

NEXT MEETING

Monday,
Mar. 17, 2008
7:00 p.m.

Fort Stephenson
House
600 W. State St.
Fremont



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DO YOU HAVE SMALL CLAIMS OR EVICTION QUESTIONS?

WANT MORE INFORMATION?

**Monday February 18th at 7:00 p.m.
is the date to get it!!**

Our upcoming S.C.A.R.E.I.A. meeting, which will be held at Fort Stephenson House in Fremont, is where you can learn all about these proceedings and many other useful items from the honorable Judge John Dewey.

Judge Dewey is currently the presiding judge in Sandusky County Court #1 located in Clyde, where he has held this position since 1975.

John also has a private practice along with his brother Tom - Dewey and Dewey, located at 107 N. Main St. in downtown Clyde. They are the fourth generation to work in this practice which was started 1906. John began his practice in 1972 after graduating from the Ohio State University Law School. He grew up in the Clyde area, graduating from Clyde High School in 1965, and is married with two children.

As judge in Sandusky County Court, John hears small claims cases with a maximum claim of \$3000. He also hears civil claims cases for up to \$15,000. In addition to his courtroom duties, John handles almost all aspects of real estate in his private practice, including purchase agreements, deeds, title examinations, evictions and annexations.

John is currently running for judge in Common Pleas Court. This is a great opportunity to not only hear about small claims and how to be better prepared to present your case, but also to meet a candidate for the upcoming election.

TAX GOOFS MANY OF US KEEP MAKING *By Jeff Schnepfer*

Year after year, the IRS sees Americans committing the same sorts of mistakes on their returns. Many of these errors are easy to avoid; some are more complicated. Your income-tax return can inflict a special kind of pain when you make a mistake. Even a simple error can cost you time, aggravation, stress and, yes, money. So doing your return dispassionately and carefully is a must.

The Internal Revenue Service says taxpayers make some mistakes again and again. If you can keep from making them, you'll avoid much of that lost time, aggravation, stress and lost cash.

Here, according to the IRS, are the 10 most common taxpayer mistakes:

Claiming the wrong filing status

Sorry, you can't just choose to file single or married. Your marital status is determined as of Dec. 31. Anything before that date really doesn't matter for tax purposes. You file either jointly or married filing separately. You may qualify for "head of household," but you have to satisfy all the requirements. You don't qualify just because you consider yourself the head of your household. Claiming the wrong status could kill your eligibility for the child tax credit, the earned-income credit and exemptions for dependents. Check out the instructions for Form 1040 for detailed information to help you select your correct filing status.

Omitting or using wrong Social Security numbers

The Social Security numbers you list for your dependents, the earned-income credit and the child tax credit must match your dependents' Social Security cards. Otherwise, the IRS computers will reject your credits and deductions. If you're still doing your return by hand, put down that stone tablet you're reading and pay attention. Make sure your handwriting is legible, at least on your tax return. Although to be fair, I suspect that many of these mistakes attributed to taxpayer error actually result from bad inputting by the IRS.

Failing to use correct forms and schedules

Think of the IRS as a vast bureaucracy that responds to the dictates of an outdated computer system for audit direction. You don't want to anger the computer gods. If you file your employee business expenses on Schedule A without attaching Form 2106, the computer's going to click. The more the computer clicks, the more likely that you will get audited. So, be nice to the computer. Correctly file all of the appropriate forms.

Failing to sign and date the return

This one is easy. If you don't sign the return, you haven't filed. Both spouses must sign a joint return. If you haven't filed, you're going to be subject to all kinds of penalties, not to mention interest on any amounts not paid in full. The only reason *not* to sign the return is if the numbers on it would constitute perjury. Do you think the IRS wouldn't notice?

Claiming ineligible dependents

When the IRS started requiring Social Security numbers for claimed dependents, millions of dependents disappeared. I suspect most of them sulked back to their doghouses, flew to their bird cages or jumped back into their aquariums.

In any case, the qualification criteria to claim a dependent are technical and very specific. With nontraditional families, there are the exceptions, the exclusions to the exceptions, the exceptions when the exclusions don't apply and the special rules for the third Wednesday each month.

You'll have to meet each of at least four qualifications. Follow the flowchart in the instructions for your Form 1040. But it's not simple.



Even a simple error can cost you time, aggravation, stress and, yes, money.

