

■ HOLIDAY OFFICE SCHEDULE

Our office will be closed per the following schedule:

Christmas Close at Noon on Thursday, December 23 and all day Friday, December 24

New Year's Friday, December 31

■ MESSAGE FROM EDIE YATES, MANAGING PARTNER

It has been our pleasure and privilege to serve you this year. Though we, like many, faced challenges and tough days in 2010, I am proud to say that we grew together as a team and continued our tradition of excellence in service.

The relationships we have with our clients and friends mean the world to us. We enjoy our role as trusted advisors and welcome the opportunity to help you succeed. Best wishes from our Firm for holidays that are fun, safe and worry-free. May 2011 bring with it hope, happiness, good health and prosperity for us all.



■ CONGRATULATIONS, ALLISON BROWN!



We are very pleased to announce that Allison Brown has earned her Certified Public Accountant certification with the State of Florida. Allison passed all four sections of the exam on her first try, which is quite an accomplishment!

Allison holds a Bachelor of Science degree in Accounting from the University of South Florida and is currently continuing her studies at USF working toward a Master of Accountancy degree. She has ten years of prior experience in private industry providing a variety of accounting services. Go to <http://www.bayliscpas.com/professionals> to read more about Allison and the rest of our team.

Allison enjoys providing our clients with tax, audit and consulting services and is known here for her quick wit and energy. Congratulations to Allison Brown, CPA!

■ 2011 STANDARD MILEAGE RATES

The IRS recently issued the following mileage rates effective January 1, 2011:

- 51 cents per mile for business miles driven
- 19 cents per mile driven for medical or moving purposes
- 14 cents per mile driven in service of charitable organizations

Taxpayers also have the option of calculating the actual costs of using their vehicles rather than using the standard mileage rates.

■ TAX LEGISLATION

Congress is still at work on tax legislation that will affect your 2010 tax return and tax planning for 2011 and 2012. The so-called “extenders” are individual tax incentives that expired on December 31, 2009. If legislation is passed these extenders will be retroactive to January 1, 2010 and apply to calendar year 2010. Congress is also debating whether to continue the Bush-era tax cuts through 2012. The extension of the Bush-era tax cuts affects tax planning for 2011, 2012, and beyond. For example, if an individual does a Roth IRA conversion during 2010, the tax impact of the conversion could be spread over 2011 and 2012. The success of this strategy depends on how favorable the tax rates are for these two years.

Look for our January tax alert for important tax legislation updates.

■ FINANCIAL RESOLUTIONS

The New Year is a logical time to reevaluate goals and objectives and implement change. Many experts on behavior modification recommend resolutions that have an impact and that are not so extreme that they are quickly dropped.

We hope that these tips are old news to our readers, but “just in case”, here are a few financial New Year’s resolutions to consider:

IMPLEMENT A BUDGET: Examine what you spend and create a budget that provides for necessities, extras and savings for little emergencies like car repairs, veterinarian bills, and broken appliances.

BUILD AN EMERGENCY FUND: The changing economy has significantly increased the average time between jobs. Know your monthly expenditures and aim to save cash to cover at least 6 – 9 months of expenses.

WORK TO ELIMINATE CREDIT CARD DEBT: Consistently carrying credit card debt is a sign you are living beyond your means. Stick to using cash whenever possible and create a plan to pay off credit card debt. According to Dunn & Bradstreet, people spend 12 – 18% more when using credit cards.

BE ACCOUNTABLE: Share your goals with a spouse, friend or relative. We are more likely to meet a goal when others know it has been set. It never hurts to have a sounding board for decisions and someone caring to call you out on excess spending.

PAY YOURSELF FIRST: Don’t wait to see how much cash is left at the end of the month before funding your savings. If you pay your bills automatically, set up a recurring transfer to savings along with those transactions.

BE CHARITABLE: Charitable giving has fallen in 2010 and needs are greater than ever. Give when you are able; if your beneficiary meets IRS requirements you will get the added bonus of a tax benefit.

■ CLOSING THOUGHTS

Here’s a timeless quote that we think holds true as we enter 2011:

Be always at war with your vices, at peace with your neighbors,
and let each new year find you a better man.
~Benjamin Franklin

Please visit our website at www.bayliscpas.com

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