

# The State Port Pilot Business

## Money Management

### Avoiding tax filing errors

Mistakes on your tax return can result in processing delays, costly penalties and even unwanted Internal Revenue Service (IRS) inquiries. That's why it's important to review your tax return thoroughly.

Don't know where to begin? Here's a checklist of items the North Carolina Association of CPAs suggests you review before mailing your return. Take the time to check it twice, and you may avoid some of the mistakes hundreds of taxpayers make every year.

1. Use correct Social Security numbers. It's easy to transpose numbers or leave one out altogether. That's why you should make sure you list the correct Social Security numbers for you, your spouse and your dependents, as well as your child-care provider if you are claiming the dependent care credit. Incorrect numbers may prompt inquiries by the IRS.

2. Check the tax tables and your filing status. Using the wrong table means you've incorrectly calculated your tax bill. Determine whether your filing status is single, married filing jointly, married filing separately or head of household. Then be sure you refer to the correct tax table.

3. Make sure all 1099 forms are correct. These forms are provided by institutions or individuals who pay you interest, dividends and freelance income, etc. Check the forms for accuracy and be sure they correspond with amounts listed on your tax return. If there are any inconsistencies, it's your responsibility to resolve them, preferably before you submit your return.

4. Check all withholding statements. Make sure you have received W-2 withholding statements from those who provided you with employment income and that the statements are accurate. If they are not, ask your employer or other payer for a corrected copy.

5. Get credit for your tax withholdings and estimated payments. All tax withholdings and estimated payments should be correctly entered on your return so they can be credited against your tax liability. Otherwise, you risk overpaying your tax bill.

6. Determine taxable Social Security benefits. Make sure that in calculating the amount of taxable Social Security benefits you use the base amounts applicable to your filing status.

7. Claim the right number of dependent exemptions. Here's an opportunity to save money that many people overlook. You may claim a dependent exemption of up to \$2,650 for children, parents and other dependents whom you support, provided you are not subject to the phase-out of exemptions for high-income taxpayers. Generally, you must provide more than 50 percent of the support for the dependent, and the dependent must have 1997 gross income of less than \$2,650. This gross-income rule does not apply if the dependent is your child and either is under age 19 or is a full-time student under age 24. If you are divorced, make sure you and your ex-spouse agree who can claim the dependency exemption for your child. Generally, the parent who has custody of the child for the greater part of the year is entitled to claim the exemption.

8. Report all non-deductible IRA contributions. If you made a non-deductible Individual Retirement Account (IRA) contribution for 1997, be sure to fill out Form 8606 and attach it to your return.

9. Don't overlook the earned income credit. The earned income credit, which can directly reduce your taxes, is frequently overlooked by qualified taxpayers. Generally, you may claim the credit on your 1997 return if you had earned income and you fall into certain low-income categories. You can have the IRS calculate the credit for you by checking the appropriate box on your tax return.

10. Check all your math. Make sure there are no math errors in computing any tax balance that is due or refund owed you.

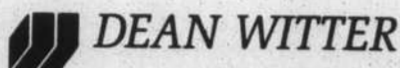
11. Attach proper documentation. You should have received your W-2 form from your employer earlier this year. Be sure this form which lists your annual wages and the amount of taxes paid during the year is attached to your tax return, along with other relevant forms. Also, check that the forms are attached in the proper order. Form 1040 should always be on top. Put the rest of the forms in the order of the attachment sequence numbers, which are generally listed in the top right-hand corner of each form. Behind those come any other statements or other unofficial documents you submit.

12. Be sure you sign your return. Unsigned returns will be returned to you and may be treated as if they have never been filed. As a result, you could be assessed a late-filing penalty and have your refund delayed. Finally, if after filing your return you have a problem that can't be resolved through normal channels, you may contact the IRS Problem Resolution Office located in your district.

*Money Management is a weekly column on personal finance prepared and distributed by the North Carolina Association of Certified Public Accountants.*

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The grand opening of Southport Antiques was attended by (left to right) Lois Gable, senior vice-president of the Southport-Oak Island Chamber of Commerce; Southport mayor Bill Crowe; Brian Hennessey; Bobbie Hennessey, owner.

## Web surfers beware

### Internet plans may be rip-off

Ads promising big money from Internet-related business opportunities. You've seen them on TV, in newspapers and even in your e-mail.

Everyday, people make money using the Internet and the commercial possibilities seem endless. Unfortunately, every entrepreneur who buys into an Internet "opportunity" doesn't automatically find a pot of gold at the end of the digital rainbow.

