Please send our office a copy of the notice so that we can assist you in your response.

1. Don't panic. Many of these letters can be dealt with simply and painlessly.
2. There are number of reasons the IRS sends notices to taxpayers. The notice may request payment of taxes, notify you of a change to your account or request additional information. The notice you receive normally covers a very specific issue about your account or tax return.
3. Each letter and notice offers specific instructions on what you need to do to satisfy the inquiry.
4. If you receive a correction notice, you should review the correspondence and compare it with the information on your return.
5. If you agree with the correction to your account, usually no reply is necessary unless a payment is due.
6. If you do not agree with the correction the IRS made, it is important that you respond as requested. Write to explain why you disagree. Include any documents and information you wish the IRS to consider, along with the bottom tear-off portion of the notice. Mail the information to the IRS address shown in the lower left part of the notice. Allow at least 30 days for a response.
7. Most correspondence can be handled without calling or visiting an IRS office. However, if you have questions, call the telephone number in the upper right corner of the notice. Have a copy of your tax return and the correspondence available when you call.
8. It's important that you keep copies of any correspondence with your records.

HOME MORTGAGE INTEREST DEDUCTION LIMITATION

Reminder - home mortgage interest deductions are limited, including limitations for home acquisition and home equity indebtedness.

The law allows taxpayers to deduct interest on two categories of indebtedness secured by their residences. Acquisition indebtedness is used to acquire, construct, or substantially improve a residence, and cannot exceed \$1,000,000. Home equity indebtedness is any debt other than acquisition indebtedness and cannot exceed \$100,000.

Taxpayers may deduct interest on the acquisition debt loan balance of up to \$1,000,000 of home acquisition debt secured by a qualified primary or secondary residence. The limit is reduced to \$500,000 for taxpayers who are married filing separately. Interest on the excess balance of home acquisition debt may be deductible as mortgage interest paid on home equity debt, subject to the general limitations for home equity indebtedness.

The interest deduction from a home equity loan is not unlimited. Taxpayers can generally deduct interest paid on the first \$100,000 of a home equity loan. The home equity debt limit is reduced to \$50,000 for taxpayers who are married filing separately.

****Important Deadlines******OCTOBER**

Quarterly Payroll Tax Reports

2011 Year End Tax Planning

10/17/11

Individuals: File 2010 Form 1040 if you timely requested a 6-month extension.

NOVEMBER

2011 Year End Tax Planning

DECEMBER

2011 Year End Tax Planning

JANUARY 2012

1/16/2012

Individuals: Pay 4th installment of estimated taxes for 2011.

1/31/2011

Business/Household Employer: Q4 2011 payroll reports and annual 2011 W-2 and Form 1099 filings are due.

FEBRUARY

2/24/2012

Corporations: Deadline for receipt of tax papers to prepare returns for timely filing.

MARCH

3/15/2012

Corporations: File calendar year 2011 Form 1120/1120S or 6-month extension

3/23/2012

Deadline for receipt of tax papers to prepare individual, partnership, and trust returns for timely filing.

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ARIZONA

YOUR VOTE COUNTS

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In order to comply with Treasury Circular 230, we are required to inform you that unless we have specifically stated to the contrary in writing, any advice we provide in this e-mail or any attachment concerning federal tax issues or submissions is no intended or written to be used, and cannot be used, to avoid federal tax penalties.