

# Cogliano Bulletin

Volume 1, Issue 2

December 2007

## The Daily News & WNYC Radio

We hope that this letter finds you and your families well and that you have had a wonderful Summer and Fall of 2007. Angelo, Dan, and David Cogliano, as well as Jay and Fran wish you and your loved ones Health and Happiness always.



The Daily News photo that you see here was quite an exciting experience for us. Apparently, a long time client has always been fascinated by the fact that we are a Tax Accounting firm consisting of 3 Generations of our family. He decided to contact the Daily News and a reporter

from their paper came in and did the article about us. Subsequent to that, a NY Public Radio station, WNYC, got wind of the article and they contacted us about doing another story related to our 3-Generation Tax family. In

short, the Radio Reporter came in, interviewed all of us separately, and the piece aired on Easter Sunday as well as the following Friday on WNYC.

## The Mortgage Business

Angelo Cogliano has been offering Mortgage services through the ups and downs of this tumultuous time. We've seen it all, the incredible seller's market of the late 90's to the increasingly evident buyer's market today. There have been more than a few fly by night mort-

gage companies that have come and gone.

The lending institutions today have gone back to a much more simple formula for qualifying borrowers. Verifiable income and strong credit scores. This is not to say that those of you who are self employed are out of luck,

but the crazy days of No Documentation loans are over. We are always available to discuss any and all of your mortgage questions. Ask the questions to someone who you have known and trusted through this wild Real Estate market.

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*The Boss*

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## IRS CULTURE



In an effort to keep up with the ever changing Tax Laws and Regulations, we attend several Seminars and Courses throughout the Summer and Fall each year. In addition to gaining knowledge about any and all new Tax Laws and related updates respective to each tax year, we also gather significant facts and information about the changing culture of the IRS. What do we mean by this? Simply, we network with key individuals from various industry-related associations, including the IRS, to ascertain what may be some “hot spots” or areas that the Internal

Revenue Service may want to examine more carefully on your respective tax returns for a given year(s). In summary, we have concluded, based on our reviews, networking and industry research, that recent areas of interest to the IRS include: Schedule C's – Individual Proprietorships/Profit or Loss from your own Business (and all expenses related to that business that you are deducting); Charity Contributions (both Cash and Vehicle contributions); and Miscellaneous Business Expenses (such as non-reimbursed items if you are a W-2 Employee from your

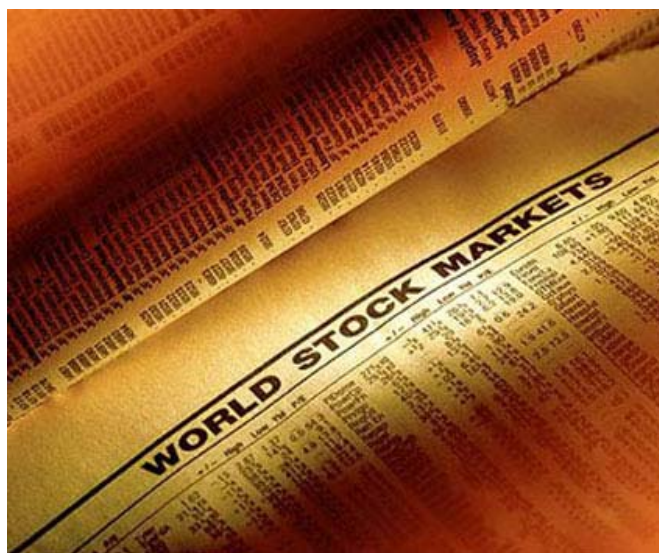
Schedule A Itemized Deductions). Certainly, the vast majority of Individual Income tax Returns are not examined or audited. And although the number has increased over the last several years, I believe it is still under 1%. However, it has come to our attention, that if a return is not just randomly selected for review (which in many cases they are), another reason(s) for an examination may fall under the categories we have just noted. These are invaluable pieces of information that we are able to obtain (and incorporate) as we attend these various educational seminars.

*Please contact us  
before the upcoming  
tax season if you  
have several stock  
sales for the 2007  
tax year!*

## SCHEDULE D – STOCK SALE TRANSACTIONS

We are requesting the following for the beginning of this upcoming tax season (January thru April 2008): If you have a significant amount of **SCHEDULE D – STOCK SALE TRANSACTIONS**, please contact us prior to coming in to have your 2007 Income Tax prepared. The reason for this is simple: If you have a **large VOLUME** of these Stock Sale Transactions (**approximately 10 or more**), we will need you to follow a certain format (that we will provide you with) that will require

specific information that needs to be given to us.