Scam artists are cashing in on the Internet's potential by selling fraudulent Internet-related business opportunities. They say you can earn thousands of dollars selling machines that enable television access to the Internet or selling kiosks that provide walk-up access to the Internet. Or, they claim they can train you to be a high-paid "Internet consultant."

Many of these scams are targeted to individuals who are not technologically savvy. Indeed, many pitches seem designed to take advantage of an entrepreneur's "Internet innocence." Don't let them fool you.

The Federal Trade Commission urges you to investigate Internet-related business opportunities as carefully as you would check out any business opportunity. Before you invest or buy into any business opportunity:

- Realize that seminar "trainers"

or "consultants" often are there to sell you a business opportunity, not teach you Internet basics. In fact, they may be counting on your lack of experience with computers or the Internet.

- Demand to see the company's claims in writing. In fact, get all promises in writing.

Keep your eyes and ears open for "shills" or phony references. Don't accept a list of references selected by the company that offers the business opportunity as a substitute for a complete list of franchise or business opportunity owners.

- Ask for a disclosure document if you are interested in a franchise. This document is required by law. It should provide detailed information to help you compare one business to another. Be skeptical of companies that do not have disclosure documents.

## Chamber hosts 'Spring Cruise'

Business owners and their support staff are invited to attend a "stress buster spring cruise" sponsored by the Southport-Oak Island Chamber of Commerce on Tuesday, April 21.

The group will board the *Royal Queen* at the Southport Marina between 11:30 a.m. and noon, leave at noon and return by 2 p.m. The cost is \$20 per person, which includes a deli buffet and dessert bar, door prizes and a two-hour cruise on the Intracoastal Waterway and Cape Fear River.

The registration deadline is April 14. For further information, persons may call the Southport-Oak Island Chamber of Commerce at 457-6964.

## McDonald's honor noted

Mahogany Graham has been named McDonald's employee of the month for March.

Graham, who has worked at McDonald's of Southport for a year, is a junior at South Brunswick High School and a member of JROTC.



GRAHAM

## Southport-Oak Island

### Chamber report

By Karen Sphar  
Executive Vice-President

(A report of activities of the Southport-Oak Island Chamber of Commerce published each week in *The State Port Pilot*.)

Congratulations to Bobbie and Brian Hennessey on the opening of Southport Antiques, 101 South Howe Street, Southport (above Cape Fear Jewelers).

The U. S. Open King Mackerel Tournament Board of Directors hosted a party at the Oak Island Golf and Country Club to show its appreciation to the 1997 sponsors and volunteers. D. V. Jones Jr. was head chef, with assistance from Don Hughes of BEMC and Bill Owens. Contributing to the menu was the legendary cole slaw of Jones' Seafood House and oh-so-yummy banana pudding of Lucky Fisherman Restaurant.

This party also kicked-off the 1998 U. S. Open King Mackerel Tournament sponsorship and brochure ad sales drive. Stephanna Tewey of Blue Dolphin Business Center/SeaWay Printing and members of the Southport-Oak Island Jaycees will be out in the community selling ads in the brochure. Kim Skipper of Art Skipper Realty Inc. will be securing sponsorships. If you are interested in any of these great opportunities, please call the chamber at 457-6964.

This Saturday, the chamber will be participating in the Robert Ruark Chili Cookoff in Franklin Square Park, Southport. The event includes chili sampling, arts and crafts, entertainment and a good time. We hope to see you there.

## Century 21 recognizes sales agent

Lynda Haraway of Century 21 Dorothy Essey and Associates Inc. is recipient of the Gold Medallion Award, one of the highest levels of recognition awarded to top-producing sales associates in the Century 21 system.



HARAWAY

Mrs. Haraway received the 1997 top-listing agent and most valuable agent awards from the Long Beach office of Century 21 Dorothy Essey and Associates Inc. These awards were in recognition of her "outstanding service to her customers resulting in sales of over four million dollars for the year," it was noted.

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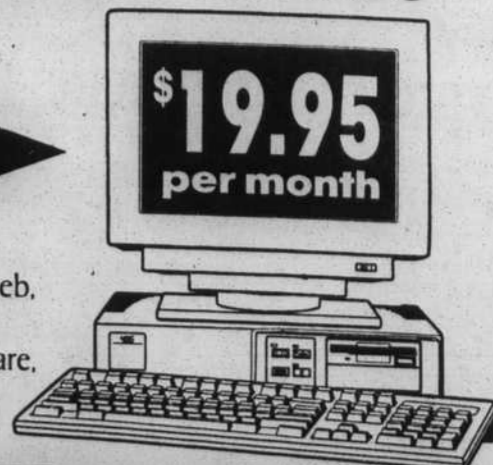
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