

October 2007

School's in! It's hard to believe that Northeast schools have been already open for a month. For many, autumn directs our attention to formal education – for our children, for ourselves, or both! For my family, it's both. My children board the bus each morning and I go online each day to advance my studies.

With learning in mind, please read the enclosed newsletter exploring the tax benefits related to education spending. It is produced by the National Association of Enrolled Agents (NAEA). The newsletter is useful for young families, adults returning to college, and relatives searching for a way to help family with the rising costs of formal learning.

If you own your New York State residence, you should be aware of the STAR property tax rebate for 2007. The rebate was automatic in 2006; this year, it is **not unless you have the Enhanced STAR exemption**. If you haven't already, you will receive a mailing from NYS Department of Taxation and Finance. This mailing includes a *STAR code* specific to your property which must be used to apply for the rebate. Apply with the provided form or, for faster refunds, via the www.nystax.gov online application. The rebate varies by school district; the website provides information on the amount of your rebate. For some, it's substantially higher than the '06 rebates. *Yes, the refund will reduce your deductible property tax expense on your '07 return.* Keep in mind, however, the refund is generally better than any tax benefit! Lastly, the deadline for applying for the rebate is **November 30, 2007**.

2008 is not that far off. If you have experienced, or expect to experience, any significant changes from your 2006 income or deductions, please call my office to discuss what the tax consequences might be. Avoid an early 2008 surprise!

The debate over reforming the Alternative Minimum Tax (AMT) rages on (and off) in Congress. Since they have not yet passed another "patch" to help millions of taxpayers escape the AMT, planning is difficult for affected clients. I have read that Congress is too involved with the sub-prime mortgage debacle to concentrate on AMT reform, a hot topic in prior months, but I am hopeful that a temporary patch will pass for '07. However, last year's fix passed mere hours before the holiday hiatus, complicating planning with a "Will they or won't they?" angst likely to be repeated this December.

I successfully completed Level II of the NAEA National Tax Practice Institute and expect to complete the final level in 2008. In mid-October, I will attend the New York State Society of Enrolled Agents (state arm of the NAEA) annual convention in Albany. Both conferences offer fantastic continuing education and terrific networking opportunities.

I wish a pleasant autumn for you, your family and your businesses. As always, if you have any questions or concerns, please contact me. I'd love to hear from you!

**If you fail to plan, you plan to fail.
Tax and financial planning is no exception.**