



# HUGHES BUSINESS SERVICES...

## Taxpayer News & Times-

*"The Company with the GoldStandards..."*

**WARNING:** Don't even think of responding to an IRS notice without contacting us... If you get a Federal or State tax notices in the mail drop it by our office!

**August, 2022  
August, GA**

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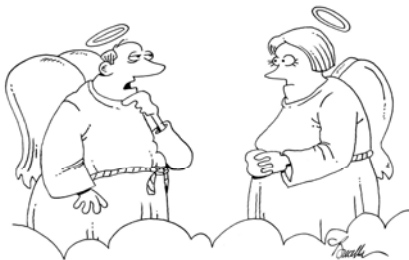
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### NEED HELP!

Whether you're thinking of investing, need accounting, bookkeeping or payroll assistance, have an IRS problem, or just have tax questions, we'd love to be there for you, call our office at:  
**(706) 771-1077!**



"What do I regret most? That I didn't get a chance to clear my browser history."

## Can The Internet Save You Money?

Perhaps you've seen those gadgets some car insurance companies use to assess a customer's safety behind the wheel? Over a period of days or weeks, these devices can track things like speed, drive time, and even cell phone usage to give a "realistic" image of how safe a driver is behind the wheel, and the company can then provide a better (or worse) insurance rates.

Insurance companies in other fields are also wise to the fact that some smart devices increase safety and mitigate risks, such as house fires. And as a result, they're giving customers discounts on premiums for using certain smart devices. In fact, you could save 5 to 20 percent, depending on the devices and your insurer.

Many home insurance companies provide discounts for homes with security systems. With monitored security systems, a security company will keep an eye on your home and if sensors are tripped, they can contact you and/or the police. Some systems also offer "self-monitoring" and will send alerts to your phone, but won't contact the police or the security company until you give permission.

The Environmental Protection Agency estimates that leaking pipes and faucets in households waste over a trillion gallons of water per year. Not only will this run up your utility bills, but water damage can ruin cabinets, walls, floors and more.

Fortunately, you can set up smart leak sensors under sinks and elsewhere. When a leak is detected, you'll get pinged on your phone. You can also use the Flo by Moen Smart Water Security System. If there's a failure, say a water pipe breaking, it can shut off the water completely, potentially preventing a flood. Some insurers offer premium discounts for homes equipped with these water monitoring systems. There are several WIFI leak detection systems on the market today.

The NFPA reports that over 350,000 fires occur at home each year, many caused by electrical issues. But with Ting's in-socket smart sensors, if an electrical issue occurs, homeowners are warned before the fire starts. A few insurers now provide Ting free and some security systems also include devices that monitor for fires and water leaks.

There are several devices that work with cell phones that detect your sugar levels for diabetic patients and well as heart rate monitors including smart watches such as Fitbit. Whatever you use keep security in mind and protect your devices and internet for cyber security predators.

### How to Save Big On Taxes When Selling Your Home...

If you're thinking about selling your home soon, call our office to discuss the Capital Gains Tax Exclusion. Capital gains tax is the tax fee tax payers are required to pay on the profit or loss from the sale of an asset. Capital gains apply to securities i.e. stocks/bonds as well as real estate, cars, boats, businesses, etc.

## Word of the Month...

Studies have shown your income and wealth are directly related to the size and depth of your vocabulary. Here is this month's word, so you can impress your friends (and maybe even fatten your wallet!)...

Perseveration: (*adj*) continuation of something such as an activity or though usually to an extreme degree or beyond a desired point. *Use in a sentence: One patient had intermittent perseveration of speech and writing.*

## Consumer Tip

If you've been thinking about refinancing your home or car loan, NOW is the time, especially with rates on the rise. Take your good credit history and get that loan refinanced before the rates go up. You should be able to lower your payments – and that window is rapidly closing!