## Mail-In and Drop-Off Service

We understand that all of our clients have busy schedules and cannot always stay and wait to see one of us. Of course we always welcome you to stay, but sometimes the best alternative is to leave your important tax documents with us and come back to pick up the completed copies. You also have the option of mailing them to us. The majority of our out-of-state clients have been doing this for years. Local clients have also been getting

into the act and find it to be a great way to file as well. We are always available to discuss the details of your return over the phone and encourage you to call us with any questions.

At Angelo Cogliano Accountant, we value your time and take great pride in the relationships we have developed over the 50+ years in business. Dropping off your documents or mailing them in to us is another way that we have estab-

lished to serve you more efficiently.

As always, you will receive stamped envelopes with your Federal and State filing copies along with your own client copy. Please call and inquire about these different options available to all clients.



## National Integrity Annuity

As noted in our previous Newsletter to you, our firm continues to provide the additional service of Tax Deferred Annuities.

Tax-deferred is not the same as "tax-free." Tax-free investments, such as most municipal bonds, incur no income taxes on gains. Annuities are

taxed on their gains, but only when you choose to withdraw those gains from the annuity.

Tax-deferral is a powerful tool, especially over the long haul.

The company that we are aligned with that provides these various annuity products is called National Integrity. They are highly rated by the

four major agencies, and they offer both Competitive and Guaranteed rates. They also afford lifetime income and guaranteed principle. Annuities are a great way to supplement your pension. Please contact us and we will provide you with any additional detail that you may want or questions that you may have.

*"Tax-deferral is a powerful tool, especially over the long haul"*

## New and Existing Business Tax Returns

Sole Proprietorships, Corporations, Partnerships, and LLC's. However you do business we can answer all of your tax preparation questions. We have been expanding the Business Tax Return wing of Angelo Cogliano Accountant for years and we now have dedi-

cated staff to focus specifically on this. From beginning to end, whether you are a start up, or selling your existing business, there are numerous questions to be answered. From collecting **Sales Tax**, to Obtaining an **EIN**, we will walk you through the entire process. We have the

capabilities to prepare returns for every business type. Some are small one man operations that just need the liability protection of a corporation, and some are multinational corporations. Call and inquire about how we can help make sense of it all.

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## What's New for 2007 - A few Highlights

### Retirement Plans

#### IRA

- IRA Contribution Limits: \$4,000 Max + \$1,000 if you are 50 or older
- Phase out of Contributions begins when:
  - 1: Single: AGI = \$52,000 - \$62,000
  - 2: Married Filing Joint: AGI = \$83,000 - \$103,000

#### 401k/403b Plans

- Contribution Limits: \$15,500 (\$20,500 if 50 or older)

### Personal Exemptions

- Increases from \$3,300 (2006) to \$3,400 (2007) per person

### Standard Deductions

- Single: \$5,350
- Married filing Joint: \$10,700
- Head of Household: \$7,850

### Miscellaneous Credit

- In 2007, if you were either a **Volunteer Firefighter or Volunteer EMT**, you may receive a \$200 refundable credit on your New York State Tax Return, but you must have done this for the **Full** year of **2007**
- Don't Forget! In the year your child turns 17, you lose the \$1,000 Child Care Credit.

## **E-Filing - The Fastest Choice**

In 2006 the IRS calculated that there were 73 million returns E-Filed. That is a huge increase from the 2005 tax year, and they are getting better at it. The IRS is making a huge push to go paperless and use the available technology to make filing your taxes and more importantly, receiving your refund easier and quicker!

New York State still **MANDATES** that all NYS Income tax returns are electronically filed. Accordingly, we must comply with this very strict requirement and we have done so. Clients, **if they so**

**choose**, may "OPT-OUT" of this requirement by signing an "OPT-OUT" form and provide a reason that you wish not to file electronically.

However, it should be noted that the **benefits of filing electronically** are significant – the most noteworthy of which is the speed with which you receive both your Federal and New York State refunds. **Federal refunds are received in approximately 10 business days, while NYS refunds are received within 3-4 weeks.** This is a significant improvement compared to non-

electronic returns, which take approximately 6 weeks for the Federal and up to 2 months for NYS. We are now offering this option to all mail in clients as well for the same \$35 dollar fee. This is in addition to your regular fee.

