



Lake Lines

News From The Lake Sovereign Neighborhood

Cherokee County's Premier Private Lake Community

Newsletter Date

Mar-Apr 2007

President's Message.....

New Beginnings

Spring has arrived in all its' glory. Trees are blooming and the flowers are beginning to flaunt their beauty. I always look forward to spring because of its' vibrant contrast to winter. In essence, each spring brings forth a new beginning.

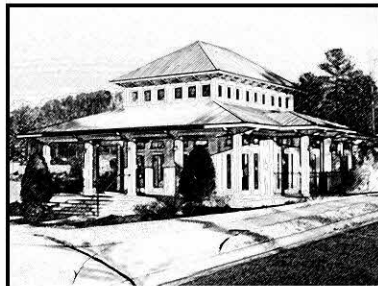
With that thought in mind, I wanted to offer my sincere thanks to you that make up this wonderful neighborhood. This newsletter will represent the last time that I am writing you as President of the Lake Sovereign Home Owners Association. On March 29, 2007 during our annual meeting, we elected two new directors. Congratulations to Phylis Lea and Peter Pauline for being elected for a two year term. At the end of the meeting the Board appointed a new President, Jim Derr and new Vice President, Louis Tooker. I would like to thank all those who attended and I encourage you to tell your neighbors about all we discussed. It was the most important meeting we ever had since our community began. We discussed extremely important issues that we currently face as homeowners.

It has been an honor to serve this community for the past two years. Many thanks go to the current Board and the Committee Chairs for taking care of business in my absence. An accident in early January sidelined me for much of this current year. Numerous hospital stays and weeks of rehabilitation has occupied most of my time. Many of you that knew of my ordeal have said prayers on my behalf. For that I am forever grateful.

Well enough about me. Lets' talk about you. With this new beginning, there will be plenty of opportunity for you to get involved. We have committees that need your help. We want to hear from you. Our goal is to serve the neighborhood and to keep it a safe and beautiful place to live and enjoy. New opportunities and challenges exist. These will need to be met head on. Don't be one of those that sit on the sidelines. Get into the game. If we play as a team, we will have victory. If we stand divided, we will face certain defeat. Together, we all can make a difference.

With that said, Thanks for the memories and may each one of you be blessed.

GARY W COPELAND



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Fun Facts

- People who drink coffee are less likely to commit suicide than people who don't drink coffee.
- The catfish has over 27,000 taste buds - more than any other animal.
- Mexico City has more taxicabs than any other city in the world.
- Men get hiccups more often than women.
- Atlanta has a law that it's illegal to tie a giraffe to a telephone pole or street lamp.

55 MOST COMMONLY OMITTED TAX DEDUCTIONS

The following list contains 55 deductions that are often overlooked. The list is meant to serve as a quick-reference checklist. It's neither all-inclusive nor are all the items applicable to everyone. Your specific circumstances will determine which deductions you qualify for.

MEDICAL

1. Contact lenses
2. Insurance for contact lens
3. Hearing aids
4. Contraceptives, if by prescription
5. Alcoholism and drug-abuse treatment
6. Lead paint removal
7. Orthopedic shoes
8. Special schools for a handicapped child
9. Special equipment for the disabled or handicapped
10. Self-employed persons can deduct 30% of health insurance premiums paid for themselves and their dependents
11. Travel mileage related to medical treatment (ten cents per mile)
12. Special foods prescribed by your doctor and taken in addition to your normal diet
13. Lodging while away from home under medical care
14. Prescription drugs

TAXES:

15. Personal property taxes on automobiles
16. Self employed persons can deduct half of self employment tax
17. Foreign taxes

CHARITY:

18. Out-of-pocket expenses relating to charitable activities
19. Standard deduction of 12 cents a mile for use of your auto in charitable activities
20. Parking and tolls when using your auto in charitable activities
21. Fair market value of items given to charities
22. Appraisal fees paid to value property donated to charities

INVESTMENTS:

23. Penalty on early withdrawal of savings
24. Safe deposit boxes
25. IRA trustee's administrative fees if billed separately
26. Failing to add the amount of reinvested funds (e.g., dividends) to your cost when computing gain or loss on the sale of mutual funds
27. Worthless stock or securities

