

PREPARATION OF 2007 INDIVIDUAL INCOME TAX RETURNS

HOW TO ORGANIZE YOUR TAX DATA: Please help minimize the cost of preparing your return by submitting your data in an organized format. The enclosed Income Tax Questionnaire can be used as a checklist or as a simple worksheet to organize your data. Or, if you would like to receive a more detailed Tax Data Organizer (a set of computer-generated worksheets based on your 2006 return), please ask. Regardless of how you organize your data, please include the following applicable items:

- Current address, phone number and email address
- Changes in your marital status or dependents
- Birth dates and social security numbers for new dependents
- Dates and amounts of estimated tax payments
- Forms W-2, 1098, 1099 or other tax documents received
- Settlement statements for real estate purchases, sales or refinances
- Broker statements for sales and related purchases of stock
- Schedules K-1 from partnerships, S-corps, estates or trusts
- IRA, Keogh or SEP contributions
- Moving expense and reimbursement information
- Business or job-related auto mileage statistics (see enclosed form)
- Name, address and social security numbers of child care providers
- Receipts for non-cash charitable contributions totaling more than \$500
- Tax notices received from the IRS or other tax authorities
- Copy of your 2006 return if you are a new client

Social Security Numbers: The IRS matches the names and social security numbers reported on tax returns to the official social security records. Please make sure that the names (first and last) provided for you, your spouse and all dependents agree with your current social security cards. If names have been changed as the result of marriage, divorce, adoption, etc., contact the Social Security Administration at 1-800-772-1213 to correct your records.

Income Reporting: The IRS has effective systems for tracing interest, dividends, capital gains and real estate sales reported by banks and brokers to individual income tax returns. These amounts are reported to you on Forms 1099. Care should be taken to ensure that all such amounts are included in your return. Don't overlook accounts that were closed during the year, or accounts that belong to others (children, parents, etc.) with which YOUR social security number is associated. If you have sold a property and are receiving interest payments directly from the buyer, please provide the buyer's name, address and social security number. Also note that tax-exempt interest and dividends must nevertheless be reported on your return.

Stock Sales: If you have sold stocks, ask your broker if they can furnish a "realized capital gains report" including the original PURCHASE data for stocks sold (only the SALES data is reported to the IRS on Form 1099-B). Some brokers charge a nominal fee for this report or only furnish it upon request. Most mutual funds furnish a similar "average cost basis report" automatically. Note that these reports might be enclosed with your January account statement or annual summary rather than as part of the official Form 1099 tax documents. Please enclose these reports with your tax data.

IRA Contributions: Current limits allow IRA contributions of up to \$8,000 on a Joint return or \$4,000 on a Single return. These limits are increased by \$1,000 for each spouse age 50 or over. You can make your contribution as late as April 15, 2008 and still claim the deduction on your 2007 return. However, if you participate in any other retirement plan, your IRA deduction is subject to phase-out limitations as your adjusted gross income exceeds \$83,000 on a Joint return or \$52,000 on a Single return. Your spouse's participation in another plan won't limit YOUR deduction unless your Joint adjusted gross income exceeds \$156,000. Alternatively, non-deductible contributions can be made under the Roth IRA rules if your adjusted gross income is less than \$156,000 on a Joint return or \$99,000 on a Single return. In either case, contributions are limited to the amount of "earned" income from wages, salaries or self-employment reported on your return. Contributions for a non-working spouse are permitted provided that the working spouse has sufficient earned income. To ensure proper compliance, I recommend that you consult with me BEFORE making your IRA contributions.

Deductions: The schedule of deductions on the back of the Questionnaire should be reviewed carefully. Although claiming "itemized" deductions will only be of benefit when your allowable deductions exceed the "standard" deduction amount (\$10,700 on a Joint return, \$5,350 on a Single return), there are numerous special rules, limitations and exceptions. Therefore, I recommend that you list all deductions to which you might be entitled so that I can determine the best treatment in your case. Only claim deductions for items supported by receipts, canceled checks or other appropriate documentation. Deductions based on estimates are generally not allowed. Please enclose mortgage interest statements (Form 1098) received from your mortgage company or home equity lender. Also enclose settlement statements for mortgage refinances. If you are making mortgage payments directly to the seller, please provide the seller's name, address and social security number. Also enclose receipts for non-cash charitable contributions if the total of ALL such contributions exceeds \$500. Note that such contributions should be valued at "thriftshop" prices for items in similar condition, NOT your original purchase cost. If you donated a vehicle to charity, enclose Form 1098-C. You do not need to enclose receipts for other deductions unless you have specific questions about them.

