

NOVEMBER 1, 2012

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**NEXT WEEK:**

The **next meeting** of the Tri-Valley Executives' Association will be held on **November 8<sup>th</sup>** at Vic's All-Star Kitchen at 7:00am.

GREETERS will be **Dave Parker** of Pleasanton Financial Services and **Dave Silva** of Silmar Flooring.

**Lawrence Ling** will give the SPOTLIGHT on **Pleasanton Financial Services**.

The CLASSIFICATION will be given our newest member, **Chuck Eggers** of Baron's Jewelers.

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**NEW MEMBER:**

Welcome, Chuck!

*Classification:* Jeweler

*Member:* Baron's Jewelers

*Represented by:* Chuck Eggers

*Address:* 1044 Stoneridge Mall, Pleasanton

*Phone:* (925) 847-3030

*E-mail:* [chuck.eggers@baronsjewelers.com](mailto:chuck.eggers@baronsjewelers.com)

*Website:* [baronsjewelers.com](http://baronsjewelers.com)

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**MEMBER NEWS:**

Congratulations, **Sheri Facciolla** of Patriot Pest Management, on the marriage of her daughter her new son-in-law!

Please keep the family of **Wayne Yeaw** of Alpha Omega Print in your thoughts and prayers; Wayne's son Wayne had surgery last week in Anchorage AK.

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**POT REPORT:**

This week's TVEA 50/50 raffle is at **\$97** and 3 marbles: 1 white (\$5), 1 blue (\$10) and 1 red (winner takes all).

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**SPOTLIGHT:**

BY DR. ENDRE SELMECZY

**Pleasanton Auto Repair** was started by Jim Bowen in 1985 and provides maintenance and repair services for most cars and some boats. They are prompt, honest and knowledgeable, and always go out of their way to help their customers.

For automotive repair or maintenance, call Jim Bowen at 463-1622.

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**HOLIDAY PARTY AT PASTAS:**

The Annual TVEA Holiday Party has been scheduled for the first Thursday in December, **12/6** at 6:30pm at Pastas on Main Street in Pleasanton. Dinner will be \$35 per person due in advance. Please let Cristin know if you will attend. The sign-up sheet will be going around.

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**CLASSIFICATION:**

Since the age of two, **Jim Pease** has lived in Pleasanton, when it was a town of only 14,000 people and hops were still being grown near Hopyard Road. As a teen he worked with the Streets Department for the City of Pleasanton, mainly doing leaf vacuuming and repairing potholes. In the summers he would take off two weeks to work for the Alameda County Fair as a parking attendant in the jockey lot.

He played a lot of sports growing up and went to St. Mary's on a football scholarship. Having enjoyed writing, he studied journalism and thought of becoming a sports writer, but ended up getting an accounting degree.

After graduating in 1985, he worked with his grandfather at his accounting business. He found accounting was in his "blood", and needing outside experience began his accounting career working for Arthur Young (now Ernst & Young) where he worked as an auditor.

Personally, he met his wife in the 6<sup>th</sup> grade and married her in 1987 after attending St. Mary's together. They have 4 children: one daughter who just graduated from Chico State, one daughter in college at Chico State, a 17-year-old son, who plays soccer and football at Amador Valley High (is considering college at Chico State), and a 15-year-old daughter who is in drama.

He became a CPA in 1990 and went to work for his grandfather's firm, W.H. Mayer Accountancy Corp. where he worked for the next 20 years. In December of 2010 Jim decided to go out on his own and launched Pease Tax & Accounting Services, Inc.

Jim has been a CPA for the past 20+ years and got his master's degree in taxation in 1995. He is uniquely qualified to represent people in tax matters, and strongly recommends that business owner's meet with their CPA prior to the end of the year to ensure that they are able to use the maximum deductions and pay the minimum in income tax. In general, the best way to cut income taxes is to fund retirement accounts. It is also a good time to look at selling stock in order to offset losses from prior years and avoid paying capital gains tax.

Pease Tax & Accounting works with individuals, businesses, estates and trusts. Many people are unfamiliar with a Fiduciary Tax Return, which is something that is prepared for the executor of an Estate for the time between when the trustees have passed and the assets are transferred to the beneficiaries. They also do reviews and compile financial statements for businesses, in accordance with the Sarbanes-Oxley Act of 2002.

To stay current, CPAs must have 80 hours of continuing education in accounting and fraud detection every two years. To avoid fraud, although difficult in small companies, make sure that there is some separation of duties and manage oversight.

There are many Bush-era tax cuts that were set to expire at the end of 2010, but uncertainty in the economy led the Obama administration to keep the tax laws the same through the end of 2012, when the country will be at the fiscal "cliff". The term was first

used by Federal Reserve Chairman, Ben Bernanke to describe the increase in taxes and spending cuts that will automatically take place as of January 1, 2013. Some of those changes are:

- All tax brackets increase 3 basis points, i.e. 35% to 38%
- Capital Gains tax will go from 15% to 20%
- Dividends will be taxes as ordinary income, which is higher than the capital gains tax
- Employee portion of Social Security tax will go back up to 6% from 4%
- Estate tax exemption will go from \$5 million down to \$1 million, and anything over \$1 million will be taxed at the increased rate of 55%, up from 35%

Income tax rates are based on levels of income. The highest rate was during World War II, when it was 94% for income earned above \$250,000. The average rate today is somewhere around 35%. However, the entire income is not taxed at the same rate, only that level of income. For example, if a person made \$10-25,000 in a year the tax might be 10%; for the person who made \$26-30,000 they would be taxed at 10% on \$25,000 and 15% for the income between \$26-30,000. So, each level is taxed at a different rate and goes up with each bracket.

Make sure you consult Jim before you make any significant financial changes that could have tax consequences as the laws and tax code are always changing.

To make Jim Pease your tax professional or to refer friends and family, call him at Pease Tax & Accounting Services, Inc. at 230-9380 to set up an appointment.

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**UPCOMING:**

Dec. 6 – Holiday Party at Pasta's, 6:30pm

Dec. 13 – City Manager, Nelson Fialho, Guest Speaker

Dec. 20 – Dirty Santa Gift Exchange

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