

TAX-AIDE NEWS ' N' NOTES



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GREATER LOUISVILLE AREA TAX-AIDE

District Coordinator's Needed

Delores Wathen, KY AARP Tax Aide State Coordinator, has issued a plea for two volunteers to step forward and accept the role of District Coordinator.

With the resignation of **Al Eisert** and the partial retirement of **Dick Trowbridge**, replacements are needed immediately.

District 11 currently has nine sites, stretching basically east of I-65 and includes service to Henry, Oldham, Shelby and Spencer counties.

District 10 currently has eight sites and serves the area primarily west of I-65 and south of the Waterson expressway including two sites in Bullitt county.

Services for the two districts overlap and many volunteers work in multiple sites in both districts.

ERO's will now have the EFIN registered in their names to enable direct communication with the national and state organizations.

Since all local leadership positions are one year appointments, the new DC's will be contacting volunteers to be or continue as Local Coordinators, ERO's, TC's and Instructors during the next few weeks.

Some reorganization is expected and will be announced shortly. A major change from prior years will be the elimina-

tion of paper classes. All new volunteers will be trained on computers, using the IRS provided software, TaxWise.

Consideration is being given to the consolidation of several sites. The trend is to have sites open for multiple sessions each week and better utilize the equipment.

Communication Spec Needed

Wathen has indicated that there is still a need for a Communications Specialist on both the Louisville and Kentucky State management teams. Interested parties can contact her through the Louisville office at 502-394-3443.

Stats Yield Surprises for Tax Year 2009

With over three dozen major and numerous minor tax law changes, 2009 proved to be quite a challenge for preparers. The new Schedule M proved to cause the most rejects—social security recipi-

ents often were not sure if they received the \$250 in May.

With fewer preparers and one less site, Louisville area vol-

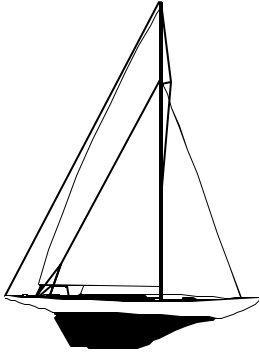
unteers stepped forward with extra days, multiple sites and longer hours to meet the challenge.

Early counts show 12,631 returns filed, almost 400 more than last year! Most of the gain coming from additional state returns. Over 89% of the federal returns were filed electronically— a new high for the combined districts.

Estimates show that almost 14,000 returns were prepared but many did not need to be filed. Always best to check to be sure rather than just guess no return was needed.

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A Reminder

News'N'Notes values your opinion so do not hesitate sending an e-mail with your comments to LouTaxAide@insightbb.com

Some more statistics

Based on 2009 e-files, the following profile identifies the filing status and various tax forms that were used this past season.

Using the primary filing status, here's how our clients filed:

59.3 % Single
30.2 % Married as joint
1.6 % Married as Single
8.8 % Head of Household

Schedules Used:

18.5 % Sch A
15.8 % Sch B
5.2 % Sch CEZ
10.1 % Sch D
8.0 % Sch EIC

85.5% using Tax-Aide filed both a state and federal return. This is a significant increase over the 75% filing state last year.

Office volunteers handled 1463 phone calls during the season as they helping clients locate the nearest or most convenient site. This is about 260 more that last year when many of the calls were handled by machine. A human voice seems to be much more friendly and callers were directed to site not only throughout the Metro area, but state-wide and across the nation.

The problem with Socialism is that you eventually run out of other peoples money

Planning for your personal return?

How About Dividends?

Some individuals make their purchases with hopes for capital growth and others are looking for dividends for current expenses.

Some have found that a good discipline is to reinvest dividends when possible. Many companies and brokers have DRIP plans that are worth looking at for regular invest-

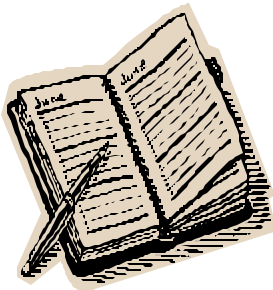
ing. DRIP (dividend reinvestment plans) can often avoid investment fees and provide an opportunity to regularly purchase more shares.

Over time, this can amount to a significant increase in the shares held and helps balance the ups and downs of the market.

By the same token, capital growth will generally

occur with well managed firms over the long haul and the dividends will also likely increase, enabling one to acquire more shares.

When the time comes, you may have accumulated a nice nest egg and then begin to take the dividends in cash when additional income is needed for current expenses. Good Luck!



Check the website for last minute changes and updates.

www.aarp-tax-aide-lou.org

What About Tax Rates???????

Who knows? If congress doesn't act, rates will increase significantly at the end of 2010.

The alternative minimum tax will hit millions of tax payers and the rate for dividends will jump from 15% to nearly 40%!

The Estate tax will be back with a top rate of

55% and an exemption of only \$1.2 million.

Tax cuts initiated in the early 2000's will return to the higher 1990's levels. Examples include a top rate of up to almost 40% on dividends and income. Capital gains will jump by 1/3 going up to 20%.

The current 10% rate will jump 50% to 15%.

These changes will happen by default unless action is taken to extend the current rates as they are or to make other significant changes to the rate structure.

Virtually every taxpayer will be affected—very possibly in an unfavorable manner. Let your feelings be known promptly.

Calendar of Events and Dates of Interest

August

Recruiting leaders. *When invited, be sure to respond "YES" promptly.*

Instructors are needed to help teach classes for paper returns and also electronic returns.