Auto, Travel & Entertainment: IRS regulations require DETAILED documentation and substantiation for business or job-related auto, travel or entertainment deductions. Your records must generally indicate the date, destination, miles driven, persons contacted and business purpose of EACH trip or expense. **Please complete and sign the enclosed Business Mileage Statement if you are claiming deductions for business or job-related use of an automobile.**

HOW TO SUBMIT YOUR TAX DATA: Please submit your tax data as soon as it is COMPLETE. A data mailer is enclosed for your convenience. Please do NOT send by certified mail or any other method that requires a delivery signature or substantial delays may result. I suggest the use of Priority Mail with Delivery Confirmation. You may also submit scanned documents by email or FAX, but please make sure they are legible. Scanned documents and file attachments can also be sent via the secure file transfer link at my website.

The best time to submit your data is during February or early March. Most returns are completed within 1 to 2 weeks of receipt of COMPLETE information. However, I cannot guarantee specific completion dates beyond my best efforts. Returns submitted in late March may require extensions and are accepted with the understanding that I will not be responsible for any resulting late filing penalties or interest. Note that extension returns completed after April 15th will incur additional tax preparation charges. Even if your return requires an extension due to missing information, I must receive all available data by April 15th. **I will not accept returns submitted for preparation after April 15th.**

CHARGES AND BILLING PROCEDURES: Charges for tax preparation are based on the complexity of the return and the time required to prepare it. Typical charges for a return including itemized deductions range from about \$230 - \$370. Charges for returns involving self-employment, rental properties, capital gains or diversified investments typically range from about \$410 - \$870. Additional charges of \$45 - \$90 typically apply to extension returns completed after April 15th. Additional charges for state income tax returns are typically \$140 - \$180. Quoted charges reflect a 2% increase over last year. Returns for dependent children or parents receive a 50% discount when prepared in conjunction with your return.

For new clients only, please remit a \$100 retainer payment when submitting your tax data. The balance of charges will be billed upon completion of your return. For returning clients, a retainer payment is no longer requested. All charges will be billed upon completion of your return. All billings are payable in full upon presentation. Progress payments may be requested on extension returns. Past due balances are subject to service charge. You may pay by credit card by using the PayPal link at my website.

Regular tax clients are entitled to brief telephone consultations and assistance with routine IRS correspondence throughout the year at no additional charge. Additional charges will apply if your return is selected for formal audit and you ask me to appear as your representative.

LASTLY: Please remember that I am available throughout the year to assist with income tax planning and compliance matters. Limited services available during the summer months. Check my website for links to tax news and investment resources. Thanks for placing your confidence in me as your Certified Public Accountant and thanks for your client referrals.

Michael T. Wing, CPA

PRIVACY POLICY NOTICE

In order to prepare tax returns or perform other requested services, I collect confidential information from the following sources:

- Information furnished by you, including tax documents, questionnaires and worksheets;
- Information obtained from third parties whom you have authorized me to contact on your behalf, such as stockbrokers or attorneys; and
- Information about you obtained in the course of performing services for other clients, such as your employer, family members or business associates.

I maintain physical, electronic and procedural safeguards to protect the confidentiality of your information. I restrict access to your confidential information to those associates or service providers with whom I maintain appropriate confidentiality agreements. I shall not otherwise disclose any of your confidential information without your consent, except as such disclosure may be required by law, legal process, or the standards of the profession. Former clients remain entitled to the privacy protections described in this notice.

PLEASE NOTE: Although information in my possession is deemed confidential, it is generally NOT protected by legal privilege. I cannot guarantee against the loss of information by fire, theft, computer failure or other circumstances beyond my control. I recommend discretion when communicating by unsecure technologies such as email, fax or wireless phone.

COPIES OF TAX RETURNS: Due to privacy and professional liability issues, I cannot send copies of your tax returns to anyone other than you.

RECORD RETENTION POLICY: Client records are retained for five years and thereafter are subject to destruction without notice.

2007 BUSINESS MILEAGE STATEMENT

Please complete and sign this form if you are claiming deductions for business or job-related use of an automobile. Enter the NUMBER OF MILES driven (NOT percentages of use). The Standard Mileage Allowance for 2007 is 48.5 cents per business mile.

Description of vehicle:	_____	_____	_____	_____
First used for business this year?	Yes No	Yes No	Yes No	Yes No
BUSINESS MILES:	_____	_____	_____	_____
Commuting miles (non-deductible):	_____	_____	_____	_____
Other personal miles (non-deductible):	_____	_____	_____	_____
Total miles driven this year:	_____	_____	_____	_____

I have sufficient WRITTEN records to substantiate the business mileage claimed above. I understand that my records must generally indicate the date, destination, miles driven and business purpose of each trip. I further understand that my failure to maintain adequate records could result in additional tax assessments, penalties and interest.

