

We'd Like to Hear From You

If you have any comments about our newsletter, we'd like to hear from you.

We would be happy to address any questions you may have regarding the topics discussed in this issue. Please contact us with any questions you may have.

If you have a topic that you would like addressed in a future edition of FOOTNOTES, please provide a brief description.

If you know of anyone who would like to receive our newsletter, please provide us their name and address.

If you have a name or address correction or would like to have a name removed from our mailing list, provide us with the current mailing label information and the changes to be made.

You may contact us by email at w@hoganhansen.com or via the telephone number or address listed below under our company logo.

This newsletter is issued quarterly to provide you with an informative summary of current business, financial and tax planning news and opportunities. Do not apply this general information to your specific situation without additional details and/or professional assistance.

HOGAN ♦ HANSEN

A Professional Corporation

Certified Public Accountants and Consultants

3128 Brockway Road, P.O. Box 240
Waterloo, Iowa 50704-0240
Phone: (319) 233-5225
Website: www.hoganhansen.com
E-mail: w@hoganhansen.com

RETURN SERVICE REQUESTED

PRESORTED
STANDARD
U.S. POSTAGE
PAID
WATERLOO, IA
PERMIT NO. 391

From the Pen of
A Partner...



Dennis is the partner-in-charge of our Mason City office and has extensive experience working with small businesses.

Economic Stimulus Package - What can I expect? This tax season almost every client had questions regarding the economic stimulus package. Following are answers to the most common questions.

- 1. How much will my rebate be? This was by far the most difficult question. With some exceptions, if you had earned income or social security of at least \$3,000 and paid less than \$300 of income tax (\$600 if married filing jointly), you will receive \$300 (\$600 if married filing jointly) and \$300 for each child claimed as a dependent on your tax return who was under the age of 17 as of December 31, 2007. If you paid more than \$300 of income tax (\$600 if married filing jointly), you will receive a rebate for the amount of tax you paid up to a maximum of \$600 (\$1,200 if married filing jointly) plus \$300 per child as described above. There are two main exceptions 1) if your income was over \$75,000 (\$150,000 if married filing jointly), then your rebate will be reduced and 2) if you were claimed as a dependent on another person's tax return, you are not eligible for the rebate at all.
2. When will I get my rebate? In most cases, if your tax refund was electronically deposited, your rebate will be deposited in the same bank account by May 15. Taxpayers who didn't have refunds electronically deposited will receive checks mailed each Friday starting May 9 and continuing for nine more weeks. Payment timing is based on the last two digits of the primary social security number on the tax return - the lower the number, the earlier the rebate.
3. Will my rebate be taxed? No, the rebate will not be taxed on your 2008 federal or Iowa income tax returns.
4. Do I need to file a return to get my rebate? Yes, a 2007 tax return needs to be filed in order to be eligible for the rebate.

If you have further questions, the www.irs.gov website is an excellent resource or feel free to call one of the professionals at Hogan - Hansen.

Sincerely,

Dennis Muyskens

Dennis J. Muyskens, CPA

Kevin Ballard
Principal

Steve Duggan
Principal

Dennis Hogan
Principal

Dennis Muyskens
Principal

Auditing and Accounting

Business Management
Consulting

Business Strategies for Taxes
& Succession Planning

Business Valuations

Cafeteria Plan Design
& Administration

Employee Benefit
Plan Services

Financial Planning

Payroll Management

QuickBooks Support

Tax Preparation



"The Power of
Success is Within
Your Reach"

The Great Iowa Treasure Hunt: Reporting and Checking for Unclaimed Property

Each year millions of dollars are turned over to the Iowa State Treasurer's office as lost or abandoned. Unclaimed property can be any financial asset that has been abandoned by its owner for a period of time specified by the law. Common types of property include uncashed checks, unused gift certificates, unclaimed wages, stock certificates, bonds, escrow accounts, dormant bank accounts, unclaimed utility refunds, insurance proceeds or refunds and forgotten safe deposit boxes.

Property often becomes abandoned when people move and forget about an account or deposit; people get a check and forget to deposit it; people move or divorce or remarry; an error causes a mailing to be returned as nondeliverable; or a person dies and relatives are often unaware of a bank account, safe deposit box or stock the deceased person may have owned.

