

## SCORE Central PA August 2011 Newsletter

Congressman Glenn 'GT' Thompson, Pennsylvania's 5<sup>th</sup> District will speak at a noon luncheon on Tuesday, August 16, 2011, at the Penn State Conference Center, Innovation Park at Penn State University. Our SCORE Chapter contacted and invited the Congressman to this speaking engagement. The luncheon is being run and hosted by the CBICC, Chamber of Business and Industry of Centre County. Congressman Thompson's remarks will include current events and actions of the federal government as well as focus on business and industry issues that impact Central Pennsylvania today and in the near future.

[For more information contact the CBICC or link to August 16, 2011. CBICC EVENT.](#)

**Reminder: No Business Improvement Workshops during August (Business Basics & Beyond the Basics)**

### FYI - Tax Scams to Avoid

Hiding income offshore, identity theft and return preparer fraud topped the IRS's list of tax scams in 2011. The Internal Revenue Service issues an annual list of the top 12 tax scams, known as the "Dirty Dozen." These scams are illegal and can lead to significant penalties and interest and possible criminal prosecution. Here are five year-round scams every taxpayer should know about.

- 1. Hiding Income Offshore** The IRS aggressively pursues taxpayers involved in abusive offshore transactions and the promoters who facilitate or enable these schemes. Taxpayers have tried to avoid or evade U.S. income tax by hiding income in offshore banks and brokerage accounts, or by using offshore debit cards, credit cards, wire transfers, foreign trusts, employee-leasing schemes, private annuities or life insurance plans. In February, the IRS announced a second voluntary disclosure initiative to bring offshore money back into the U.S. tax system. The new voluntary disclosure initiative will be available through Aug. 31, 2011.
- 2. Phishing** Scam artists use phishing to trick unsuspecting victims into revealing personal or financial information. Scams take the form of e-mails, phony websites or phone calls that offer a fictitious refund or threaten an audit or investigation to lure victims into revealing personal information. The IRS never initiates unsolicited e-mail contact with taxpayers about their tax issues. Phishers use the information to steal the victim's identity, access their bank accounts and credit cards or apply for loans. Please forward suspicious scams to the IRS at [phishing@irs.gov](mailto:phishing@irs.gov). You can also visit [www.irs.gov](http://www.irs.gov), keyword phishing, for additional information.
- 3. Return Preparer Fraud** Dishonest tax return preparers cause trouble for taxpayers by skimming a portion of the client's refund or charging inflated fees for tax preparation. They attract new clients by promising refunds that are too good to be true. To increase confidence in the tax system, the IRS now requires all paid return preparers to register with the IRS, pass competency tests and attend continuing education. Taxpayers can report suspected return preparer fraud to the IRS on Form 3949-A, Information Referral.
- 4. Filing False or Misleading Forms** The IRS continues to see false or fraudulent tax returns filed to obtain improper tax refunds. Scammers often use information from family or friends to file false or fraudulent returns, so beware of requests for such data. Don't claim deductions or credits you are not entitled to and never willingly allow others to use your information to file false returns. If you participate in such schemes, you could be liable for financial penalties or even face criminal prosecution. The IRS takes refund fraud seriously, has programs to aggressively combat it and stops the vast majority of incorrect refunds.
- 5. Frivolous Arguments** Promoters of frivolous schemes encourage people to make unreasonable and outlandish claims to avoid paying the taxes they owe. If a scheme seems too good to be true, it probably is. The IRS has a list of frivolous legal positions that taxpayers should avoid on [www.irs.gov](http://www.irs.gov). These arguments are false and have been thrown out of court repeatedly. For the full list of 2011 Dirty Dozen tax scams or to find out how to report suspected tax fraud, visit [www.irs.gov](http://www.irs.gov).

*Source July 22, 2011 IRS Tax Tips*



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**Have a comment? Do you have a suggestion?...[Take the SCORE Workshop Survey](#)  
[Help us improve our Business Improvement Workshops](#) (Business Basics & Beyond the Basics)**

*Your input is important to us!*



## Business Tip: Think Green – Act Green

### 9 WAYS TO REDUCE YOUR ENERGY COSTS

**With utility costs increasing monthly in some places the following are some great ways you can help reduce your utility and energy costs.**

1. Change out your lighting to modern high efficiency lighting. LED lighting is your best choice. LED lighting prices have come down a lot in the past few years. Try replacing one just to see how you like them. I personally think their color is much better than any CFL's and they use less electricity and last much longer too. Well worth the investment in modern lighting.
2. Turn it off. Be sure to turn off everything that does not need to be on when you leave the office for the day. All computers, printers and other peripherals should be turned off. Leave Fax machines or the like on so you can still receive communications.
3. Reduce heating and cooling costs. Pull shades in the summer to keep the sun out, open them in the winter to let it in. Set the thermostat slightly warmer in the summer to reduce Air Conditioning costs and slightly cooler in the winter to reduce your heating costs. Also be sure all windows are shut tight and latched and all weather stripping is in good repair and properly in place.
4. Solar Hot Water - For businesses that use a lot of hot water a solar hot water system will many times pay for itself in less than 3 or 4 years. Solar hot water can also be used to heat a building.
5. Energy Star Building Ratings - If you are building a new building get an Energy Star Rating on your building. This is actually a good insurance policy to make sure the contractor is doing the job right. An Energy Star rating is a minimal cost and can see a payback of less than one year if a contractor was taking short cuts.
6. Solar Electricity - Solar electric costs have dropped dramatically in the past few years. With the current government incentives now is a great time to get a new price quote.
7. Recycling program - If you don't have a recycling program now is the best time to start one. Recycling one aluminum can saves over 1/2 gallon of gasoline energy equivalent. The saved energy would normally be used to mine the aluminum, refine it, and ship it around the world.
8. Look for ways to reduce your upstream and downstream business partners' energy costs. Try to think of ways that you can help them cut their utility costs by building efficiencies into your processes to help them reduce their energy usage too. Who knows by helping them to reduce their energy costs both of your companies could see higher profits, and higher profits mean better growth and more job creation.
9. Shop for lower electricity generation rates. It is good to shop for lower electric rates and you should do so. Saving just 5 cents per kWh on your electric bill could add up to thousands of dollars depending on how much you use. However before you sign you want to make sure that the supplier you sign up with will honor the Net Metering laws so that you can get compensated for wind, solar or bio-mass generation systems you may have installed in the future. Even if you are not considering renewables now you may be considering them in the future and you want to make sure that your contract stipulates that you will get paid for the electricity you generate later.

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Next month's SCORE CPA September Newsletter will include another energy business tip, "**Good Business Sense, Illuminated: Using Rebates to Help Finance Lighting Renovation,**" by Peter Sides, President, Robert M. Sides Family Music Centers.

Chapter #618 serves Centre, Clearfield, Huntingdon, and Mifflin Counties. Its members and clients are accepted without regard to age, ancestry, color, disability or handicap, national origin, race, religious creed, sex, sexual orientation, or veteran status. SCORE CPA 2820 East College Avenue, Suite E, State College, PA 16801 Phone/Fax/24/7 Answering Machine 814-234-9415 (Centre County). Other offices: Clearfield 814-765-8987, Huntingdon County 814-643-3126 and Mifflin County 717-228-6713 SCORE CPA Newsletter is free to anyone interested in business development issues. Tell a friend. Give us your comments. Send them to SCORECPA.ORG or email us at [scorecentralpennsylvania@scorecpa.org](mailto:scorecentralpennsylvania@scorecpa.org)

