



Savannah Chapter

Newsletter

Volume 4, Issue 13

December 2006



NEW LOCATION!

Chapter Meeting

December 12, 2006

We will be meeting at the new state of the art facility at the Savannah Board of Realtors Building at 7015 Hodgson Memorial Drive, Savannah, GA 31406. Doors open at 6:30pm with Free Refreshments. Meeting Time: 7pm.

All members may bring a stack of flyers advertising their property for sale for placement in the back of the meeting room. Remember to write member number on the upper right hand corner of each flyer.

-Marketing Session before every meeting.

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Home Stagers to speak at the December 12th General Meeting

What is Staging?

Staging is the absolutely best & proven way to get the top dollar for your home as you prepare it for sale. Homes that are staged using Staged Homes© techniques sell faster and for more money! This is because staging sets the scene throughout the house to create immediate buyer interest in your property. This will then lead to your home selling for the highest possible price in today's market. Remember, *"The way you live in your home and the way you market & sell your house are two different things."* **Staging your house costs less than your first price reduction!**

Accredited stagers are true professionals trained under strict guidelines using Staged Homes© proven staging techniques developed for over 30 years. When you bring your house on the market and prepare your house for sale, always hire an ASP because they are the true leaders in the Staging and Real Estate Industries. Staged Homes of Savannah is here to help set the scene for buyers to imagine themselves in the home and get it sold fast.

Ginger Schroder, ASP IAHP

With over 15 years in the service industry, please allow Staged Homes of Savannah to proudly present Ginger Schroder, its owner and co-founder. A passionate & reliable professional, Ginger not only focuses on serving her clients but putting their needs first. Gathering experience from being a Professional Event Planner & Caterer, Mrs. Schroder has established herself as a *[Cont'd on page 2]*

President's Message:

A special thanks to all those that helped us finalize our 2007 SALREIA board positions. I am very excited to see the caliber of talent that will provide direction for our group next year. It's always nice to see new ones interested in taking on added responsibilities within an organization. I am confident that you will not be disappointed as we look for an exciting new year from this group.

As my term ends this month, I want to thank you all for having confidence in my abilities to lead the organization. I feel good about some of the things we were able to accomplish during my two-year term. For example, this year we had a lot of first time speaking topics that we never had before (i.e. note buying, skip tracer, condo conversions, and home stagers). I have full confidence you will see a continuation of good things to come as I pass the gavel to the very capable hands of Tony Stanford.

In closing I want to wish you and your families an enjoyable holiday season

Dave Doubek

[Home Stagers cont'd from page 1]

formidable force in the Home Staging© Market.

Ginger Schroder has staged events for national & state conventions, corporate functions, weddings, and social organizations all-the-way from 10 to 10,000+ people! Transitioning her talents into the Staged© Home Market, Ginger understands that each project is unique and that attention to detail is of the up-most importance. Remember, you never get a second chance to make a first impression.

Lisa Nordstrom, ASP IAHSP

Co-founder of Staged Homes of Savannah is an experienced ASP (Accredited Staging Professional) and a member of the IAHSP (International Association of Home Staging Professionals.) Lisa has an extensive background in remodeling homes for the past 12 years. She has personally designed houses ranging from modern to classic.

Lisa has a passion for architectural design and an eye for color. As an owner of her own floral business, Mrs. Nordstrom has designed home gardens, new construction, and revamped existing landscapes. Channeling her experience into Staging©, Lisa creates immense interest for the prospective buyer.

You don't want to miss this opportunity to learn how to sell your next renovation quicker do you? Then plan on attending our next SALREIA meeting on Tuesday, December 12th at 7pm (Doors open at 6:30pm)

PLEASE NOTE OUR NEW MEETING LOCATION AT THE BOARD OF REALTORS BUILDING AT 7015 HODGSON MEMORIAL DRIVE, SAVANNAH, GA 31406

Year-end tax planning and tips

By: John Swanner CPA at Hancock Askew & CO LLP, Savannah, GA

As 2006 comes to a close, now is the time to evaluate your income for the year and consider if there is tax saving opportunities available. You should start by projecting your taxable income for 2006 and 2007, and to the extent you can control the timing of income and deductions, you should shift them to the year that gives you the lowest overall tax liability for both years. If there are no significant tax savings in doing this, you should defer as much tax to 2007 as possible.