Holders of property must make reasonable efforts to locate the owner when an account first becomes inactive, property is unclaimed or a check remains uncashed. If the owner still cannot be contacted, organizations holding unclaimed property must annually report items to the Iowa State Treasurer's office who maintains custody until the rightful owner, or their heirs, claims the property.

How long must property be held before it is considered to be abandoned?

The time period for dormancy, as set by Iowa law, is as follows:

Property Type	Dormancy Period
Wages and uncashed payroll checks	1 Year
Refunds, bond interest, court deposits	2 Years
Gift certificates	3 Years
Dormant accounts, uncashed checks and safe deposit boxes	3 Years
Stocks and dividends	3 Years

Who is required to report property?

- ◆ All business associations such as a corporation, partnership, cooperative, joint stock company, business trust or other association for business purposes of two or more individuals, whether or not for profit.
- ◆ Financial institutions including banks, credit unions and savings and loan associations.
- ◆ Utilities owned or operated for public use.
- ◆ Other legal entities including governments, political subdivisions, public authorities, public corporations, estates, trusts or any other legal or commercial entity, whether or not for profit.

When are reports due?

Reports and remittances are due November 1, annually, for property deemed unclaimed as of the previous June 30. For more information visit www.greatiowatreasurehunt.com.

How do you check for unclaimed property?

You may check for unclaimed property by visiting www.greatiowatreasurehunt.com or contacting the Treasurer's office. The Treasurer's office also has other programs to find the owners of unclaimed property, including mailings, state and county fair displays, public service announcements and publication of the Great Iowa Treasure Hunt. The State Treasurer's office provides this service free of charge. The rightful owners or their legal heirs always have the right to claim assets, and there is no time limit to file a claim.



Joint Tenancy

On bank accounts or other types of investments co-owned by two or more people, you may see the abbreviation "JTWROS." This stands for joint tenants with right of survivorship. This means the bank or other institution is treating the ownership as a joint tenancy.

Each joint tenant's interest must be equal in nature and amount (i.e., one-half interest for two joint tenants, one-third interest for three joint tenants, etc.). Joint tenants traditionally receive their interest at the same time and through the same document. However, the ownership arrangement for some assets can change to a joint tenancy by notifying the institution that you want to change the names on the account.

Each joint tenant is entitled to their proportionate share of any income earned from the property. They are also responsible for their proportionate share of expenses.

In a joint tenancy, any of the joint tenants may withdraw funds. Funds may also be subject to claims of creditors of any of the joint tenants, regardless of who put the money in.

Upon death of a joint tenant, their share goes to the surviving joint tenant(s) regardless of who put the money in. It does not pass automatically to the deceased person's heirs, relatives or persons named in their will. The right of survivorship continues until the sole owner owns all of the property.

A joint tenancy may be broken by any of the joint tenants and certain actions may break the joint tenancy and convert it into a tenancy in common so that the survivorship feature will not take effect.

A JTWROS account is very different than an account in just one name. It is usually appropriate for a husband and wife and is not usually appropriate when the intention is to allow someone else to write your checks or help with your affairs.

Reverse Mortgages



Do you need retirement income? If you own your home and are age 62 or older, one option to increase your retirement income could be a reverse mortgage.

As the name implies, a reverse mortgage is the opposite of a traditional mortgage. With a reverse mortgage, you receive loan proceeds - as a lump-sum payout, an annuity, a line of credit or a combination of all three - but make no payments as long as you reside in the property. The loan, with any accrued interest, comes due when you move out or pass away.

To qualify for a reverse mortgage, you need to be at least 62 years old and own the home outright (or have a balance that can be paid off with the loan proceeds). How much you can borrow depends on your age, the home's market value and interest rates.

Be aware that there is a downside to a reverse mortgage. Closing costs can be very steep, often over 5% of the home's value.

Federal truth-in-lending laws require lenders to provide information about interest rates, payment terms and other costs. If you're interested, shop for a reverse mortgage as you would for any other loan. Make sure the basic terms of competing loans are comparable. If you need help, give us a call.

Notable Quotes

A man's character may be learned from the adjectives which he habitually uses in conversation.

- Mark Twain

The man who smiles when things go wrong has thought of someone to blame it on.

- Robert Bloch

Never take life seriously. Nobody gets out alive anyway.

- Anonymous