

# STEFFEN GROUP

Volume 09; Issue 09

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## Meet Our New Man: Jon Haynes



We are pleased to announce the hiring of Jonathan D. Haynes, CPA a new senior accountant for the firm.

Happy to welcome Jon onboard, Jerry says, "He gives our firm the additional capacity for growth we need, while providing timely support for our current clients."

Jon enlisted in the Army National Guard out of high school and then joined the US Marine Corps. Later he graduated from Cal State. He gained his auditing experience with the large regional public accounting firm Moss Adams.

Jon is a licensed CPA in both California and Oregon. He has experience with employment, audit and taxes for a wide variety of clients including businesses, non-profit companies and individual taxpayers.

We look forward to seeing you at community events, but please feel free to stop by our office to introduce yourself and welcome Jon to his new "home town".

*Greetings,*

*Being new to the Silverton area, I have not had the privilege of meeting most of our clients. My wife and I relocated to this area in March 2008.*

*I don't know how I called any other place "home". I am originally from a smaller town in the Midwest. My wife, Julie, lived in Silverton when she worked at Canyonview. It was because of her good memories, that we decided to relocate here. We're enjoying becoming part of the community and plan to retire here... when that time comes.*

*We moved up from Southern California where I worked for a large accounting firm as an auditor. I have experience serving a wide variety of industries.*

*I always wanted to be a CPA. When it comes to taxes, my mission is to assist you in paying the government only what is required; and keeping as much as legally possible in your own pocket for your family. In addition to taxes, I also have experience helping clients maintain their personal and business records. Doing this accurately saves money when it is time to prepare the annual tax returns.*

*I look forward to meeting all of you. Please feel free to stop by the office and introduce yourselves or send me an email.*

**Jonathan D. Haynes Jr., CPA**  
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**Ramsey's Total Money Makeover event in Portland Saturday Oct 24th**

is a fun, interactive, high-energy presentation on financial principles. You will laugh out loud as you learn along with thousands of people:

- What it takes to get out of debt
- How to spend your money with a purpose
- Keys to saving money like never before
- How to invest with confidence

*And so much more!*

You can find a link on our web site or you can go directly to [daveramsey.com](http://daveramsey.com) and click on "See Dave Live!"

Financial difficulty can remind us to **do the basic things well**. We heartily recommend the sound financial advice given by Dave Ramsey

You can listen to his daily broadcast each evening at **7 PM** on local radio **1190 KEX**.

**Politics Affects Taxes**



We have referendum petitions available at our office for a couple more weeks. We want the people of Oregon to be able to vote on the two massive tax bills passed this session.

Petition 302 will allow us to vote on House Bill 3405. Petition 301 will allow us to vote on House Bill 2649.

You can learn more at: <http://www.voteoregonllc.com>

**James visits:**

For those of you who want to see my son James, he will be visiting at the end of this month. He is providing technical services for a large conference in Tualatin, presented by his employer Answers in Genesis.

The Answers For Darwin event will be held Sunday and Monday, September 27th and 28th, challenging the media coverage promoting evolution during the celebration of Darwin's 200th birthday.

To learn more about this event, follow the link from our website to [answersingenesis.org/events](http://answersingenesis.org/events), or call 1-877-244-3370.



**MARCH ON SALEM  
09.12.09**

**When:**

Saturday, September 12th  
(11:00am-12:30pm)

**Where:**

North Steps of the Capitol  
Salem, Oregon

**Why:**

Come **join** your neighbors as we **tell** our state and federal representatives that we're fed up with massive spending, high taxes, government takeovers, and other nonsense. **Learn** how we can become better involved and return to the principles that made this country great...

