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LAWRENCE TAX SERVICE

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A MESSAGE FROM THE LAWRENCE TAX SERVICE TEAM

Dear Clients and Friends: All of us at Lawrence Tax Service (LTS) welcome you to the New Year and the upcoming 2014 tax season.

In this edition of our annual LTS newsletter you will find a helpful reminder concerning important tax season appointments and procedures, the January Form 1099 filing season, and a reminder to review our LTS website for tax law updates. We will also provide a feature profile on our LTS Team and staff.

In addition, enclosed is your annual tax data collection organizer for your 2013 taxes. Please take extra care in preparing your organizer and documentation so we can do the best possible job to find tax benefits that are hidden in the law and protect you from more aggressive audit programs and larger penalties.

With the start of 2014 it is now time to gather your tax records for the upcoming tax filing season. Many year-end tax forms will be mailed to you shortly. Refer to the enclosed "Things to Bring List" for many of the forms we will need you to provide us for preparing your tax returns. With the advent of many new Federal and State tax treatments, our challenge as taxpayers to "do it right" has never been greater. LTS is here to help.

THE LTS TEAM: The LTS team works collaboratively throughout the year providing tax preparation and representation services for our valued clients. LTS was founded by Greg Lawrence in 1973 following retirement from his Naval career. Starting in 1983, Miles joined his father in the practice working full time at LTS before attending law school and becoming an Enrolled Agent. When Greg passed away in 2009, Miles extended partnership offers to Dick, Tom and April who, along with him, have collectively been providing preparation services to our valued LTS clients. Dick Moore, a member of the LTS Team since 2007, also operates Richard Moore Tax Services Inc with a second office in San Marcos. Dick, an Enrolled Agent since 1979, has been a practicing tax preparer since 1973 in addition to the many CFO roles he has held. Tom Rice runs Rice Tax & Books, Inc. Tom has relocated to Santa Rosa but will continue sub-contracting directly with Miles and his clients. April left LTS and now is running her own tax practice in Rancho Santa Fe while working as a corporate property manager for a client of hers. The new LTS administration and reception Team is Kim Lawrence and Rhonda Abraham who work in a support capacity for the firm along with other tax season staff during our busy filing period. Attorney Sam Edwards, while not an official member of the LTS Team, continues to operate his estate planning law practice at the same location as a fellow suite member and is the other attorney in the office along with Miles. He has been a valued resource to LTS relative to the growing tax work LTS does in the areas of fiduciary, gift and estate taxation.

Pre-Scheduled Appointment Reminder: As in prior years, for those clients needing an appointment, we have pre-scheduled your appointment and mailed these notices December 2013 to each of you based upon your prior sit down appointments history with us. Let us know if you didn't receive a pre-scheduled appointment letter or must change your appointment. The letter contained the date, time and preparer you are meeting with. We will call to remind you of these pre-scheduled appointments a week before your actual scheduled appointment this coming tax season.

Please let us know if you must change the appointment or would prefer to mail your tax data to LTS instead.

APPOINTMENTS AND PROCEDURES: The following is a brief review of the LTS policies with regard to setting appointments, our mail-in program, fees and billing, tax data collection sheets and/or Tax Organizer packages for tax year 2013, and our Privacy Policy.

1. **Appointments:** A hallmark feature of LTS is the popular two-hour appointment we like to schedule with our clients to perform the due diligence needed to prepare your taxes and achieve tax compliance while catching up socially with how the year went. Similar to the last five tax seasons, we are scheduling client appointments Monday through Saturday starting at 8:30 AM with the last appointment scheduled no later than 6 PM. Many clients have already alerted us to their preferred time and date for the 2014 appointment. Others will receive an appointment similar to that during 2013. In December 2013 we mailed out these 2014 pre-scheduled appointment letters. Should you need to change or set an appointment for this 2014 year, please contact our office. We will also call to remind you the day before your appointment.

2. **Mail-in Program:** Back by popular demand is our mail-in program which allows you to mail, email or drop off your tax data using the attached data collection sheets or tax organizer instead of setting an appointment. If you avail yourself of this program, we are offering a discount to our fees depending upon the date you get us the tax data: If received or post-marked by February 15, 2014, the discount is 20% and by March 1, 2014, the discount is 15%.

3. **Fees & billing:** We have slightly increased some hourly rates and standard fees for some forms and schedules for tax year 2013 due to the new law and schedules starting in 2013. Similar to last year we are again summarizing our fees and billing policy in the Engagement Letter we request each client to sign, date and return to LTS. Tax preparation fees are based on our minimum fee schedule that is attached to the Engagement Letter you will receive. Instead of tax preparation services, should you require tax consultation, planning or audit representation services, the fee charged will be based upon the hourly rate of the tax professional working on your case.

4. **Data Collection Sheets and/or Tax Organizer:** As part of this LTS newsletter we are including our familiar tax data collection sheets. Please fill them in and include all the documents requested on the Things to Bring List. Some clients have requested, and we have already mailed, their Tax Organizer package reflecting 2012 tax data for comparison and space to insert 2013 tax data. If you did not receive a Tax Organizer and would like one mailed to you please contact us ASAP. We appreciate clients who come prepared and organized for their tax appointment using these sheets.

5. **Privacy Policy:** The law prevents us from discussing your business with others without your permission. If you want us to talk or fax your info to others we require your written authorization.

1099 FILING SEASON IS JANUARY: Both IRS and State agencies have penalties for late or erroneous 1099's and the 2013 tax forms require an affirmative answer, under penalty of perjury, to the question if you have met your 1099 filing requirements. 1099's are required to be filed by all payers to non-incorporated entities, including individuals, where the total payments for the year were \$600 or more. January is the month to prepare and mail recipients any 1099's you must file. WORKER RECLASSIFICATION audits are also examining if someone is more properly an employee rather than an independent contractor. If you have dutifully filed 1099's on your contractors then your case is buttressed. We encourage you to file 1099's even if they are after the January deadline and may trigger a penalty. If you need help, please contact us in early January and provide your information so we can help you comply in this complicated area. Be sure to have all your contractors fill out W-9 forms and when in doubt answer the questions on an SS-8 form.

LTS WEBSITE: www.LECPROFGROUP.COM

Please periodically check out our website at www.LECProfGroup.com for copies of our mid-year email updates, annual newsletters, related tax data collection sheets, our fee schedule and the LTS Engagement Letter. The website also reports on the LTS team, appointment procedures, privacy policy, and other important information for your benefit.