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# clientTALK

Fall 2008



Welcome to the Fall issue of *ClientTALK*. In this issue, we highlight Amy Amdur, founder and director of the Highland Park based Amdur Productions. For the past 25 years, Amy and her team of professionals have been bringing fine art and fine crafts to the public at notable art festivals in the city and suburbs. Amy has lovingly been referred to as the “undisputed queen bee of the Chicago art fest scene.”

In the news section, you will find some informative articles on a home office deduction, new recordkeeping rules for taking charitable deductions, ten important pieces of paper to keep in a lockbox, the 2009 Social Security increase, the mid-year standard mileage rate hike and, finally, some tax provisions being revised for 2009.

**Happy  
Thanksgiving!**



*The partners at KRD*

## CLIENT PROFILE

**BUSINESS:** Amdur Productions  
**PRESIDENT:** Amy Amdur  
**PLACE:** P.O. Box 550  
Highland Park, IL 60035  
**PHONE:** 847.926.4300  
[www.amdurproductions.com](http://www.amdurproductions.com)



*Amy Amdur and operations director Rick Perry.*

“*In* times of peace, in times of strife, artists make art,” says Amy

Amdur. “Making art is what artists have to do. It is their passion and as necessary to them as breathing.”

For the past 25 years, Amdur’s passion has been to bring juried fine art and fine crafts to the community. It is as necessary to her as breathing!

“I am committed to bringing art to the public and giving artists a venue to sell their art,” says the energetic fifty-year-old founder and president of Amdur Productions, a professional management team producing outdoor festivals since 1984.

Her first art festival was the Port Clinton Art Festival, created while Amy was working for her father, Steven L. Amdur, on the construction of the downtown project named Port Clinton Square in Highland Park. To attract shoppers to Port Clinton’s new stores and restaurants, Amdur created a summer full of events highlighted by an art festival. It was the first of many to come.

Today, her company produces a dozen well-known, highly successful city and suburban art fairs. The 26th annual Port Clinton Art Festival, now ranked third in the country, is expected to draw crowds upwards of 250,000 this August. Ranked #10, the Gold Coast Art Fair is the third oldest and one of the best attended art fairs in Chicago with hundreds of thousands of visitors enjoying the three-day event. Other notable art fairs directed by Amdur Productions include Art at the Glen Town Center, North Shore Festival of Art, Lincolnshire Art Festival, Glen-coe Festival of the Masters, Eastside Millennium Art Festival, Promenade of Art in Arlington Heights and Buffalo Grove Invitational Fine Art Festival.

Working out of her spacious home office in Highland Park, Amdur surrounds herself with professionals who, like herself, have an eye for detail and a dedication

*(Continued on page 4)*

## 2009 Inflation Adjustments Widen Tax Brackets and Expand Tax Benefits

More than three dozen tax benefits, affecting virtually every taxpayer, are being adjusted for 2009, according to the IRS. By law, the dollar amounts for a variety of tax provisions must be revised each year to keep pace with inflation. Key changes that will be reflected on 2009 returns, filed by most taxpayers in early 2010, include the following:

- ✓The value of each personal and dependency exemption is \$3,650, up \$150 from 2008.
- ✓The new standard deduction is \$11,400 for married couples filing a joint return (up \$500), \$5,700 for singles and married individuals filing separately (up \$250), and \$8,350 for heads of household (up \$350). Nearly two out of three taxpayers take the standard deduction, rather than itemizing deductions, such as mortgage interest, charitable contributions and state and local taxes.



- ✓Tax bracket thresholds rise for each filing status. For a married couple filing a joint return, for example, the taxable income threshold separating the 15 percent bracket from the 25 percent bracket is \$67,900, up from \$65,100 in 2008.

- ✓The maximum earned income tax credit for low and moderate income workers and working families with two or more children is \$5,028, up from \$4,824. The income limit for the credit for joint return filers with two or more children is \$43,415, up from \$41,646.