*"One of the penalties for refusing to participate in politics is that you end up being governed by your inferiors."*

*~Plato*

*All tyranny needs to gain a foothold, is for people of good conscience to remain silent.*

*~Thomas Jefferson*

## Windows 7: Will you upgrade?

*In his article in BusinessWeek, Stephen H. Wildstrom made the following observations:*

“Windows 7 is the **best operating system** offering from Microsoft in many years, so when it hits the market on Oct. 22, folks who bought PCs anytime over the past three years should be prime candidates for an upgrade. But a lot of them are likely to find the upgrade process surprisingly frustrating.

If you are running Windows XP or any flavor of Vista, which is to say virtually any PC, you qualify for Microsoft’s **discounted upgrade pricing**. The cost varies with the operating system you’re coming from and the version of Win7 you’re moving to, but the most common jump, from Vista Home Premium to Windows 7 Home Premium, will set you back \$120

The trouble starts with the installation. Microsoft calls the sort of setup most people will want an “in-place upgrade.” You put in the installation DVD, enter an authentication code from the package, and after 45 minutes or so, your Win7 system is ready to go with your programs, settings, and data as they were. I have gone through this drill on several systems, and it is generally painless.

### Installation Snags

But many people won’t be able to use this method. It’s available only if you are already using Vista. And you must have 16 to 20 gigabytes of free disk space, which may be a challenge, especially on ultralight systems with

solid-state drives. I could not upgrade a Lenovo ThinkPad with a 64 GB SSD drive because I couldn’t free up enough space. What’s more, if you have a 32-bit version of Vista—almost certainly the case if your system is more than about nine months old—you’ll be stuck with a 32-bit version of Win7. More on the significance of that in a moment.

If you can’t do an in-place upgrade, you’ll be forced into a “custom install,” a far more difficult process. Your data will be left intact, but **plan on spending hours reinstalling all of your applications**, meaning you’ll have to dig out the original software disks, the Web addresses of download sites, and all your installation keys.

Microsoft says it isn’t offering an easy in-place upgrade **from Windows XP systems because the bulk of such computers are too old** and underpowered to run Win7. Microsoft realizes some users will face hardware and software incompatibilities with Win7. There were such problems going from XP to Vista.

### Upgrading Can Be Hard to Do

The easy “in-place” upgrade is only available if you have **Vista and 16 to 20 gigabytes of free disk space**.

The odd thing is, Microsoft offers free software that tells you if your machine will run into incompatibilities—say, whether it will work with your old printer. **Why doesn’t the company just let customers use this tool rather than throwing up roadblocks?**

It’s not at all clear why Microsoft made its upgrade options so restrictive. In effect, it is telling its cus-

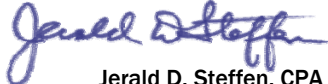
tomers to move to Windows 7 only when they buy a new computer. The company has no financial motivation for doing this, since it makes more money selling \$120 retail copies to upgraders than it gets from manufacturers licensing Windows on new systems.”

### But there is always another side to computer evaluations-- here's an example:

**From Mike...** *XP is ancient, long obsolete, and typically needs to be re-installed from scratch every year or two to correct terminal slowdown issues, corrupt registries, malware infections, spyware, etc. So why would someone want to try and upgrade an old, buggy XP? Starting over makes far more sense for the majority of XP users. And there are good reasons for running the 32 bit version of Win 7. Significantly, most people will have at least one printer, scanner, cell phone, camera, or even PC that does not have 64 bit drivers available. The industry is getting better about offering 64 bit drivers for the newest products, but anyone with hardware that's even a few years old may not be able to use it with the 64 bit version of Win 7. So, again, upgrading to the 32 bit version is not stupid as Wildstrom thinks. Most people trying to upgrade an older system are probably better off with 32 bit.*

### So what should you do?

After talking with my tech-miester, I think I’ll wait another 6-9 months plugging along on XP and see what the evaluations are next spring. We will have to update sometime soon, but let’s be sure of the problems we will face.

