

MAY 2005



MURPHY  
FINANCIAL  
SERVICES, INC.

# Tax & Financial Guide

Business and Personal ACCOUNTING, TAX,  
SOFTWARE & FINANCIAL PLANNING SERVICES

Second quarter tax estimates are due June 15, 2005. Get your income and expenses to our office by June 8, 2005.

Please call our office to discuss any of the items in this newsletter that may pertain to you.



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## Prepare For Disasters

Do you have an evacuation box? You could save yourself a lot of headaches in case of a casualty or disaster. Insurance and law enforcement officials came up with the idea after speaking with hundreds of victims at disaster sites around the United States.

Assemble items in an easy to carry box, such as a cardboard file box ("banker's box"). Store it as close to the main exit door as possible. It should be the first item put in the car during evacuation. Everyone in the family should know what it is, where it is and to grab it on the way out the door.

Make copies of the items listed below. Put as many on a page as possible. You will need a camera and video camera, if available, for photos of the house, vehicles and important possessions.

After you take the pictures, scan them into a computer, if possible, and make several copies. Keep one set in the evacuation box, one in your safe deposit box, and give one to a family member or friend who lives in a different city.

Items to put in the disaster box are:

**Copies of the past four years' tax returns.** Copy your complete federal and state tax returns. If you own a business, include all business tax returns (such as corporate, partnership, sales tax and payroll returns).

**Home information.** If you own your home, include a copy of the settlement statement from the closing and a list of improvements you made after the purchase.

**Personal documents.** Make copies of your birth certificates, citizenship papers, social security cards, passports, driver's license for each driver in the family, titles for each auto you own, auto leases and loan documents, etc.

**Medical, doctors, pharmacy.** Make of list of current prescriptions, medical and dental insurance cards, and names and phone numbers of your doctors and dentists.

**Family photo negatives.** Keep negatives of important family photos in the box. Special holders that fit in a three-ring binder are readily available for storing negatives.

**Film of the house.** Take photos or a video of the inside and outside of the house, as well as closets, drawers, crawl space, nooks and crannies, landscaping, shed, garage. As you record your home, read the serial numbers of all large items. If a thief breaks into the house, you will have the information needed by the police and your insurance company. Keep an extra copy of the video in the safe deposit box.

**Insurance.** Make a copy of the declaration pages of all insurance policies, including home, life, auto, and health care. Copy all insurance cards too.

**Important telephone numbers.** Make a list of important phone numbers. Include the name of the

## 25th Anniversary

Murphy Financial Services started business in 1980. We have been providing personalized taxes, accounting, payroll, and Quickbooks support for 25 years. This summer we are planning a special celebration including free food, free beverages, prizes, and fun. Watch for details in the mail.

contact person.

**Finances and fast cash.** Make a list of all investments, bank accounts, charge card numbers and other important account numbers. Include the company name, contact person and phone number.

**Immediate family and members of the household.** If possible, the box should have a recent photo, fingerprints, and dental records for each member of the household.

While this is one item no one wants to think about, it can save emergency personnel hours in identifying someone who has been seriously injured or killed in a disaster or accident.



## Tax Tips

### Home Improvements

Years ago, we all saved our receipts for home improvements.



Then the IRS changed the tax code so we stopped saving them.

Now we know that if you decide to turn your home into a rental property, you should include home improvements to have an accurate cost of your home. If you start a business and have a home office, you need the receipts to calculate an accurate cost basis for your office.

Save the receipts for any improvements, additions, or repairs. Also save the settlement statements from your home improvement loans, refinances, lines of credit, and home purchases. If you neither turn your home into a rental property nor establish

a home office, discard the receipts when you sell the property. Better safe than sorry!

### Hybrid Cars

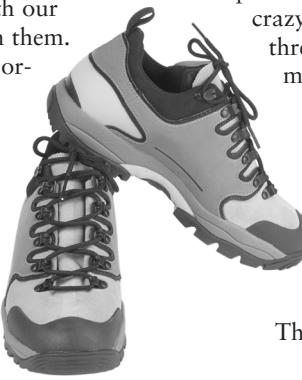
If purchasing a hybrid automobile is in your plans, 2005 is the year to make that purchase. The "clean-fuel" deduction is slated to decrease from \$2,000 this year to \$500 in 2006.



### Walk Again To Fund Breast Cancer Research

We set out to do the 60 mile Breast Cancer 3-day walk in Los Angeles last October. We trained. We managed to raise the money we needed to collect. We traveled to California to meet with our cousins and walk with them. We walked. Most importantly, we survived!

There were 1140 walkers in our event and we raised 1.2 million dollars for Breast Cancer research. In 2004, there were eight 3-day walks. It was



incredible to see so many working so hard for such a good cause.

In 2005, there are going to be twelve 3-day walks. When I finished the walk in 2004, I told my friends to slap me if I ever said I was going to do the walk again. I guess they weren't listening because I signed up to do the 3-day walk in Chicago in

September 2005. I must be crazy! I have even gotten three of my friends to join me this year.

I am again looking for donations to help me reach my goal and am willing to take your money off your hands.

If you want to join us, let me know. The more the merrier.

### Tax-Saving Information

Make sure you read mail or newsletters you get from us. They include information that may benefit *you*. Some clients come to our office to have their taxes prepared and bring their newsletters back having never been opened. Often, clients could have reduced their taxes if they had read the newsletter before the end of the year.

Remember to call our office if you plan to marry, are getting a divorce, are buying or selling a business or rental property, or plan to retire.

#### PRIVACY POLICY

We do not disclose any non-public personal information about our clients or former clients to anyone, except as instructed to do so by such clients, or required by law. We restrict access to non-public personal information only to IRS or state authorities and we maintain physical, electronic, and procedural safeguards to guard your personal non-public information.



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