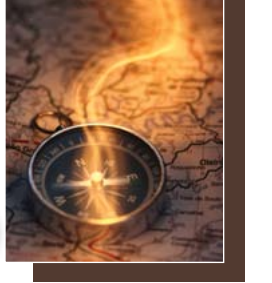


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A Financial Newsletter for Clients & Friends of Daniels Uselton & Clay, P.C.

Fall 2011

Planning for Protection and Growth

News to Use

Small Business Tax Breaks to Use Right Now

In an effort to boost economic growth, there are a number of new and limited time tax breaks to take advantage of now, for landlords, tenants, and anyone who uses any type of vehicles or equipment in their business. It also offers more general business deductions for self-employment taxes, and health care deductions. Many of the breaks are retroactive to tax year 2010, and go through 2011.

Specifically, if you are a landlord or a tenant and make improvements that

 continued on pg 3

Overcoming a Game-stealer



Lady Vols Fans Continue to Learn Life Lessons from Pat Summit:

Along with the rest of the country, we offer our prayers for Lady Vols coach Pat Summit, who recently announced that she has early onset dementia of the Alzheimer's type. It's hard to think of anyone less likely than a life-long athlete such as Summit to have health problems, but it teaches us not only to face life head-on each day (as she does so well) but also the importance of advance planning to protect your loved ones and your own financial future.

How to Protect Your Future

Long term care insurance, disability insurance, living trusts, and of course health insurance are just a few of the ways in addition to your investment portfolio that you can protect yourself and your family from personal disasters. While none of us can predict the future, nearly every conceivable issue can be planned for and dealt with wisely ahead of time with the help of financial professionals. As with Coach Summit, some crises are unknown, others are more predictable. If you have any doubts or questions about your ability to weather the unexpected, give our office a call for a comprehensive review of your situation. We're always ready to help.

Client Spotlight - Guest Column

Sensible HR Solutions Getting Credit on Workers' Comp

OSHA reports about 75% of illicit drug users and heavy alcohol drinkers in the US are employed at least part-time. Small to mid-sized employers (less than 500 employees) are more likely, 9 in 10, according to US Census Bureau, to employ current drug users and heavy drinkers. Illegal substance use and abuse directly impact employers' bottom lines through higher rates of turnover and absenteeism, accidents, higher workers comp and medical costs, and less productivity; not to mention indirect costs by negatively impacting employee morale.

Although it is common practice for large employers to have a drug free workplace

policy, the majority of small to mid-sized businesses have no such policy. One way businesses can help control costs and save money is by implementing a drug free workplace policy. Employers' compliance requirements and the minimal cost of implementing a drug free workplace policy have direct cost savings to the company and the employee. **A major benefit to companies compliant with the Tennessee Drug Free Workplace program is a 5% credit applied against workers' compensation insurance premiums.**

Amid these challenging economic times, companies are looking for cost savings that can be easily implemented



with limited, negative impact to their employee base. **Sensible HR Solutions** can ensure your compliance as a Tennessee Drug Free Workplace; help find additional cost savings that align with company objectives and culture, and provide professional HR consulting and support over a wide range of issues, on an as needed basis.

Owners David Lopater and Kathy Yocom can be reached at: www.SensibleHRSolutions.com or by phone, David Lopater 865-335-0007 Kathy Yocom 865-816-0204

Don't forget! New IRS mileage rates as of 7/1/11

	Prior to 7/1/11	After 7/1/11
Business	.51	.555
Medical/Moving	.19	.235
Charitable	.14	.14

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The information in this publication is general in nature and is not intended to be treated as tax, legal, or accounting advice for your particular situation. You should seek advice from a qualified tax, legal or accounting advisor based on your specific issues before taking any action regarding the information and/or topics discussed here. We welcome the opportunity to discuss these issues in greater detail with you, to find the best solutions for you, your family and your business. This information is not intended to be nor can it be used by any taxpayer for the purpose of avoiding tax penalties.

A Buddy's Tradition Continues

Our 6th Year Leading the Way in Buddy's Race for the Cure

The reasons for running Buddy's Race Against Cancer, or any fundraiser, are as varied as the participants, and can change from year to year, race to race. It's been that way for Penelope Uselton, the captain for Team Band Together for a Cure.

In the beginning, it was a race for Marc Sherrod, a good family friend who was battling the disease. The next two years, the team was dedicated to other friends with cancer, and one of those years, Marc was even well enough to run, too. But the fourth year, the team was called Christians Carrying the Cross of Cancer, and they ran in Marc's memory.