Signed: _____ Date: _____

INCOME TAX QUESTIONNAIRE

Taxpayer

Name: _____
 Soc Sec Number: _____
 Birthdate: _____ [] Blind [] Over 65
 Occupation: _____
 Work Phone: _____
 Email Address: _____
 OK to leave voicemail OK to email

Spouse

Name: _____
 Soc Sec Number: _____
 Birthdate: _____ [] Blind [] Over 65
 Occupation: _____
 Work Phone: _____
 Email Address: _____
 OK to leave voicemail OK to email

Home Address: _____
 Home Phone: _____ [] OK to leave voicemail

Dependents	Birthdate	Soc Sec Number	Relationship	Months at Home
_____	____/____/____	_____	_____	_____
_____	____/____/____	_____	_____	_____
_____	____/____/____	_____	_____	_____

Wages (enclose W-2's)
 \$ _____

Pensions/Annuities/IRAs (enclose 1099-R's)
 \$ _____

Interest Income (enclose 1099-INT's)
 \$ _____

Dividends (enclose 1099-DIV's)
 \$ _____

Business Income (enclose any 1099's)
 \$ _____
 List related expenses on back with code "B".

Rental Income (enclosed any 1099's)
 \$ _____
 List related expenses on back with code "R".

Miscellaneous Income

Tax Exempt Interest \$ _____
 Unemployment Compensation (1099-G) \$ _____
 Social Security - Taxpayer (SSA-1099) \$ _____
 Social Security - Spouse (SSA-1099) \$ _____
 Partnerships/S-Corps (Schedule K-1) \$ _____
 \$ _____
 \$ _____
 \$ _____

Tips Received (not included on W-2) \$ _____
 Alimony Received \$ _____
 State Income Tax Refund (1099-G) \$ _____
 Gambling/Lottery Winnings (W-2G) \$ _____
 Estates/Trusts (Schedule K-1) \$ _____
 \$ _____
 \$ _____
 \$ _____

Stock/Property Sold (enclose 1099-B's)	Date Acquired	Date Sold	Sales Price	Cost	Gain(Loss)
_____	____/____/____	____/____/____	\$ _____	\$ _____	\$ _____
_____	____/____/____	____/____/____	\$ _____	\$ _____	\$ _____
_____	____/____/____	____/____/____	\$ _____	\$ _____	\$ _____

Enclose closing statements for real estate transactions.

Retirement Plan Contributions

		Traditional IRA	Roth IRA	Keogh/SEP
Taxpayer	<input type="checkbox"/> Compute maximum allowable contribution	\$ _____	\$ _____	\$ _____
Spouse	<input type="checkbox"/> Compute maximum allowable contribution	\$ _____	\$ _____	\$ _____

Estimated Taxes Paid

	Due Date	Date Paid	Federal	State: _____
Prior Year Overpayment applied to Estimated Tax			\$ _____	\$ _____
First Quarter	April	____/____/____	\$ _____	\$ _____
Second Quarter	June	____/____/____	\$ _____	\$ _____
Third Quarter	September	____/____/____	\$ _____	\$ _____
Fourth Quarter	This January	____/____/____	\$ _____	\$ _____

Enter state income tax refunds in Miscellaneous Income section above.
 Enter balance paid on last year's state income tax return in Taxes Paid section below.

DEDUCTIONS and CREDITS

Medical Expenses

Medical/Dental Insurance Premium	\$ _____	Doctors/Dentists/Hospitals	\$ _____
Medicare B and D Premium (SSA-1099)	\$ _____	Prescription Drugs	\$ _____
Long Term Care Premium - Taxpayer	\$ _____	Glasses/Hearing Aids/Supplies	\$ _____
Long Term Care Premium - Spouse	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
Travel/Parking _____ miles	\$ _____	Insurance Reimbursements	\$ (_____)

Taxes Paid

State Income Tax (last year's balance due)	\$ _____	Real Estate Taxes	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
Auto Excise (less registration fees)	\$ _____	Other Personal Property Taxes	\$ _____
Sales Tax on Major Purchases	\$ _____	Foreign Tax Withheld/Credit	\$ _____

Interest Paid

Home Mortgage Interest paid to Banks (enclose 1098's):	\$ _____	Home Mortgage Interest paid to Individual	\$ _____
_____	\$ _____	-Paid to: _____	
_____	\$ _____	-Address: _____	
_____	\$ _____	-Soc Sec Number: _____	
Points Paid (not included above)	\$ _____	_____	\$ _____
Investment Interest	\$ _____	Student Loan Interest (enclose 1098-E)	\$ _____

Enclose real estate closing statements for properties purchased, sold or refinanced during the year.

