



Business Accounting Measures, Inc.

"Helping you measure the heartbeat of your business"

TAX SERVICES

2007 TAX SEASON

The federal and state income tax code can be very complex and confusing. Many people are intimidated when it comes to the annual task of filing a tax return. Allow us to prepare your tax return using powerful tax preparation software that is used by many professionals in the tax industry. Whether you are looking to file an individual or a business tax return, our staff has the knowledge to provide you with professional and accurate service. We can help you with tax planning to ensure you take advantage of every tax deduction available and minimize your tax liability. Give us the opportunity to make this tax season your best ever. Contact us today!



Contact Glenda for a free consultation today.

PHONE : (757) 259-4498

FAX: (757) 259-4499

TAX DUE DATES

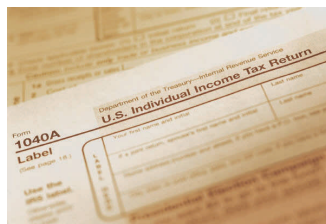
- **JANUARY 31, 2008**
EMPLOYERS W-2, 1098, 1099 FORMS (DUE TO EMPLOYEES/NON-EMPLOYEES)
- **MARCH 17, 2008**
CORPORATE TAX RETURN DUE (1120, 1120S)
- **APRIL 15, 2008**
FEDERAL INDIVIDUAL TAX RETURN DUE (1040)
- **MAY 1, 2008**
VIRGINIA INDIVIDUAL TAX RETURN DUE (760)

TAX TIP - EARNED INCOME TAX CREDIT (EITC)

The Earned Income Tax Credit (EITC) sometimes called the Earned Income Credit (EIC), is a refundable federal income tax credit for low-income working individuals and families. Congress originally approved the tax credit legislation in 1975 in part to offset the burden of social security taxes and to provide an incentive to work. When the EITC exceeds the amount of taxes owed, it results in a tax refund to those who claim and qualify for the credit. (www.irs.gov)

To qualify, taxpayers must meet certain requirements and file a tax return, even if they did not earn enough money to be obligated to file a tax return.

The EITC has no effect on certain welfare benefits. In most cases, EITC payments will not be used to determine eligibility for Medicaid, Supplemental Security Income (SSI), food stamps, low-income housing or most Temporary Assistance for Needy Families (TANF) payments. (www.irs.gov)



For the Tax Year 2007, earned income and adjusted gross income (AGI) must each be less than:

- \$37,783 (\$39,783 married filing jointly) with two or more qualifying children;
- \$12,590 (\$14,590 married filing jointly) with no qualifying children.
- \$33,241 (\$35,241 married filing jointly) with one qualifying child;
- Tax Year 2007 maximum credit:
- \$4,716 with two or more qualifying children;
- \$2,853 with one qualifying child;
- \$428 with no qualifying children.
- Investment income must be \$2,900 or less for the year.

The maximum Advance Earned Income Tax Credit (AEITC) for

Tax Year 2007 the employer is allowed to provide throughout the year with the employee's pay is \$1,712. (www.irs.gov)

A qualifying child does not have to meet the support test. Also, a qualifying child must have lived with the taxpayer in the United States for more than half the year and have a social security number that is valid for employment in the United States. A qualifying child is determined without regard to the exception for children of divorced or separated parents. If a qualifying child is married, he or she must also meet the marital status and nationality tests for a dependent.