



## Gone Phishin' – Avoiding Getting Hooked by Scams to Get Your Tax Information

By Kimberly Melski, CPA, PSA Manager

No matter how you choose to use your tax refund or economic stimulus check, one thing you do not want is someone to take it away before you even get it.

Some criminals pose as representatives of the IRS, hoping to intimidate taxpayers into giving out their personal information in order to receive their much-anticipated payment. There are different ways these imposters try to get your information. The most commonly known way is by phishing, whereby the Internet is utilized to get the unsuspecting recipient to either reply to an e-mail that appears to have come from the IRS, click on a link within the e-mail that looks like it is taking him or her to the actual IRS Web site, or even download a virus or spy tool into the recipient's computer from an important-looking attachment that gets opened, tracking keystrokes of passwords and other important information.

Past scams have utilized the telephone for criminals to contact their potential victims, pretending to be from the IRS in order to obtain information. More recently, the increasing use of Voice over Internet Protocol (VoIP) telephony has become a more sophisticated way to lull scam victims into a false sense of security. Due to the advanced technology involved, called "vishing," the calling number may appear legitimate, seemingly originating from the actual IRS offices. Software programs can also be used to create phony automated customer call center service lines for victims to call into; they are more willing to

make these phone calls because they believe they are in charge of the direction of the information, and do not realize the phone lines can actually be entirely different than what they are dialing.

Text messages may now be received by unsuspecting account holders, who are already using their cell phones to access their credit card and other financial institution accounts. Even if the intended victim does not reply, spyware may now reside in the cell phone. Protect yourself by never giving out your personal information to anyone via e-mail or telephone, unless you've verified who they really are. Remember, the IRS will never initiate taxpayer communications or request detailed personal information through e-mail. As a universal rule, you may expect that any legitimate financial organization will not use e-mails, phone calls or text messages as their primary form of information-gathering. Replying to these calls, e-mails and text messages is likely never a good idea, and never necessary.

You may report suspicious e-mails claiming to be from the IRS by forwarding the original message to: [phishing@irs.gov](mailto:phishing@irs.gov) and following the instructions listed on [www.irs.gov](http://www.irs.gov), then click on "Phishing and e-mails Scams" link. You will find other information about recognizing and avoiding scams at this link as well. Remember, when phishing – do not be the one to take the bait.



## CONTINUING ECONOMIC STIMULUS PAYMENT QUESTIONS

Throughout the Spring and Summer, eager taxpayers are looking forward to receiving their economic stimulus payments, promised to those who qualify based on income level and filing their tax returns on time. Following are the answers to the most common questions based on IRS findings:

- Typical payments are \$600 for individuals, \$1,200 for married couples, and \$300 for eligible children under 17, for those who file their 2007 tax returns. Those who do not normally file must in order to get payment; one must earn at least \$3,000 in qualifying income to receive a \$300 payment.
- An individual earning over \$75,000 or joint filers earning over \$150,000 should check the calculator on the IRS Web site ([www.irs.gov](http://www.irs.gov)) to see how much the payment is reduced as amount of qualifying income rises.
- If one files for a six-month extension for their federal tax return, the payment may still be received, but only after the return is actually filed, and this must happen by October 15, 2008.
- Payments are not taxed by the IRS.
- Date of receipt of payment depends upon the last two digits of the filer's Social Security number, and whether the filer chose to receive payment by direct deposit or not. Check the IRS Web site for arrival dates.

Finally, beware of the increased number of scamsters trying to get personal financial information while pretending to assist in receiving the economic stimulus payments. Do not give out personal information to any non-trusted source (see feature article on Page 1).

## IRS MILEAGE RATES INCREASED FOR 2008

The IRS has announced that the mileage rate for business miles driven has increased from 50.5 cents per mile, to 58.5 cents per mile *during the period of July 1, 2008 to December 31, 2008.*

## CAPITAL GAINS / QUALIFIED DIVIDEND ZERO TAX PLANNING

Beginning in 2008 and continuing for 2009 and 2010, taxpayers may have an opportunity to pay zero percent tax on any long term capital gains (LTCG) and qualified dividends (QD) that fall in the current 15% or 10% bracket.

Prior to 2008, these items (LTCG and QD) were taxed at 5% if amounts fell into the 15% or 10% bracket. For example, in 2007 the 15% bracket for married/joint taxpayers ended at taxable income of \$63,700. Taxable income is computed by subtracting deductions and exemptions from gross income. Assume a married taxpayer's taxable income is \$75,000, and of that amount \$25,000 is LTCG and QD. First, the lower taxed items are subtracted from taxable income to determine the remaining amount subject to ordinary tax rates. In this example, it is \$50,000 (\$75,000 minus \$25,000). Since \$13,700 (\$63,700 - \$50,000) of the 15% bracket has not been used, that amount of the LTCG and QD is used to fill the remainder of the bracket. The tax at 5% is \$685 (\$13,700 x 5%). The remainder of the LTCG and QD of \$11,300 (\$25,000 less \$13,700) is taxed at 15% or \$1,695.

For 2008, the married/joint 15% bracket ends at a taxable income of \$65,100. Assuming the same amounts as above, \$15,100 (\$65,100 less \$50,000) is needed to fill the remainder of the 15% bracket. The tax on the \$15,100 LTCG and QD is ZERO. The remaining \$9,900 of LTCG and QD is taxed at 15%, or \$1,485.