## A Stupid Joke

**Teacher:** Johnny, what are the last words of "The Star-Spangled Banner?"

**Johnny:** "Play ball?"

## Quotes To Live By...

*"Success is like sugar. It's too wonderful, and it burns up very quickly. Failure is like corned beef hash. It takes a while to digest, but it stays with you."*

**-Mel Brooks**

*"The life of the nation is secure only while the nation is honest, truthful, and virtuous."*

**-Frederick Douglass**

*"We on this continent should never forget that men first crossed the Atlantic not to find soil for their ploughs but to secure liberty for their souls."*

**-Robert J. McCracken**

## Real Estate Market Trends down!

Nationwide, the red-hot real estate market is losing a bit of its blush as the pressure of inflation and higher interest rates mean fewer buyers are looking for homes. It's not bad news, since homes are still selling briskly throughout the country at higher prices. Most homes remained on the market for less than a month.

The number of houses available to buy is growing slightly, perhaps indicating that buyers will have more choices in coming months. Meanwhile, sellers are getting good prices, especially in cities in the South. Here's a national look at the markets: **Northeast:** Sales in April were up 1.5 percent compared to the previous month, but this was 10.7 percent lower than April last year. Prices on existing homes were up 8.1 percent.

**Midwest:** Sales in April of existing homes were up 3.1 percent from the prior month, but this was a 1.5 percent slide compared to April 2021. Prices were up 8.7 percent from a year ago.

**South:** Prices are rising in the South, where homes prices posted a 22.2 percent hike from 2021. Sales of existing homes were slower compared to the previous month, with sales falling 4.6 percent, a decrease of 5.7 percent from a year ago.

**West:** Prices saw a 4.3 percent increase, but much less than in the rest of the country, and sales dropped. Existing homes sales in the West dropped 5.8 percent compared to the previous month, down 8.1 percent from a year ago.

## Will Savings Accounts Pay More?

When you open a savings account, you are, in effect, lending money to your bank, and in return, you get a very safe investment and a little interest. For more than two decades, the Federal Reserve kept interest rates low. This meant cheaper mortgages, but also microscopic earnings on savings deposits, as well as some other investments, like bonds. In fact, the Federal Deposit Insurance Corporation reports that the national savings interest rate was a tiny .07 as of May 2022, up from .06 percent in December 2021. Go back to 2010 and rates averaged .2 percent. Peek further back in time, however, and you can find rates in excess of 7 percent. So with Fed interest rates on the rise, will you see interest paid on savings accounts increase? Probably, but only marginally! Remember, banks are in business to MAKE money, so even if rates go up dramatically; it's liable to take longer to make money. As the Fed rates tick up, so too will savings account rates. But even optimistic experts are predicting that rates will rise to 2 percent or thereabouts in 2022. Rates will rise as banks compete for deposits, but the increase will probably be slow and incremental.

Large, historically-established banks have been slow to increase rates. Less well-known online banks, however, are courting customers more aggressively and even offering rates in excess of 1 percent.

**GOT TAX NOTICES, LEINS, OR IRS DEBT - HBS TAX REPRESENTATION EXPERTS CAN HELP**

**CALL (706) 771-1077**

# TAX TIPS 2022

## *Planning for Tax Season 2023?*

Unless Congress passes something the last half of the year there will be no earned income tax credit for seniors and young adults in 2022. One of the most valuable credits in the tax code for years has been the earned income tax credit (EITC). This credit was unavailable to taxpayers age 65 and older. However the federal American Rescue Plan Act of 2021 lifted that age limit for the 2021 tax year. Which meant some working seniors in 2021 received the EITC when they filed their tax return. That change was effective for the 2021 tax year only. In addition, young adults qualified for that credit as well. Normally, the earned income tax credit is available to eligible workers from ages 25 through 64. For 2021 only the American Rescue Plan Act lowered the age range making the credit available to certain workers ages 19 to 24 as well as 18-year-olds who were formerly in foster care or were homeless. Also, under the current tax a less valuable earned income tax credit for taxpayers without qualifying children was available in the American Rescue Plan Act. The total value of the EITC depends in part on how many qualifying children you have. For taxpayers with no qualifying children, the maximum value of this credit jumped from \$538 in 2020 to \$1,502 in 2021, thanks to the American Rescue Plan Act. But that was a temporary increase. For the 2022 tax year, *those who are eligible for the EITC and have no qualifying children can expect to receive no more than \$560.*

## **Here's A Free, Valuable Resource...**

Find the latest business news, helpful information AND obtain important tax saving and financial growth tips at  
[www.hughesbusinessservice.com](http://www.hughesbusinessservice.com)

## **Here's Some Hints for College**

A whole new generation of college students will be shipping off soon, and if you've got a newly-minted freshman, here are a few things to share with them, IF they'll listen...