TAX GOOFS MANY OF US KEEP MAKING (continued)

Misusing -- or not using -- the earned-income credit

This one I blame on Congress. It's a provision to help the poorest in our nation, but lawmakers designed it to be one of the most convoluted provisions in our tax code. It's so bad that the IRS reports failure to claim the earned-income credit as its No. 6 top taxpayer mistake and incorrectly claiming the credit as No. 7. Lots of crooks -- and unwitting but misinformed taxpayers -- illegally claim the credit. Many of those whom the credit was designed to aid lack the tax sophistication or the dollars necessary to hire a professional to claim those dollars.

Failing to report domestic workers

Even if you don't want to be a Supreme Court justice or the U.S. attorney general, you still have to pay the payroll taxes on your nanny, housecleaner or in-home caregiver.

Sorry, it's the law. If you pay \$1,500 or more in 2007 (or \$1,600 in 2008) to any one household employee, you're going to have to withhold, and match, both Social Security (6.2%) and Medicare (1.45%) taxes. You must file Schedule H to compute and report the liability.

You'll owe federal unemployment taxes if you pay wages of \$1,000 or more in any calendar quarter to household employees. You may also owe state employment and disability taxes.

If you pay certain related parties, or employees under age 18 who qualify, you may escape liability.

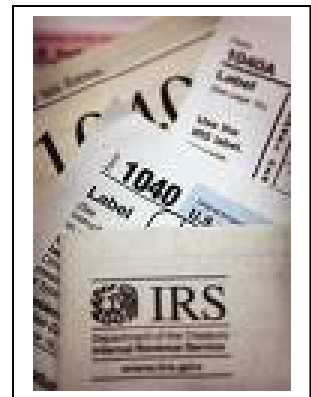
Failing to report all income

You can't avoid reporting all of your income just because you don't get a W-2 form or a 1099. Not all income is reported on 1099s. That doesn't excuse you from having to pay tax on it. The fact that there's no reporting to the IRS doesn't prevent the agency from auditing your receipts and reconciling your bank deposits with your reported income. Unreported income can lead to civil and criminal sanctions. I don't care how lucky you feel. The potential consequences aren't worth the risk.

Failing to check for the alternative minimum tax

The AMT, or "awfully mean tax," was created to catch high-income taxpayers who used allowable deductions and credits to wipe out too much tax liability. It's an alternative computation of your tax, with different deductions, add-backs and flat rates. You pay the higher of your regular tax or that computed under the AMT. Unfortunately, because it hasn't been updated to reflect inflation since the original bill was passed, the AMT has been projected to hit about 19 million families in 2007, including 64% of households earning \$100,000 to \$200,000. You might not think you're a victim, at least until you get that letter from the IRS with penalties and interest. The IRS has an AMT estimation calculator on its Web site, but, to be sure, run through Form 6251.

Jeff Schnepfer is the author of the best-selling "How to Pay Zero Taxes," which is in its 15th edition. He has written several other books on finance and taxation including "TurboTax Deluxe," "How Much is it Worth? Asset and Business Valuation," "The New Bankruptcy Law: A Professional Handbook" and "Inside the IRS, How it Works (You Over)." A former professor of taxation, accounting and finance, Schnepfer has argued before the U.S. Supreme Court and has appeared on numerous national and local television programs.



Check out the instructions for Form 1040 for detailed information

Increase Your Bottom Line with Coin-Operated Laundry Machines

By Bill Lederer - Fellow Landlord and Founder of CompleteLandlord.com

Owning your own laundry machines can be a profitable venture if you are willing to invest the time and money.

Choosing reliable machines is your first decision, and perhaps the most important for long-term profitability. Do some research and select your machines carefully before you buy. Visit the coin-operated Laundromats in the area of your property to see the types of machines commonly used, and talk to the owners, if possible, for their opinions. Ask questions about durability, reliability, utility consumption, parts availability, service availability, warranty, cost and performance. Also, consult other property owners and various online sites for machine and brand reviews.

Once you have purchased your machines, you will need to set rates. Consider charging 10 to 25 cents more than local laundry mats. Most tenants will gladly pay the small extra cost for the convenience of doing laundry in the building.

If your rates are set properly, the income you generate should pay for itself approximately within a year. If your returns are not what you expected, consider shutting off the hot water for the machines to allow for cold washing only. The heat for hot water generally accounts for 75 to 90 percent of all energy used to wash clothes, so a cold-washing policy can save you a good deal of money on utilities and help the environment.

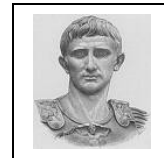
Coin-operated laundry machines can be a great way to increase your bottom line and provide a convenient amenity your tenants will surely appreciate.