Charitable Contributions

Contributions by Cash/Check/Credit Card	\$ _____	Non-Cash Contributions (enclose receipts)	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
Payroll Deductions	\$ _____	_____	\$ _____
Volunteer Expenses _____ miles	\$ _____	Vehicle Donation (enclose 1098-C)	\$ _____

Miscellaneous Deductions

Auto Expenses (gas/oil/repairs/insurance)	\$ _____	Job Hunting Expenses	\$ _____
-Business Miles _____ miles	Sign	Legal Fees (related to taxable income)	\$ _____
-Commuting Miles _____ miles	Mileage	Office/Computer Supplies	\$ _____
-Other Personal Miles _____ miles	Statement	Postage/Fed Ex	\$ _____
Parking/Tolls	\$ _____	Safe Deposit Box Fee	\$ _____
Hybrid Vehicle Credit (enclose invoice)	\$ _____	Safety Clothing/Equipment	\$ _____
_____	\$ _____	Small Tools	\$ _____
Business Meals/Entertainment	\$ _____	Subscriptions/Publications	\$ _____
Employment Agency Fees	\$ _____	Teacher/Educator Supplies	\$ _____
Income Tax Preparation	\$ _____	Telephone/FAX/Internet	\$ _____
Investment Management Fees	\$ _____	Travel	\$ _____
IRA/SEP/Keogh Plan Fees	\$ _____	Uniforms/Cleaning (not for general wear)	\$ _____
Job Related Education/Seminars	\$ _____	Union/Professional Dues	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
Alimony Paid	\$ _____	Moving Expenses (enclose details)	\$ _____
-Paid to: _____		Postsecondary Tuition (enclose 1098-T's)	\$ _____
-Soc Sec Number: _____		Gambling Losses	\$ _____
Casualty losses (enclose explanation)	\$ _____	Residential Energy Improvements	\$ _____
_____	\$ _____	_____	\$ _____

Enclose invoice for business auto or hybrid vehicle purchased this year.

Child Care Providers

_____	Address	Soc Sec Number	Amount Paid
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

CHARITABLE CONTRIBUTIONS

The rules for charitable contributions have been tightened in the last two years. Here is a summary of current requirements:

"CASH" CONTRIBUTIONS: This category includes all monetary contributions whether paid by cash, check or credit card. You must now have an acceptable receipt for ALL monetary contributions to charity. Deductions for cash contributions to church plates or bell-ringer buckets will not be allowed in the absence of a receipt. Acceptable receipts include a cash receipt, canceled check or credit card receipt. Bank statements or credit card statements are also acceptable provided that the name of the recipient organization is listed. If you contribute more than \$250 to a particular charity, you must also obtain an acknowledgment letter in addition to your receipt. If you received any goods or services in exchange for your contribution, or purchased items at a charity auction, you must reduce the claimed amount of your contribution by the value of items received. Although you must retain receipts and acknowledgments for "cash" contributions as part of your tax records, you do NOT need to send copies to me unless you have specific questions about them.

"NON-CASH" CONTRIBUTIONS: Most charities furnish a blank receipt for "non-cash" contributions. It is YOUR responsibility to complete the documentation. Contributions of used clothing, household goods or other tangible items must be in at least "good or better" condition. I would expect the IRS to disallow such deductions unless you prepare an ITEMIZED LIST of contributed items (not simply "one bag of clothing") with the condition and value of EACH item noted. Similarly, I would expect the IRS to disallow deductions for items of minimal value, such as underwear or socks. Contributions of clothing or household items should be valued at "thriftshop" prices for items in similar condition, NOT your original purchase cost. The valuation table on the back of this notice can be used as a GUIDE, but is not guaranteed. It is your responsibility (not mine or the charity's) to determine appropriate values.

Please enclose receipts for "non-cash" contributions IF the total of all such contributions in this category exceeds \$500. In that case the receipts must be listed on your tax return. Because this results in additional tax preparation charges, I will limit your deduction for this category to not more than \$500 if the potential tax savings do not exceed the resulting charges, or if your documentation does not appear to be adequate. Note that claiming a \$100 deduction will result in tax savings in the range of \$15 - \$25 for most taxpayers. Only you can decide whether these tax savings are worth the effort required to compile the necessary documentation.

SPECIAL SITUATIONS: Special valuation, appraisal and acknowledgment rules apply to contributions of high-value items such as artwork, antiques, collectibles, stocks, real estate, automobiles or other transportation vehicles. Contributions of these items will generally require careful advance planning to assure that all requirements are met. Please contact me for additional information.

NON-DEDUCTIBLE: The following contributions are generally NOT deductible: Political contributions to candidates, issues, parties or lobbying organizations, contributions to social clubs, homeowner associations or other "not for profit" organizations that are not technically qualified as CHARITIES, the value of your own time devoted to volunteer activities (but related out-of-pocket expenses might be deductible), the rental value of property loaned to or used by a charitable organization, items that have previously been deducted as business expenses, or contributions DIRECTLY to a needy individual or fund established for his benefit (unless managed by a qualified charity).

Link to Charitable Valuation Guide: www.smbiz.com/sbrl007.html