- ✓The annual gift exclusion rises to \$13,000, up from \$12,000 in 2008. ■

## Mid-Year Standard Mileage Rate Hike

The IRS has increased the optional standard mileage rates for the second half of 2008 to reflect higher gasoline prices. The rate increases to 58.5 cents a mile for all business miles driven from July 1, 2008, through December 31. This is up eight cents from 50.5 cents for the first six months of 2008.

“We want the reimbursement rate to be fair to taxpayers,” said IRS Commissioner Doug Shulman.

The requirements for using the standard mileage rate remain the same. If you have used exact costs in the past on your present business vehicle, you cannot use the mileage allowance. The mileage allowance is in lieu of all expenses for using the

car except parking, tolls and financing interest. Actual costs include depreciation, gasoline and oil, insurance, repairs and licenses.

Taxpayers always have the option of calculating the actual costs of using their vehicle rather than using the standard mileage rates. However, it will still be difficult for people to use the mileage allowance for new cars since Congress passed the Economic Stimulus Act of 2008. The new law allows taxpayers who use their car for business to deduct an extra \$8,000 depreciation on all vehicles purchased in years starting in 2008. This is in addition to the regular depreciation amount of \$2,960, for a first-year deduction of \$10,960. The second year depreciation deduction remains at \$4,800.

The six month rate for computing deductible medical or moving expenses also increases to 27 cents a mile, up from 19 cents. The rate for providing services for charitable organizations remains at 14 cents per mile. ■

## 5.8 Percent Social Security Increase Ranks Largest since 1982

Surging energy prices and higher food costs have resulted in an October surprise for seniors who will see a major increase in their monthly Social Security checks. The 5.8 percent hike in benefits, announced in October by the Social Security Administration, will go to the 50 million Americans receiving Social Security. The increase goes into effect in December and will be reflected in checks paid in January 2009. It is the biggest jump since the 7.4 percent of 1982. In 2008, the increase was a mere 2.3 percent, the smallest in four years.

The amounts that certain Social Security beneficiaries can earn without having their benefits reduced also will go up next year. Workers under full retirement age who are receiving benefits can earn up to \$14,160 in 2009, or \$1,180 per month, without having their benefits reduced. This is an increase of \$600 annually over the 2008 limit.

Some other changes that take effect in January of each year are based on the increase in average wages. Based on that increase, the maximum amount of earnings subject to the Social Security tax (taxable maximum) will increase to \$106,800 from \$102,000. Of the estimated 164 million workers who pay Social Security taxes in 2009, about 11 million will pay higher taxes as a result of the rise in the taxable maximum. ■



## Can You Take a Home Office Deduction?

If you are thinking about running your small business out of your home, here is some good news. You may be able to take a home office deduction if you use part of your home for business purposes. Expenses that can be deducted include the business portion of real estate taxes, mortgage interest, rent, utilities, insurance, painting, repairs and depreciation.

In order to claim a business deduction, you must use part of your home:



- ❖ Exclusively and regularly as your principal place of business, a place to meet with patients, clients or customers in the normal course of your business, or in connection with your trade or business where there is a separate structure not attached to the home.

- ❖ On a regular basis for certain storage use such as inventory or product samples, as rental property, or as a home daycare facility.

- ❖ If you work as an employee you can claim this deduction only if the regular and exclusive business use of the home is for the convenience of your employer and the portion of the home is not rented by the employer.

“Exclusive” use means a specific area of the home is used only for trade or business. “Regular use” means the area is used regularly for trade or business. Incidental or occasional use is not the same as regular use.

Non-business profit-seeking endeavors such as investment activities do not qualify for a home office deduction. ■

## New Recordkeeping Requirements for Cash and Noncash Contributions

One of the most popular tax deductions is the one allowed for donations to “qualified” charitable organizations. Because this deduction has been abused, Congress has enacted more rules regarding documentation of donations.

**New Rule:** You must have a receipt from the charity or a bank record for all charitable cash donations to claim a deduction on your tax return, regardless of the amount. A bank record includes such items as a copy of a canceled check, or a bank statement containing the name of the charity, the date, and the amount, or a written communication from the charity.

Such documentation must be received by the time you file your tax return for the year of the donation or, if earlier, when the return is due.