With the Right Mindset, You Can Overcome Any Problem

Don't dwell so much on a problem that you've exhausted yourself before you can even entertain a solution. It just doesn't make sense. It takes brainpower and energy to think positively and creatively -- and to see creatively and positively. Going negative is the easy way, the lazy way. Use your brainpower to focus on positives and solutions and your own mindset will create your own luck.

Shakespeare put it this way, in a famous quote from Julius Caesar:

"The fault is not in our stars, dear Brutus, but in ourselves."



That's a clear message. We are responsible for ourselves. We are responsible for our own luck. What an empowering thought! If you see responsibility as a bum deal, then you are not seeing it for what it really is -- a great opportunity.

Let's say you're facing some big challenge today. I can tell you right now you've got a lot of company. What will separate you from the complaining crowd will be how you choose to look at your situation. If you believe you are in control of it -- and you are -- you will know exactly who to look for when you need help: yourself. You could be your greatest discovery yet for success, luck, power, and happiness.

When I encountered enormous financial challenges back in the 1990s, I was mature enough to assume responsibility and know that the problem was mine. I knew it wouldn't do any good to blame other people. That would be a waste of time, and that's one kind of loss I don't like. Time is something that cannot be replaced. If you find yourself slipping into the blaming others mode, get out of it quickly.

Give luck the chance it needs to play itself out in your life. No one can do it for you. As soon as you discover that luck is yours to create, you'll be thinking and seeing things in a whole new way. So work hard, have fun - and good luck!

7 Strategies for Controlling Clutter

Are you struggling to get more done every day and yet running into obstacles that keep you from being as productive as possible? Where is the clutter in *your* life? It could be:

- a mental overload
- a surfeit of activities
- stacks of papers
- a barrage of email
- the corner of your garage



Whether you are facing piles of paper or the overload is hidden in your email inbox, you know it is something that needs to be tackled, and it nags at you. Those little guilt feelings at not getting around to clearing things out end up sapping your energy. If this describes you, follow these seven steps to gain control:

1. ***Break the task into manageable pieces.*** If it took ten years to accumulate, do not expect to deal with it all in one day. Schedule small blocks of time on your calendar.
2. ***Make sure everything has a home.*** You have to make a decision on each item. Having a specific place for everything gives you structure.
3. ***Store like items with like items.*** When you keep all of one type of item together, you know how many you have and where to find them.
4. ***Store things where you will use them.*** You need to select a logical home. Otherwise the clutter will accumulate again because you will leave an item where you use it.
5. ***Contain it.*** A container can be as small as a paper clip holder or as large as a room. Only keep what will fit. This helps you set boundaries.
6. ***Get rid of excess.*** Options include selling, donating, recycling, giving away, and tossing. Keep a donation box handy all the time.
7. ***Create systems.*** The real key to getting organized and staying organized is to create a system that works for you and stick to it.

These strategies apply whether it is an organized office you seek or cleared spaces at home. Your mental outlook will improve, and your daily productivity will soar!



Special thanks to our January speaker - Don Corley, Housing Development Coordinator for WSOS Community Action Commission. WSOS development efforts include: Pursuing and securing traditional housing resources such as CHIP, providing planning assistance to local governments for CHIS, providing assistance with the help of CHIP funds for housing rehabilitation, home repairs, down payment assistance, and home buyer education. WSOS has obtained more than \$24 million in funds since 1981, resulting in more than 1500 units of rehab repair and other assistance.

Rental Activities in Fremont/Sandusky County include rental rehabilitation funded under the Community Housing Improvement Program. Tenants must meet income criteria, the landlord must make a financial match commitment, and the scope of work must comply with residential rehab standards. The loan is deferred, and the landlord must commit to rent the property for 10 years, at which time the loan may be forgiven.

WSOS is working to achieve Green Design and a sensible approach for income limited customers. Energy efficiency creates more affordability.

2007 S.C.A.R.E.I.A. Board Members

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419-265-8274

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419-547-8127

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419-

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Programs: Harry Aspacher

For further information,
you may contact
any of the Board
Members at any time

About Our Organization...

SCAREIA was organized in October 2005. Our primary focus is to share information, to help educate and to motivate our members in their successful real estate endeavors.

Anyone interested in Real Estate Investing, whether you are just beginning or a seasoned investor, are welcome to join.

SCAREIA meets the 3rd Monday of every month at 7pm. Meetings are located in the basement of the Fort Stephenson House, 600 W. State St., Fremont, Ohio.

What's new with SCAREIA??

Check out our website: www.scareia.com

Have you filled out your Member Access Form, so that you can have access to our "Members Only" section on the SCAREIA website? Contact any board member to find out how.

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