Local Coordinators (LC's) provide the leadership for the site.

ERO's (Electronic Return Originators) transmit the completed returns and oversee the e-file process at the site.

TC's (Technology Coordinators) help prepare and maintain the equipment in a year 'round role.

Important Tax Dates

Sept 15—3rd estimated payment due

Oct 15—Deadline to file for those that had extensions

Jan 15, 2011—last estimated payment for 2010 due

Yep, It's time to begin planning for Tx Yr 2010

Funding for IRS Volunteer Tax Assistance Programs

Funds are provided by the IRS to assist two major volunteer programs, Tax Counseling for the Elderly (TCE) and Volunteers in Tax Assistance (VITA).

The AARP Foundation Tax-Aide's major funding source is the IRS and was the largest recipient of TCE funds in 2010.

In total, the IRS provided grants to 24 TCE groups for a total of \$6.1 million. IRS funding for TCE was started in 1978, designated for assistance to persons age 60 or older.

\$7.44 million was provided to 147 VITA grantees. VITA grants began in 2007 although the program started in 1969 as an internal IRS program.

The combined programs filed over 2.1 million returns at almost 9,000 sites through mid-May. Of this, Tax-Aide operated over 6,000 sites and filed almost 2,000,000 returns—by far the largest and most comprehensive recipient of the IRS grants.

AARP Tax-Aide began in 1968 when four volunteers helped file 100 returns. Estimates for the current season indicate that almost

33,000 persons will volunteer at some 6,000+ sites and file approximately 2,000,000 federal returns and an anticipated 1,500,000 state and local returns.

The Kentucky Tax-Aide program is provided through 12 districts with about 90 sites.

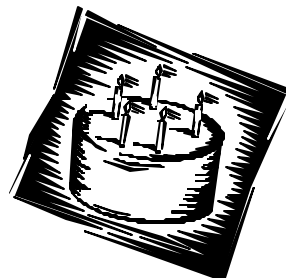
E-Filing is quickly becoming almost universal at all sites, as the availability of computers becomes more widespread. Paper preparation is still required for selected forms.

Celebrating Our July and August Birthdays

July

- 1-Stephan Samuels
- 4-Linda Horton
- 6-Mary LaDuke
- 7-Charlotte Huber & Bill Irish
- 10-Jerrye Davis
- 15-Lois Minter
- 16-Ed Hennekes
- 17-Bob Elliott
- 19-Delores Wathen

- 22-Roger Crum
- 23-Allie Phillips
- 30-George Huber



AUGUST

- 5-Dick Trowbridge
- 9-Chris Newcomb
- 10-Ian Schill
- 11-Joyce Lowe
- 14-Caroline Rosenthal
- 16-Daniel Weber
- 17-Jean Ledington
- 26-Ken Lindsey
- 29-Charls Will, Jr
- 30-Wayne Rudloff

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In Memory

We regret the deaths of four active volunteers this past year, **Chuck Blattner, Bill Long, Ronnie Gordon** and **Gordon Bell** and our very sincere sympathy is extended to their families.

All four had been involved with Tax-Aide for several years. They had carried numerous roles, including Client Facilitator, Counselor, Instructor, ERO, Local Coordinator and Technology Coordinator.

News'N'Notes is intended primarily for volunteers of the Louisville Area AARP Tax-Aide Program. Generally issued monthly from August through April and is also available on the web site under the "Newsletters" tab at www.aarp-tax-aide-lou.org.

District Coordinators—tbn

Editor—Dick Trowbridge

IBM provides \$1,000.00 Gift

We are delighted to announce the receipt of a \$1,000 gift from the **IBM** corporation. This is the result of the leadership efforts of **Dave Nuermberger**, a retired IBM employee and active Tax-Aide volunteer, serving as the ERO at LaGrange and instructing classes. He will also join our Technology crew this season.

To our knowledge, this is the largest gift ever received and designated for the Louisville districts. It is to be used primarily to purchase laptops to support the Louisville AARP Tax-Aide program.

The prior record single gift (\$500) was given a few years ago by **Honeywell** through the efforts of **Roman Rusinek**.

Both Dave and Roman have also made personal gifts.

LOYAL DONOR's

During the off season, several regular donors continued their support of the Louisville area program with gifts of equipment, parts and supplies. Included were **Larry Curtis, John Emerich, Bob Lukes, Ronald McDonald House, Dave Nuermberger** and **Dick Trowbridge**

Humor.....

Give me a sense of humor, Lord,

Give me the grace to see a joke,

To get some humor out of life,

And pass it on to other folk!

This'n'That as seen in *News'N'Notes*

It looks like the 2010 tax season will again present a broad range of new and changed tax laws.

Rumors will soon abound with anticipation so read carefully to be sure that something is actually "tax law" before accepting it for the absolute truth.

IRS.gov is the best final source for information since it is the most complete and final source for the application of new and changed legislation.

In an effort to provide early information, the IRS, Tax-Aide and TaxWise have pledged to provide detailed information as early as possible. Unfortunately, if the past is any measure, Congress can still make changes even into

early 2011 and make some things retroactive into 2010.

The present schedule calls for the IRS TCE and Tax-Aide materials to be available in mid-late November. TaxWise likewise plans to provide an early release, possibly in mid-November.

In other action, the TaxWise TWO program was well accepted by users for the 2009 season and will be available for 2010. TWO (TaxWise On Line) is available at sites that have direct high speed internet service available.

Several of our sites may be able to utilize this version during the coming season. Watch for more details and information soon.