The following year, 2010, Zack Williamson, who had been an original team participant, suggested getting his band from Roane County High School involved. The team morphed into the largest team in the race, and was re-named Band Together for a Cure. There were 180 members on the team, and the cause is still the same: to find an end to this dreadful disease.

Join us to race, or just to cheer the cause at the 18th annual Buddy's Race Against Cancer Sunday November 13, 2011 at World's Fair Park in Knoxville.

But Penelope realized at the end of last year's race, that the focus for her had changed: she realized she was planting seeds for the fight to go on, through these talented young people, doing something wholesome and healthy while giving back to their community. Exactly what Band Director Zack Williamson had envisioned, and a wonderful way to honor Marc Sherrod's memory, as well as so many others.



Penelope Uselton was asked to participate in a TV spot for Buddy's Race for the Cure.



QuickBooks 2012: What's New?

QuickBooks is always making improvements, designed to make it easier and more user-friendly. These improvements make it an even more powerful program for tracking and managing the financial health of your company. The new 2012 edition has several new features you may be interested in.

The first is that you can now see your invoices, billing and other important scheduled tasks in a convenient calendar view. The improved "to do" list captures the information and displays it here.

For those of you who like to do further analysis of "the numbers"

in Excel, you can now save your worksheet formatting when you export QB reports to Excel. That will save you time.

There have also been improvements in being able to set up memorized transactions for recurring billing, invoices and estimates. From your list, you can select which transactions to run now, and which ones to run later.

Finally! You can attach documents in the new document center, so receipts, estimates and other documents can stay with invoices and customer files.

There's also a new Lead Center, so it's easy to track your sales leads

and import existing leads into QB. When your lead becomes a customer, it's just one click.

You can also batch time sheets for employees or vendors who worked the same hours.

There is also a new Contributed Reports feature, in which you can access reports created by other users in your industry, based on their ratings and popularity. Choose the template, and then QB populates the report with your business data in one click.

So if you're thinking of upgrading your QuickBooks software, the new 2012 edition may be just your ticket.



Hail, Hurricanes and Other Disasters

If you're one of the many folks who suffered property loss in the summer storms this year, you have our sympathy. Unfortunately, most of the repair costs, if they were covered by your insurance, are not tax deductible.

However, if your insurance refused to pay for the damage, and you had to do the repairs at your own expense, under certain conditions, the cost of the repairs may be tax deductible, as they are considered necessary to bring your



be careful. Adjusters tell us that it will be up to five years before all the homes in East Tennessee are fully repaired. So long waits as well as hidden damage are the norm. But whenever there is a glut of insurance claims, there are also a plethora of workmen, ethical

property back to fair market value, that is, the value of your home before the storm.

When hiring a contractor,

and otherwise, that flock to the area to supply the needs.

To check out a prospective company, be sure they are bonded, licensed and insured, and ask to see proof. Don't just take their word for it.

If they don't have workers' compensation insurance and injure themselves while working on your roof, they could sue you for their expenses, and you or your homeowners insurance would be required to pay.

So check with the Better Business Bureau, ask for credentials, and make sure you're dealing with professionals.



Tax Breaks to Use Now continued from page 1

began after September 9, 2010, and are completed before January 1, 2012, you may be eligible for 100% bonus depreciation. In addition, new personal property is eligible for additional first-year depreciation (bonus depreciation equal to 50% or 100% of its cost, dependent on when the property was acquired and placed in service.

The small jobs act offers more opportunities for tax-related savings, including enhanced expensing to help small businesses more quickly recover the cost of capital outlays, up to \$250,000, typically but during 2010 and 2011, that limit has been increased to up to \$500,000. There is a boosted rate of deduction for start-up expenditures, up to \$10,000 rather than being capped at \$5,000.

There is a 100% exclusion of gain from the sale of small business stock

that has been held for at least five years, and the alternative minimum tax (AMT) preference attributable for such sales has been eliminated.

Generally, a business's unused general business credits can be carried back to offset taxes paid in the previous years. Beginning in 2010, unused general business credits can be carried back for five years instead of just one, with certain restrictions.

Cell phones can now be deducted or depreciated like any other business property; the Small Business Jobs Act also allows eligible small businesses to use all types of general business credits to offset their AMT in tax years beginning in 2010. In addition, it allows business owners to deduct the cost of

health insurance incurred for themselves and their families in calculating self-employment tax.

The recently enacted Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010 gives estate tax relief, a two-percentage-point cut in employee-paid payroll taxes

and in self-employment tax for 2011, bringing the rate down from 6.2% to 4.2% for employees, and from 12.4% to 10.4% for the self employed. These are, of course, for information purposes and your situation may be different. Call our office to discuss your particular situation and how to minimize your tax liability today.