If you donate noncash items with a total value of more than \$500 to a charity, you must file Form 8283 with your return. You may need a qualified appraisal if you donate an item or a group of items with a value of more than \$5,000.

In addition, you can’t deduct the value of your time or services spent on charitable work. However, you can deduct your out-of-pocket costs such as 14 cents per mile for the use of your car, or actual expenses for gasoline.

One more important point to remember is that if you contribute to a charity and receive something in return, such as dinner, then your deduction is the amount you paid or the value of the property you donated minus the value of the goods or services received.

Also, the deduction for charitable contributions generally is limited to 50% of your adjusted gross income.

The deduction for appreciated property is limited to 30 percent of your AGI if you choose to deduct the fair market value of the property, or 50 percent if you deduct the basis of the property. ■

## Ten Important Pieces of Paper to Keep in a Lockbox

If a natural disaster or fire forces you to flee your home with little warning, what important documents would you take with you? Consider the following ten items—as the minimum you may need—and store them in a fireproof lockbox you can take with you on the run.



- #1 Social Security cards.
- #2 Birth certificates.
- #3 Marriage certificates/divorce papers.
- #4 Deeds and titles to your home and cars.
- #5 Property insurance policy.
- #6 Life insurance policy.
- #7 Bank accounts/credit card information.
- #8 Stock or bond certificates.
- #9 List of assets and where they can be found.
- #10 Copies of wills and trusts. ■

*Amdur (Continued from page 1.)*  
to the work at hand. That work involves a full year of preparation before an actual art show opens. Her company handles everything from site study and artist procurement to public relations and sponsorship. Do you buy food at an art fair? Do you enjoy the live music? What about those port-a-potties—are you glad someone stocked them with toilet paper? All of these details and more are handled by Amdur’s staff. She says her staff will even offer to “booth sit” for the artist. Anything that requires a watchful eye is her responsibility. Booths, signage, artist procurement, equipment rental, coordination with fire and police. You name it—she and her staff do it!

“What’s helped me is having a vision and the determination to make things happen, even if they don’t happen right the first time,” shares Amdur.

To help artists maximize sales, she began Art Festival Boot Camp, an annual one-day seminar that teaches artists how to price their work and how to attract customers to their booth.

Amdur’s own home is filled with art. The walls are covered with brightly colored abstracts and magnificent oils, acrylics and water colors, photographs,

and mixed media. Neon lime and orange toast pops out of an art deco toaster set on a kitchen counter. And in the hallway stands a seven-foot-tall, multi-colored neon twisted rod sculpture.

As far as selecting artwork, Amy takes her own advice: “Buy what you love. There are no right answers on what to buy . . . and art does not have to match the sofa either.”



*Amy Amdur’s daughter, Hannah, 11, displays some of her abstract paintings in her own booth at the Port Clinton Art Festival, Youth Division. The Youth Division gives young artists in the area the experience of being in a real art festival. Perhaps her 4-year-old brother, Sammy, will one day have his own booth too!*

With so many balls to keep in the air, Amdur appreciates the help she gets from her accountant, Jon Segal.

“Jon provides wonderful guidance for me every step of the way,” says the busy

entrepreneur. “For example, he advises me what to consider as administrative expense and direct expense for the festivals. This was the first year that we took credit cards and he walked me through that. What is especially helpful is that Jon understands the dynamics of my business and he really takes an interest in what we do. For that reason, he is able to give us great guidance.”

Amdur also gets help from other members of KRD. Scott Coleman assists with investments and college planning for her children. Richard Kane works with the company’s bookkeeper on QuickBooks training and support.

“We all have to find new and creative ways of doing business during these difficult economic times,” she adds. “Jon devised a system for us that allows our artists to split their festival fees into two equal payments. I didn’t want to lose business because an artist was having cash flow problems. No matter what the issue, it is a real pleasure working with Jon and his associates at KRD.” ■

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## **KUTCHINS, ROBBINS & DIAMOND, LTD.**

**CERTIFIED PUBLIC ACCOUNTANTS**

**AND BUSINESS CONSULTANTS**

**1101 PERIMETER DRIVE, SUITE 760**

**SCHAUMBURG, ILLINOIS 60173**