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Blogs

[990taxhelp.com](#) - A blog for executive directors, board members, or persons responsible for submitting IRS Form 990.

[Thefaithfulsteward.com](#) - Church and ministry accounting and finance blog.

[The40kcpa.com](#) - A blog for plan sponsors of employee benefit plans.

March, 2011

IRS Audits On The Rise!

The IRS now has "new and improved" systems for matching information forms to YOUR tax returns, resulting in a sharp increase in IRS inquiries and audits in recent months. Because of this increased risk, you may find that your Salmon Sims Thomas tax preparer is more insistent regarding the need for support, verifiable documentation of transactions, and copies of information reports filed with the IRS, rather than simply accepting the handwritten amounts provided by you in your organizer.

Additionally, your preparer may ask you to sign **Form 2848 - Power of Attorney and Declaration of Representative**. This will allow your tax preparer to contact the IRS on your behalf and request a transcript of data for the current tax year, which will enable us to ensure that all the income reported to the IRS is also reported on your tax return. This will alleviate the "matching" issue, thus you will avoid receiving an IRS "inquiry", which can easily turn into a full-blown audit.

If you have any questions about this process, please contact one of our tax specialists listed below.

[Lisa Potter](#) 972-341-9544

[Jackie Miller](#) 972-739-1256

[Carla Medrano](#) 972-739-1266

[Rachel Alexander](#) 972-739-1251

Cost Segregation: Increase cash flow. Accelerate depreciation. Reduce taxes.

As your financial advisor, we are always looking for ways to save federal income tax. One often over-looked method of tax savings is a cost segregation study. **Cost Segregation** is a strategic tax savings tool that allows companies and individuals, who have constructed, purchased, expanded, or remodeled any kind of real estate to increase cash flow by accelerating depreciation deductions and deferring federal and state income taxes. Tenants that have made significant investments in leasehold improvements can also use this incentive to improve their cash flow and reduce their taxes.

The benefits of cost segregation are:

- Generates an immediate increase in cash flow through accelerated depreciation deductions.
- Reduces income taxes and can also reduce real estate property taxes.
- Provides an easy opportunity to claim 'catch up' depreciation on previously misclassified assets.
- Provides an independent third-party analysis that will withstand IRS review.

Any structure used for business, or as rental property, can be eligible for the benefits of cost segregation. Other projects benefiting from cost segregation include shopping malls, airports, sports facilities, driving ranges, resorts, health care facilities, and industrial buildings.

Please [contact us](#) for a costs to benefits analysis of your potential income tax savings. For more information contact [Ron Salmon](#).

Bill Sims appointed to TSCPA Board

Bill Sims was elected to serve on the board of the Texas Society of CPAs (TSCPA). Bill was appointed by the Dallas Chapter of CPAs to serve for a 3-year term starting June 1, 2011. The criteria for selection includes involvement in the Chapter's activities and ability to represent the Chapter at the State level.



Carlos Sanchez joins team as staff auditor



Carlos is a member of the SST's career school team. Carlos comes to the firm with a strong background in career school accounting and finance. He served as controller for Computer Career Center (later renamed Education Futures Group) in El Paso, Texas, and corporate controller for Shelton Ogle Enterprises, a group of cosmetology schools in the Dallas/Fort Worth area. During the seven years he worked for

career schools, Carlos had the opportunity to learn about processes and procedures, financial aid, admissions, marketing and operations. He is a great asset to our team!

Where did you receive your degree?

I have a Bachelors degree in Business Administration with an Accounting major from the University of Texas at El Paso (UTEP). I graduated in May 2002.

Why did you choose to major in accounting?

Accounting is a great field because it offers many career opportunities and industry choices. As an accountant, I also have had the good fortune to be part of teams that are involved in making important business decisions and learn other areas of

business such as human resources, operations, and marketing to name a few.

Would you like to expand on why you choose to work at SST?

I believe learning is a lifetime process, and it should never end. SST provides a great opportunity to keep learning more about all aspects of accounting. To be completely honest, one of the most important reasons I choose SST is the people and the great culture.

What do you do in your free time/hobbies?

In my spare time, I spend quality time with my wife and daughter. I enjoy watching movies, reading a good book and playing soccer among other things. But mostly, just spending time with my loved ones is top priority.

We appreciate your business and look forward to another great year!

Focused on your success!

Salmon Sims Thomas

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