



T. Dennis Connally Consultant, P.C.
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FEBRUARY 2003

“TAX REDUCTIONS – YES, BUT CRIMINAL PROSECUTIONS, COLLECTIONS AND AUDITS ARE ON THE RISE WITH THE IRS”



Granted, we are all looking forward to the new tax reduction act to be passed by Congress this year. Be it the Republican version, the Democratic version or a compromise, there will be additional tax changes made this year.

But the most frightening change of all, whether this act goes into effect or not, is that the Internal Revenue Service has revised and updated a key practice that assists investigators in determining whether a case is recommended for criminal prosecution. Specifically, a taxpayer’s timely, voluntary disclosure of a substantial unreported tax liability

has long been an important factor in deciding whether a taxpayer’s case should ultimately be referred for criminal prosecution. The practice has been modernized to allow more taxpayers to voluntarily comply with their obligations and to reduce the uncertainty over what constitutes a timely disclosure. As before, the practice requires the taxpayer to make good faith arrangements with the IRS to pay in full the tax, interest and any applicable penalties as determined by the IRS. **The revised practice creates no substantive or procedural rights (this is most important) and will not automatically guarantee immunity from criminal prosecution.**

Recognize that if you do not file your tax returns on the actual due date or with a valid extension 24 hours later, you place yourself in jeopardy of being criminally prosecuted by the Internal Revenue Service. We all recognize that the American budget is running in a vast deficit. Everyone is talking about tax “traps”. But, the money has to come from somewhere so the Internal Revenue Service has

“beefed up” the audit department, the collection of unpaid taxes and criminal prosecution. **Please recognize they (the IRS) do mean business. This is no game that we are playing anymore. Therefore there is no excuse for not filing your return on time or within the extended period.** If you do file your return after this length of time, after these two due dates have expired, it is necessary that you attach a disclosure statement to your tax return explaining in detail why the return was not timely filed and the taxes timely paid. This is Form Number 8275. However, we at our firm highly recommend that you file your returns by the normal due date or the valid extended date.

All corporation tax returns are due March 15th of the following year. Corporations are allowed a six-month extension, which gives them until September 15th for the tax returns to be filed.

All individual tax returns, partnerships, and trusts returns are to be filed by April 15th and can get

an automatic six month extension until August 15th plus an additional sixty day extension, for a valid reason, until October 15th. These Form numbers are 4868 and 2688.

If you have to file an extension or if you file your tax returns, we at our firm highly recommend that you send them by certified mail, return receipt requested and you carry it to the post office and have these certified documents hand stamped in your presence so there is no question as to when the IRS received the documents. This is also true for the State of Georgia. *It is very important that you keep these stamped receipts showing the date mailed by the post office and the date stamped on the "return receipt requested" card showing the date it was received by the IRS or the State of Georgia. If you have these receipts it is "proof positive" of mailing your tax returns as well as them being received by the recipient. This may save you a lot of time and trouble in the future should the IRS or the State of Georgia send you a letter stating they never received your tax return. A good place to keep these receipts is with your copy of the tax return.*

**2003 Renewal Notice!!!
Annual Registration Now
Due—File Online!**

Annual registrations for all entities are due between January 1, 2003 and April 1, 2003. You can renew on online by going to:

www.georgiacorporations.org.

Payment may be made by credit card or Georgia Net account. Agent, officer and/or address information may be updated online. The annual fee is \$15 for corporation and limited partnership, \$25 for limited liability companies.

OR, a paper registration form may be filed. Form may be obtained by mailing the card you received in the mail to:

Annual Registration Form
Request
#2 Martin Luther King, Jr. Drive
315 West Tower
Atlanta, GA 30334

If requested by return of the card, a form will be mailed within 7-10 days to the same address where the card was sent. A form may also be requested by e-mail to registration@sos.ga.us. The e-mail need only include the "entity control number" noted on the front of the card. If you need any more information regarding annual registrations it is available at the web site listed above, or please call (404) 656-2817.



1. What do I gain by using IRS e-file?

Accuracy! Security! Electronic Signatures! Proof of Acceptance! Fast Refunds with Direct Deposit! Electronic Payment Options! Federal/State e-file! Only IRS e-file offers these advantages.

2. Do I really get my refund faster?

With IRS e-file, you get it back in half the usual time. It's even faster and safer if you have your refund deposited directly to your bank account in as few as 10 days.

3. Is there a fee for IRS e-file?

At T. Dennis Connally Consultant, P.C., Certified Public Accountant we do not charge our clients for this feature.

4. If I owe, how do I pay my taxes electronically?

You can authorize an electronic funds withdrawal (direct debit) from your checking or savings account at the time your electronic individual tax return is prepared. You can also e-pay by credit card. If you e-pay by credit card, you can delay out-of-pocket expenses and earn miles, points, rewards, or money back from your credit card provider. Payment by check or money order is acceptable.



Our office will be open
Monday thru Friday
8:30 a.m.— 6:00 p.m. and on
Saturday 9:00 a.m.— 4:00 p.m.
(during tax season)

If you need to reschedule your tax appointment please call Missy at 770-920-2890 ext 10.



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"Redefining Financial Consulting"
T. Dennis Connally, Financial Consultant Inc.

You'll want to consider the strength of your normal backup activities such as making regular backups of your data and maintaining a good paper trail of the important documentation from your systems. You'll also want to consider the frequency of your backups (how often the backups are done) and the storage of backups and paperwork both on-site and off-site just to be safe. This might be a good time to make arrangements to use another organization's work site in case you temporarily experience power outages or hardware and equipment failures. Or you might find other vendors who offer the products and supplies you need if your regular vendors or suppliers are not able to ship products to you.

In short, treating Year 2000 issues as natural disasters and evaluating your disaster recovery plan for your computer systems and other systems may be your best course of action.

A Final Note

No one knows for sure what will happen during the Year 2000 rollover, but it's always best to be prepared. We hope our suggestions are useful to you as you make your own plans. After all, the success of your company and your continued business with us is as im-

portant to us as it is to you. This article is not meant to be an extensive road-map on the direction you can take to prepare for the Year 2000. However, we hope it has provided you with some guidelines that can be used as a starting point. It is up to you to assess your company's needs and to choose the best options that will benefit your business in the next century.

*"All of us here at
extend to each of you and
your family
every good wish for the
holiday season"*

HERMAN

By Jim Unger



"Let's see. That's 18 volumes of 'Income Tax Made Easy.'"

NOTICE

Credit Policy Change

Effective September 1, 1999, any account that is more than 90 days past due will be automatically turned over to our collection service, and the credit bureau will be notified of the delinquent account.

TAX TIP

For the past three years, making investment decisions based upon their income tax consequences has been especially difficult since Congress made surprise changes to the capital gains rules in mid-1997 and mid-1998. There seems to be the potential for more changes in late-1999 in light of the "Taxpayer Refund and Relief Bill of 1999," which was recently passed by Congress. Provisions in this bill would lower the maximum capital gains rate to 18%, effective starting in 1999, and would index the rate for inflation beginning in 2000. Although President Clinton is expected to veto the bill in its present form, passage of the bill does send a signal to taxpayers that a lower capital gains rate is on Congress's agenda, and that rates could very well decrease in the near future. Although we can't predict which proposals become law, it is always a good idea to keep up with potential changes and to understand early in the planning process how they would impact your investment decisions.

Happy Holidays!