Depending on your situation, there are several opportunities to shift taxable income from one year to the next. The following are a few ideas to consider:

Section 179 expense

If you are in need of equipment or furniture for your business, it may be advantageous to purchase it in 2006. Under IRC Section 179, you can elect a current deduction for assets that would usually be capitalized and depreciated. The maximum deduction for 2006 is \$108,000. If total asset purchases exceed \$430,000, this amount begins to phase out. Also, under the American Jobs Creation Act of 2004, the amount of expense allowed for sport utility vehicles rated at 14,000 pounds gross vehicle weight or less is limited to \$25,000.

It is not as good as it used to be,

but it still makes a nice deduction on a needed vehicle.

Domestic Production Activities Deduction

This is not an idea about shifting a deduction from one year to the next, but it is one that may be overlooked. If you are in the business of construction or rehabilitation of real estate, you may be entitled to this deduction. Basically, the deduction is 3% of the lesser of qualified production activities income or taxable income (adjusted gross income for individuals), subject to limitations. One of the limitations is 50% of W-2 wages paid in the production of the income.



Losses from S Corporations

If you are expecting a loss from your S Corporation and you could use the loss in 2006, you need to make sure you have enough basis in your stock or loans to the corporation to take the loss. If not, you may need to contribute money to the corporation to take the losses.

[Year-end Tax story continued from page 2]

Bunching Deductions

If you itemize deductions, some of the deductions, like medical expenses or miscellaneous itemized deductions, are subject to limitations. Medical expenses must exceed 7.5% of adjusted gross income and miscellaneous deductions must exceed 2% of adjusted gross income to be deducted. To the extent possible, you want to bunch the expenses in the year that the limit will most likely be exceeded.

Installment Sales

If you are selling investment property and would be better off recognizing income in later years, then you might want to consider an installment sale. You can structure the deal so you receive as little money as needed in one year and the rest in later years. You would only pay tax on the portion of the gain you receive in any year. Installment sale treatment only applies to investment property, not dealer property. When you sell dealer property, you pay tax on the entire gain in the year of sale. Also, you will pay ordinary income tax on the depreciation recapture in the year of sale.

Something to be aware of on installment sales is that the long-term capital gains rate of 15% is due to expire at the end of 2010. If it is not extended, the rate will revert back to the previous higher rates. As that time gets closer, you may want to forego an installment sale and pay the tax now rather than pay a higher tax later.

Rental Losses

If you have losses from rental property and are not considered a real estate professional, you may need to shift some income to next year. You are allowed up to \$25,000 on rental real estate losses, but that amount begins to phase out when your adjusted gross income reaches \$100,000.

Retirement Plans

Now is a good time to see what you will want to contribute to your retirement plan so you can have the funds available when you need to make the contribution. If you do not have a plan set up but would like to have one for 2006, you may need to set it up before year-end, depending on the type of plan. Also, if you are considering converting a traditional IRA to a Roth, your adjusted gross income needs to be less than \$100,000, so some income shifting may be needed.

Alternative Minimum Tax (AMT)

More and more taxpayers are finding themselves subject to the AMT. Basically AMT is imposed at a 26% or 28% rate on taxable income that is calculated under different rules than regular tax. When projecting your 2006 tax, you need to see if you fall under AMT and be aware of any AMT implications of any tax saving strategies you implement.

Underpayment of Estimated Tax

Now that you have a good idea of what your income will be and have shifted any income or expenses as necessary, you may find that you have underpaid your estimated tax and will be subject to a penalty. If so, there are a couple of ways to eliminate or minimize it. If you pay yourself wages through your corporation (either c or s), you can withhold additional amounts on your last paychecks of the year. If this does not work, then look at whether any of your income was earned in the later part of the year. If so, you can annualize your income on your tax return and minimize the penalty.

Happy Holiday's and Season's Greetings from GaREIA Board and Staff!



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Your best Real Estate Investment!

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******* NEWS ALERT*******

Don't forget about our new meeting location at the Savannah Board of Realtors building located at 7015 Hodgson Memorial Drive. SABOR just completed a major addition this year to its meeting room facility. We are privilege to be able to meet at this state of the art setting. Hope you all check out our new home!

To sponsor an upcoming SALREIA meeting please contact Pat Brooks at
(912) 658-6212 or email at pjwbrooks@bellsouth.net