Careful planning now is needed to take advantage of this current and future opportunity. Some cannot take advantage since their ordinary income (e.g., W-2 income) puts them well above the 15% bracket. In that instance, all LTCG and QD are taxed at 15%. Others, especially those contemplating or just starting retirement, may have some opportunities. Further information may be found in an article co-authored by Dr. Alan Sumutka, "Planning for the 2008-2010 Zero-Percent Adjusted Net Capital Gain Rate," currently posted on the Curchin Web site at [www.curchin.com/resources.htm](http://www.curchin.com/resources.htm), with the heading "12/2006 - Navigator Capital Gains Reference."

In addition, the zero percent tax does not apply to those dependents subject to the expanded "kiddie tax." Beginning in 2008, dependent children up through age 24 are now subject to the kiddie tax. The kiddie tax applies when investment income exceeds a certain threshold, \$1,800 for 2008; the amount in excess of the threshold is taxed at the parent's tax rate.

Finally, depending on the outcome of the Presidential election in November, there is no guarantee that the reduced tax rate will remain in place through 2010. For any questions or additional information, please contact Tax Partner Peter Pfister at The Curchin Group at 732.747.0500, or [ppfister@curchin.com](mailto:ppfister@curchin.com).



## CURCHIN PARTNER HONORED WITH PRESIDENT'S AWARD FROM NORTHERN MONMOUTH CHAMBER OF COMMERCE

Partner Lynn Conover was presented the President's Award at the Northern Monmouth Chamber of Commerce's 12th Annual 2008 Crystal Beacon Awards Dinner on May 15, 2008. The award is given to a person who serves the Northern Monmouth community, which Lynn has done for several years, most recently serving as the Northern Monmouth Chamber's Treasurer.

LYNN CONOVER



## CURCHIN EMPLOYEES NAMED DIRECTORS OF NJ SOCIETY OF CPAS

Roy Kvalo, CPA/ABV, CVA, Director of Litigation & Valuation Services, and Mike Adago, CPA, Senior Accountant, have been named as directors of the Monmouth/Ocean chapter of the New Jersey Society of Certified Public Accountants. Kvalo and Adago will serve three-year terms as directors. The nonprofit NJSCPA is comprised of over 14,500 CPAs across New Jersey for the purpose of increasing professional development and volunteer involvement.

# MARK YOUR CALENDARS

WE HAVE MAJOR EVENTS PLANNED FOR THE FALL. PLEASE MARK YOUR CALENDARS NOW!



## The Third Annual Curchin Open

Back by popular demand – The Third Annual Curchin Open miniature golf tournament for charity. Come putt around with us at our Red Bank office to help raise money for Holiday Express and Spring House. As always, we will have a nine hole miniature golf course, refreshments, prizes, and a scratch-off Fantasy Golf competition.

Date: September 23, 2008

Time: 3:00 - 7:00 p.m.

Place: The Curchin Group, 125 Half Mile Road, Suite #108, Red Bank, NJ 07701

If you are interested in sponsoring and/or attending the event, please contact Peter Pfister at [ppfister@curchin.com](mailto:ppfister@curchin.com) or at 732.747.0500.



## Annual Curchin Tax Round-Up

Don't wait until Winter 2009 to learn about how recent legislation, and possible outcomes of the November national elections, will change your 2008 tax position. Join our presenters, Curchin Partners Lynn Conover and Pete Pfister, and the rest of the Curchin team at our Annual Tax Round-Up for a brief presentation, question and answer session and light refreshments.

Date: October 22, 2008

Time: 6:30 - 8:00 p.m.

Place: The Lincroft Inn, 700 Newman Springs Road, Lincroft, NJ 07738

For further information and to confirm date and time closer to the event, please contact Lynn Conover at [lconover@curchin.com](mailto:lconover@curchin.com) or at 732.747.0500.



## FEATURED EMPLOYEE KIMBERLY MELSKI



From left to right: Scott, Scotty and Kim Melski

"I'm most happy with the family atmosphere, and the sense of team both with the whole staff, and with our clients," explained Kim Melski, when asked what she likes most about being at Curchin. Melski was hired as a Manager almost two years ago, handling mostly small business consulting, tax and audit work.

Kim's philosophy of accounting attempts to debunk the myth that accountants are only busy during tax season. She prepares herself and her clients by constantly learning; keeping an eye on changes to tax laws, audit pronouncements, client and personnel needs, the economy, and even life changes. Kim believes, "having a handle on your personal and business finances is always a work in progress; being proactive is so much better than being reactive, and is a lot less stressful."

Outside of the office, Kim's focus is on her family – husband Scott and son Scotty. She coaches Scotty in T-ball, reads when time permits, and enjoys playing miniature golf with her husband and son at the family-owned Hole In One Miniature Golf and Pizza.



# CURCHIN

Celebrating over 50 years in Monmouth County, New Jersey, The Curchin Group helps small to mid-sized businesses and individuals reach their financial goals through providing a broad range of Assurance; Tax; Financial Planning; and Business Advisory Services. The firm is dedicated to giving solid financial advice, sustaining long-term relationships with its clients and employees and giving back to the surrounding community. For more information about Curchin, please contact Bob Fouratt at 732.747.0500 or [bfouratt@curchin.com](mailto:bfouratt@curchin.com)

From left to right: Lynn Conover; Dave Ferullo; Peter Pfister; Bob Fouratt; Carolyn Kvalo.

## **The Curchin Group LLC**

**Assurance Services :: Tax :: Financial Planning :: Business Advisory**

125 Half Mile Road, Suite #108 / Red Bank, NJ 07701

Tel. (732) 747-0500 / Fax. (732) 747-7700

[www.curchin.com](http://www.curchin.com) / [info@curchin.com](mailto:info@curchin.com)



**CURCHIN**

125 Half Mile Road, Suite #108  
Red Bank, NJ 07701