

Dollars & Sense

By Byron Elson

Congress not only legislates taxes, it also legislates taxpayer protection. Some of the changes are particularly helpful to taxpayers, especially those experiencing hardships in meeting their tax responsibilities.

Taxpayers may be able to enter into installment agreements to pay their back taxes, as long as the IRS agrees to do so. Once such a plan is set up, the IRS has the right to modify or terminate it in certain situations. However, the IRS must permit taxpayers to request a review of a decision to terminate an installment agreement. Effective Jan. 30, the IRS also must provide 30 days notice before ending or changing the agreement.

A taxpayer is generally entitled to 30 days notice before the IRS seizes property to collect any taxes. The notice must include information about appeals and other procedures that can help taxpayers avoid liens on their property.

Under the new law, if the IRS does decide to seize the property, the value of personal property exempt from an IRS levy is increased from \$1650 to \$2500 and the value of books and tools of a trade exempt from levy is increased from \$1100 to \$1250. In most instances, a taxpayer's principal residence is also exempt from IRS levy.

For any IRS notice issued after Dec. 31, the IRS will give taxpayers who fail to pay their full tax bill a slight reprieve from interest charges. From the time the notice is issued, the taxpayer will have 21 calendar days — up from 10 calendar days — to pay off the bill without incurring interest charges, provided the tax liability is under \$100,000.

In addition the IRS authority to abate interest is expanded to apply to interest resulting from "unreasonable" errors or delays caused by IRS employees performing "managerial" or "ministerial" duties.

The new bill will give taxpayers a better chance of recovering attorney fees in the event of a tax controversy. That is because the burden of proof is shifted to the government. It is now required that the government prove its position is substantially justified before taxpayers will be precluded from recovering such fees. Be aware that for tax purposes, "attorney fees" also refers to the fees of any individuals authorized to practice before the IRS, such as CPAs and enrolled agents.

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BUSINESS

THE ENTREPRENEUR'S CORNER

The road to entrepreneurship: How to travel it successfully

By Pierre A. Clark
Special to Sentinel-Voice

Is entrepreneurship your dream? If so, you are not alone. Nearly everyone in America dreams of becoming self-employed and starting and running a business. Self-employment is both the American dream and an economic alternative for an increasing number of people. African-Americans, Asians, Hispanics and other minorities especially, have a great deal to

gain from starting and operating businesses, namely, the opportunity to create secure jobs and personal wealth.

"The Entrepreneur's

business. If you are planning to start your business, we offer tips and techniques to get started successfully, to avoid income droughts and other

and market your products and services, create high-profit strategic alliances and invest your income with savvy and knowledge have worked for thousands; we know they will work for you.

There are social issues that create poverty in residents and communities, such as racism and disinvestment by banks and other institutions. We choose to focus on positive steps you can take, through entrepreneurship, to create opportunity for yourself and your family and overcome the challenges we all know are there. Healthy communities feature high-growth businesses owned by residents of those communities which employ other residents and keep income circulating within communities. The bottom line is that if you don't own it, you can't run it.

There are techniques and strategies that entrepreneurs use everyday to overcome the challenges to entrepreneurship and build high-profit businesses. For example, a single store in one of Chicago's poorest neighborhoods generates \$5 million a year and hundreds of residents make \$100,000 a year or more doing everything from painting to song-writing.

What we'll be discussing in each issue is not speculative, get-rich-quick strategies but proven techniques that tens of thousands have used to start, build, grow and manage successful businesses. After four years of publishing columns in the Chicago area on self-employment and entrepreneurship, I've heard directly from over 4,000 people who say they use the techniques we've suggested to successfully start and operate their own businesses.

Can you start a business with no upfront cash? Can you acquire free resources such as computers, meeting space, furniture to build your business? Can you generate free publicity for your business, get ads in popular media at no cost? The answer to all these questions is yes, as you'll discover here.

Self-employment offers you the opportunity to change your life, take positive steps to take control of your life and generate the kind of income that would only be a dream if you were working for someone else.

Many people ask: Can you really become a millionaire from starting your own business? My answer is this: Around 99 percent of the people who are millionaires (See Entrepreneur, Page 16)

The bottom line is that if you don't own it, you can't run it.

Corner" can be your guide if you want to learn how to create personal wealth through entrepreneurship and starting and operating your own

start-up blues and generate higher and more consistent income. If you are already in business, our ideas on how to build a client base, promote

MONEY MANAGEMENT

Selecting your personal CPA

For many people, getting themselves in good financial shape is an important New Year's resolution. Like exercise regimens, it requires some discipline, clear goals, and, often personal training from an outside expert — in this case, from someone like a certified public accountant (CPA). The Nevada Society of CPAs offers the following guidance to help you find and work with a CPA.

Looking for a CPA

One of the best ways to find a CPA is to ask friends, relatives, neighbors, or business associates for recommendations. Try to focus on those people who are in a similar financial situation. You might also want to check with other professionals, such as your banker, attorney, your local chamber of commerce, or small business owners whose establishments you regularly visit.

To earn the CPA designation, accountants must pass a rigorous two-day professional examination and meet stringent licensing requirements. To assure that they stay current on developments in the field, CPAs who are members of the Nevada Society of CPAs must also meet strict continuing education requirements and are obliged to adhere to stringent ethical guidelines. Ask the CPA or call these organizations

to find out if the CPA is a member.

Preparing for the interview

Once you have the names of several CPAs, call to arrange an interview. Before meeting with the CPA, spend some time sorting out what kind of assistance you require and your ultimate expectations.

Are you looking for a CPA who can help you work toward meeting a specific need, such as funding your child's college education or saving for retirement? Do you want someone who can develop a comprehensive financial plan and help you to implement it? Are you primarily interested in tax planning strategies or in having someone complete your tax return? The more you know about your own needs, the better you'll be able to express them to the CPA.

Conducting the interview

During the interview, let the CPA know clearly the kinds of assistance you need. Then ask about his or her qualifications, profiles of typical clients, and availability to work with you.

It's also important to get a feel for the chemistry that develops between you and the CPA you are considering. Make sure you are comfortable with his or her style and personality. By carefully considering the abilities and attributes of prospective CPAs, you'll be able to select a CPA with whom you can develop a

long-term relationship.

Be sure to talk openly about how the CPA will be compensated for his or her services. Normally, CPAs base their fees on the amount of time they spend performing services on your behalf. The services you need, the complexity of your financial situation, the experience level of the CPA, and the area of the country in which you live all impact the level of your CPA's fees.

Maximizing the relationship

To lay the groundwork for a more productive relationship, you should organize your financial information. Depending on your requirements, a CPA may need information about your assets and liabilities, retirement and other company benefits, current insurance coverage, and additional financial data. All of these have an important bearing on your financial future — and the ability of you and your CPA to work together to reach your goals.

In addition to understanding your goals, it's also helpful for your CPA to know something about your attitudes toward spending and saving, your tolerance for risk, and whether you prefer to take an aggressive or conservative approach to tax-saving strategies. Be sure you clearly convey your attitudes on these and other areas while working with the CPA.

Finally, it's critical to keep your CPA up to date on various turning points in your life. Such life events as a marriage, divorce, the birth of a child, a new home, death of a spouse, and changes in your career can all impact your tax liability and personal financial plan.

Money Management is a weekly column on personal finance prepared and distributed by certified public accountants. Nevada Society of Certified Public Accountants, 5250 Neil Road, Suite 205, Reno, NV 89502.

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