



November 23, 2011

Dear Client,

Another year has slipped by and it's time again to think about year-end tax planning. As was the case in 2010, year-end tax planning is challenged by a highly uncertain legislative environment. Before year-end, Congress may vote on a report that could include major tax reform for 2012 and beyond. And even if there's no major tax legislation by year-end, Congress will still have to grapple with a host of thorny issues, such as whether to once again "patch" the alternative minimum tax for 2012 and what to do about the post-2012 expiration of the Bush-era income tax cuts and the rules for estate and gift taxation. Nevertheless, taxpayers can still take advantage of tax provisions that are in place this year, but are scheduled to expire on December 31, 2011 unless Congress acts to extend them.

NEW 2011 TAX LAWS

As of today, there have been no major 2011 tax reforms signed into law. We will keep you updated in the upcoming months when new legislation passes. In the meantime, we have enclosed an information sheet detailing some potential tax changes that are scheduled to take effect in 2013 and beyond.

YEAR-END TAX PLANNING TIPS

We have enclosed an information sheet that includes some routine year-end suggestions and general information. Please check our website regularly for any additional details or updates. Individualized analysis is particularly relevant for your 2011 tax planning. Please contact us to discuss your situation or for a personalized strategy.

TAX PROJECTIONS

A normal income tax projection can be done in either an office consultation, over the phone, or by email. This allows you to plan for tax liabilities, assists in deciding when your taxes need to be paid in order to avoid penalties, and what alternatives and options you have available to alter the result. This is something that can be prepared at any time during the year and can be updated as often as you desire. We use assumptions and estimates in preparing these projections, so there are no guarantees. However, it is a valuable tool to use when making an informed decision.

OTHER SERVICES

We are available for your entire professional advisory needs. Many times we can offer suggestions before you do something that may save you money. For example, we can assist you in deciding whether to exercise stock options, to purchase or sell a business or real estate and how to calculate the minimum required retirement distributions. For our business clients, we offer on-site personalized QuickBooks training and bookkeeping assistance, either on a routine basis or as a one-time consultation.

PENALTIES

You are required to have a minimum amount of withholding or estimated tax payments during the year in order to avoid any potential penalties for underpayment of your tax. As a result, it is important to review your withholding and estimated tax payments for both federal and state income taxes before the end of the year. If you do not meet the minimum amounts you should increase your withholding or make an estimated tax payment as soon as possible.

2011 MILEAGE RATES

Once again, the IRS enacted a mid-year mileage rate change due to rising gas prices. IRS standard rates are:

	1/1/11-6/30/11	7/1/11-12/31/11
Business	51 cents	55.5 cents
Charitable	14 cents	14 cents
Medical and moving	19 cents	23.5 cents

2011 IRA CONTRIBUTIONS

The 2011 IRA limit is \$5,000 (\$6,000 if you are age 50 or over as of 12/31/11).

EXTENSION REQUESTS

We will efile extension requests for all individuals whose tax information is received after **March 16, 2012**. Any income tax balance due amounts must be estimated and paid by April 17, 2012 to avoid interest and penalties. All information required for us to calculate extension payment amounts must be received by **April 2, 2012**. If you do not notify us otherwise or if we do not receive the necessary information for your extension calculation, we will automatically efile your extension request with "zero" balance due amounts.

STATE TAX RETURNS

Our tax program is capable of preparing a resident or non-resident tax return for any state. We can conduct tax interviews over the phone, communicate via email, and mail your finished tax returns by FedEx to your home or business.

SOCIAL SECURITY NUMBERS

Your full name and social security number on your federal tax return must exactly match your name and number on your social security card. If you need to make a change with the Social Security Administration, contact them as soon as possible, as it takes approximately six weeks to reflect changes.

ORGANIZER BY SNAIL MAIL

Your tax organizer will be mailed the last week of December. *Be sure that we have your current address in order to timely receive your organizer.* Send address changes to frontdesk@friedmanperrycpas.com.

ORGANIZER BY EMAIL

To receive your 2011 organizer electronically, send an email to Becky at becky@friedmanperrycpas.com before **December 9**. Even if you have requested electronic organizers in the past, please send an email to confirm that you still want one for 2011. Indicate which of the following options you prefer:

- **E-Organizer** (extremely different format from the paper organizer)
 - You will complete your organizer entirely online and email it back to our office.
- **PDF Organizer** (an exact PDF copy of your personal paper organizer)
 - You will print your own paper organizer at home and complete it by hand (unfortunately, we do not have the capability of a fill-in PDF file at this time).

NEW ONLINE NEWSLETTER! THE DEPENDENT

Our monthly newsletter includes Friedman & Perry, CPA's news, reminders of upcoming deadlines, and other tax updates. Because this is a self-written newsletter, it includes only the information that is most relevant for our clients. *Please be sure to review your email address in the organizer to ensure delivery.*

F&P STAFF HIGHLIGHTS (not to be outdone by the IRS)

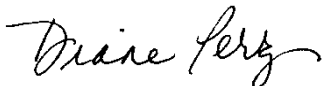
- A big round of applause to our newest firm CPA, Becky! In June 2011, Becky completed the final steps towards full licensure. In 2012, Friedman & Perry, CPA's will once again be a partnership. Despite some creative ideas for new firm names, we will be keeping "Friedman & Perry, CPA's".
- Sharon celebrated her 30th anniversary in 2011.
- Julie celebrated her 1st anniversary in 2011.
- Diane has endured enjoyed 37 tax seasons of a forever changing tax code.

HOLIDAY HOURS

We wish you and your families a very enjoyable holiday season and a prosperous new year. Our office will be closed for the upcoming holidays as follows:

NOVEMBER 23 – 25
DECEMBER 21 (at noon) – 26 and 30
JANUARY 16

Sincerely,



Friedman & Perry
Certified Public Accountants