55 MOST COMMONLY OMITTED TAX DEDUCTIONS (cont)**CASUALTY:**

- 28. Theft or embezzlement losses
- 29. Casualty losses

WORK-RELATED:

- 30. Business tools
- 31. Dues to labor unions
- 32. Employment agency fees
- 33. Uniform and work clothes
- 34. Newspapers and trade publications that you purchase to check employment ads
- 35. Education that maintains and improves your skills
- 36. Employee contributions to state disability funds
- 37. Business gifts to a maximum of \$25 per recipient
- 38. Cellular telephones
- 39. Passport fees for business travel
- 40. Cleaning and laundry bills when on a business trip
- 41. Resume preparation costs in connection with a search for a new job in your present occupation
- 42. Travel expenses (local and out of town) in connection with a job search for a new job in your present occupation ... even if you don't get the job

MISCELLANEOUS:

- 43. Mortgage prepayment penalties
- 44. Gambling losses to the extent of gambling winnings
- 45. Points or origination fees on a mortgage to purchase a residence
- 46. Accounting fees for tax preparation
- 47. Fees paid to financial planners
- 48. Depreciation on home computers to the extent used for business or investments

CARRY - OVER ITEMS: these are items weren't deductible in prior years because of limitations on the amounts permitted to be deducted in that particular year but that could be carried ahead and deducted in subsequent years:

- 49. Capital losses carry forward
- 50. Investment interest
- 51. Charitable contributions
- 52. Equipment expensing election
- 53. Alternative minimum tax credit
- 54. Business operating losses
- 55. Passive losses



TOP TEN TAX TIPS

Take advantage of the top ten tips for maximizing your deductions.

1. The best income tax tip for most people is to maximize your 401(k) deductions. The deductions lower your taxable income and all earnings are tax-deferred until distributions are received after your retirement. If your employer offers a matching contribution, you have an immediate tax-deferred return on investment as well as a reduction of your wages on your W-2. Another benefit to consider is that any money in your 401(k) account is protected by law against creditors. So if you are ever hit by a lawsuit or have to file bankruptcy, your 401(k) money is safe. CAUTION: IRAs do not have the same protection against creditors that 401(k) plans have
2. Convert non-deductible interest expense such as interest on credit cards and automobile loans into deductible home mortgage interest. You can deduct the interest on a home equity loan or line of credit on Schedule A of your 1040, and the interest on your home equity loan is deductible no matter how you used the loan money. One item to note is that if your home equity loan is over \$100,000, the deductible interest expense is limited to the interest on the first \$100,000 of your loan. CAUTION: Consider the loan fees and compare interest rates when deciding if it makes sense to convert non-deductible loans into deductible home equity loans.
3. Consider a qualified state tuition program. www.savingforcollege.com has a great analysis of all the different states that offer qualified tuition programs. States such as New Hampshire and Utah allow residents and nonresidents alike to participate in their program and attend college anywhere in the United States. The tax advantage is that the investment grows tax-deferred until the child goes to college and the child will usually be in the lowest tax bracket when income on the accumulated earnings does have to be recognized upon distribution of the earnings to pay for college. Qualified state tuition programs are great for high-income taxpayers and people who want to invest large amounts for their child or grandchild's education. Some states also offer tax breaks for residents of their state. Some states do not have very good qualified tuition programs, so check out your state's program at savingforcollege.com, then check out other states programs that allow for nonresident participation.
4. Donate stock instead of cash to your favorite charity. If you hold publicly traded stock that has gone up in value, you can get a charitable deduction for the full value of the stock and avoid paying any capital gain tax. EXAMPLE: You donate 100 shares of Company X that you purchased two years ago for a total of \$3,000 but which had a value of \$13,000 on the day the donation was made. By donating the stock directly to the charity, you get a deduction of \$13,000 and you avoid paying tax on the \$10,000 capital gain you would have recognized if you had sold the stock. CAUTION: You must give the stock directly to the charity. Don't sell the stock and give the money to the charity.
5. Deduct the loan interest on your RV, camper, or even your boat. You are allowed to deduct mortgage interest on your primary residence and one other residence. The definition of what constitutes a residence is very broad and includes RV's, campers, and boats as long as they have cooking, toilet, and sleeping facilities.