  
Jerald D. Steffen, CPA

## **TAX INCENTIVES STILL AVAILABLE IN 2009**

If you didn't get your "Clunker" traded in, its too late now, but several recovery act tax breaks are still available:

### **First-Time Homebuyer Credit**

Taxpayers who didn't own a principal residence during the past three years and purchase a home this year before Dec. 1 can receive a credit of up to \$8,000 on either an original or amended 2008 tax return, or a 2009 return. But the purchase must close before Dec. 1, 2009, and an eligible taxpayer cannot claim the credit until after the closing date. This credit phases out at higher income levels, and different rules apply to home purchases made in 2008.

### **Energy-Efficient Home Improvements**

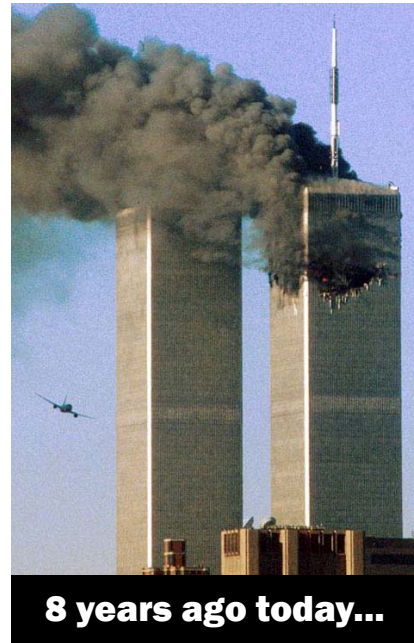
The Recovery Act also encourages homeowners to make their homes more energy efficient. The credit for non-business energy property is increased for homeowners who make **qualified** energy-efficient improvements to existing homes. The law increases the rate to 30 percent of the cost of all **qualifying** improvements and raises the maximum credit limit to a total of \$1,500 for improvements placed in service in 2009 and 2010. Make sure your improvement meets the specifications for approval before you spend the money; i.e.. Not all items being sold qualify for the credit. **Qualifying** improvements include the addition of insulation, energy-efficient exterior windows and energy-efficient heating and air conditioning systems.

### **Tax Credit for First Four Years of College**

The American Opportunity Credit is designed to help parents and students pay part of the cost of the first four years of college. The new credit modifies the existing Hope credit for tax years 2009 and 2010, making it available to a broader range of taxpayers, including many with higher incomes and those who owe no tax. Tuition, related fees, books and other required course materials generally qualify. Many of those eligible will qualify for the maximum annual credit of \$2,500 per student.

### **Some Computer Technology Purchases Allowed for 529 Plans**

ARRA adds computer technology to the list of college expenses (tuition, books, etc.) that can be paid for by a qualified tuition program (QTP), commonly referred to as a 529 plan. For 2009 and 2010, the law expands the definition of qualified higher education expenses to include expenses for computer technology and equipment or Internet access and related services to be used by the designated beneficiary of the QTP while enrolled at an eligible educational institution. Software designed for sports, games or hobbies does not qualify, unless it is predominantly educational in nature.



... I watched this on TV, while getting ready for work. Eight years ago. Over time we learned that nineteen people, using knives and box cutters, had hijacked four airline flights. Three reached their targets. Two struck the towers in New York, a third struck the Pentagon. The fourth was stopped by normal Americans who resisted the hijackers.

In New York, the nearly 3,000 dead included 343 New York Firefighters (including their chief), 37 Port Authority Policemen and 23 from NYPD.

Of the 16,400 to 18,800 civilians in the towers that morning, 2,152 died; the rest were successfully evacuated. At the Pentagon, all 64 people on the plane were killed; in addition to the 125 lives lost inside the military command center.

Bin Laden and other al-Qaeda leaders took credit for the attack. Since then 4000 of our fellow citizens have given their lives attempting to bring these evil men to justice.

With no new attacks on our home soil, life has returned to 'normal' here. But we must never forget the courage and sacrifice of those who have died to protect their friends, neighbors and fellow Americans from harm.