

The Parm's Insider

News You Can Use

Parms & Company is a full service certified public accounting firm offering a wide range of professional services to help our clients achieve their goals. By offering quality professional services that are efficient, timely, and cost-effective, we are responsive to the needs and expectations of each client. With our expertise in accounting, auditing, tax and business consulting, we get the job done.

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Special Points of Interest:

- June 20. Summer officially begins!
- In observance of the Independence Day holiday, our office will be closed on July 4.
- Parm's & Company celebrates its 10 year affiliation with the South Central Ohio Minority Supplier Development Council (SCOMSDC).

Important Dates To Remember:

June 15, 2012	Pay Estimated Taxes Deadline for individuals to pay their 2nd estimated tax
July 31, 2012	Form 5500 Deadline for Employers to file their 2011 Form 5500 or 5500-EZ.
Sept. 17, 2012	Form 1120, 1120S, 1065 Deadline to file the 2011 1120, 1120S and 1065 that are under extension.

To Toss or Not To Toss... That is the question!

Now that you've completed your taxes for 2011, you're probably wondering what old tax records can be discarded. If you're like most taxpayers, you have records going back years that you're afraid to throw away.

So, why do we keep tax records anyway? Generally, we keep them for two reasons: (1) to keep track of the tax basis of our capital assets so that we can minimize the tax liability when we dispose of the assets; and (2) in case the IRS or other tax authorities decide to come knock-

ing on our door to question the information reported on our tax returns.

Under federal tax code, the statute for assessing additional tax is 3 years from the return due date or the date the return was filed, whichever is later (with a few exceptions). In addition, the statute of limitations for many states is one year longer than the federal. Then to make the recordkeeping issue just a little more fuzzy, the federal 3-year assessment period is extended to 6 years if a taxpayer omits

from gross income an amount that's more than 25% of the income reported on a tax return. There's no limit on the assessment period where a taxpayer files a false or fraudulent return in order to evade tax.

If an exception doesn't apply to you most of your tax records that are more than 3 years old can probably be discarded; add a year or so to that if you live in a state with a longer statute.

Continued on back...

In The Spotlight *Getting to Know Parm's People*



Christy Sweeney
Admin. Assistant

Christy has been a part of our Parm's family since September 2008.

We interviewed Christy to learn a little more about her. Inquiring minds want to know!

Q. Where were you born?
A. *Columbus, Ohio*

Q. What was your 1st job?
A. *In the café at Meijer, as soon as I turned 16.*

Q. What was the last book you read?
A. *Duma Key by Stephen King*

Q. What's #1 on your bucket list?
A. *This inspires me to write a bucket list! I think #1 would be paragliding in New Zealand.*

Q. What are your hobbies or things you do for fun?
A. *Sing. Sometimes in local shows such as Vaud-Villities.*

Q. If you had to eat 1 thing for the rest of your life, what would it be?
A. *I'd HAVE to go with Pizza.*

Q. What was your most favorite Halloween costume as a kid?
A. *My mom made a Mac Tonight costume from the McDonald's commercials. I won 1st place!*



Recipe Corner

Ted's Rum Cake

1 box yellow cake mix	1 cup rum
1 3 1/2 oz box instant Vanilla pudding mix	1 cup chopped pecans
4 eggs	1 cup powdered sugar
1/2 cup water	1 stick margarine or butter
1/2 cup salad oil	

Combine cake mix, pudding mix, eggs, water, oil, and 1/2 cup rum. Oil and flour a bundt pan. Sprinkle bottom of pan with 1/2 cup of the chopped pecans. Pour in cake mixture and bake at 350° for about 1 hour or until done.

Icing: Mix powdered sugar, butter, 1/2 cup rum, and 1/2 nuts in sauce pan. Cook until slightly syrupy. When cake comes out of oven, poke holes and pour glaze over cake. Let cool until cool to touch before taking out of pan. Enjoy!

To Toss or Not To Toss *continued...*

Warning! Now don't just start tossing your tax records indiscriminately. The problem is that many of us combine our normal tax records with the records needed to substantiate the basis of capital assets.

They need to be separated, and the basis records should be kept until the statute expires for the year in which the asset is disposed. Here are examples of records that fall into this category:

Tangible property purchase and improvement records - Keep records of home, investment, rental property or business property acquisitions and related capital improvements for at least 4 years after the property is sold.

Stock acquisition data - If you own stock, keep the purchase records for at least 4 years after the year the stock is sold. This data will be needed in order to prove the amount of profit (or loss) you had on the sale.

Stock and mutual fund statements - Many taxpayers use the dividends that they receive from a stock or mutual fund to buy more shares of the same stock or fund. The reinvested amounts add to the basis in the property and reduce gains when the stock is finally sold. Keep statements at least 4 years after the final sale.

Have questions about whether or not to keep certain records? Give us a call. It's better to be sure before tossing something that might be needed down the line.

Go Green and Get Green!

Going green doesn't just help the environment. It can also help keep more green in your bank account. Here are several ideas thanks to the IRS.

- **Residential Energy Efficient Property Credit**

This tax credit will help individual taxpayers pay for qualified residential alternative energy equipment.

- **Plug-in Electric Drive Vehicle Credit**

A tax credit is available for the purchase of a new qualified plug-in electric drive motor vehicle.

- **Recycle Through Donations**

Instead of throwing out those old clothes, toys and other household items take them to a charity thrift shop. You can receive a tax deduction for the fair market value of the item and the items will be reused.

"Life is short.

Be swift to love!

Make haste to be kind!"

- Henri F. Amiel -

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