- Don't overload your schedule, but be sure to set an academic pace that will allow you to graduate in four years.
- Plan to go to class, always.
- Study at least an hour for each hour in class. It's not like high school.
- Avoid committing a certain number of hours to an outside job until after the first week of classes. By then, you'll have a better idea about how much you can do and still keep up with your studies.
- Keep your social life in balance with study requirements.
- Stay positive. You can do it.
- Don't feel pressured to choose a career during your freshman year.
- Drop classes if you want, but do it during the designated period.
- Back up your laptop.
- Keep your room reasonably clean and be a considerate roommate.
- Learn to do laundry.
- *Somebody is paying for all this. Don't forget it.*

## **Brain Teaser...**

Fourteen of the kids in the class are girls. Eight of the kids wear blue shirts. Two of the kids are neither girls or wear a blue shirt. If five of the kids are girls who wear blue shirts, how many kids are in the class?

*(See page 4 for the answer.)*

**No matter how little or how much you use me, you change me every month what am I?**

*(See page 4 for the answer.)*

## **Digital Life Hack Tip**

Here's a nifty hack for preventing your Apple charging cables and other cords from fraying: Grab the spring out of a ballpoint pen, then stretch it and wrap it around the part of the cord that tends to bend, and it'll keep it straight forever, thus stopping it from wearing down over years.

## **Consumer Tip**

BEFORE it's too late, check and see if your town or state will have a "sales tax holiday" for back-to-school shopping. It's an ideal time to get everything the kids need, and you might even be able to use some of those purchases for you, too.

**AND...**whether you're thinking of investing, need bookkeeping or payroll assistance, have an IRS problem, or just have tax questions, I'd love to hear from you...

## Thanks for Thinking of Us!

Did you know we can help you or any of your friends or family save time and money on their taxes? Thanks for keeping us in mind with your referrals...and spreading the word about our HBS *GoldStandard* services:

**Call us at 706-771-1077**

## Brain Teaser Answer:

19!

*A Calendar*

## Time Hack

Create a "To-do" list! Are you tired of the overwhelming tasks that seem to occupy ALL your time? Quit the digital lists and manually write them down. The simple act of crossing them off as you accomplish them will give you the added boost you need to power through the rest of them. Remember, the goal is always to make:

- **An extra day each week**
- **An extra week each month**
- **An extra month each year**
- **Or just more time everyday!**

**THANK YOU** for reading our newsletter. We wanted to produce a newsletter that has great content and is fun and valuable to you. Your constructive feedback is always welcome. Contact us with questions or concerns in any of the articles we featured.

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# AUGUST CLIENT FEATURE

In the Area Visit

## Nutritious Alternative Resturant

*Featuring the Smoothies In the City*

*Organic Health Food*

**GOOGLE Users Rating: 4.8**

**1795 Martin Luther King Jr Blvd**

**Augusta, GA 30901**

**(706) 849-2111**

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## Legal Corner...*Reasons to Establish A Trust*

Two extremely important components that make up the Estate Planning process are Last Will and Testament and Trusts. Most people are aware of the purpose and structure of Wills but Trusts can be a little more difficult to understand. Trusts have a more complex legal structure in comparison to Wills. Also there are various types of Trusts so it's often difficult to know are right for you. There are a number of reasons to have a Trust that should be considered before starting your Estate Planning.

Trusts normally come into the Estate Planning play if you have over \$200,000 in assets. That includes the value of your home. Trust can also be crucial tools for parents who may need control over how their assets are distributed to their children. For example Trusts can be useful if you have children from a previous marriage that need to be considered or if you have young children. Here are some things to consider when determining if you should establish a Trust:

- Trusts can avoid probate court
- Certain Trusts can help reduce Estate taxes
- Trusts provide more control over your assets
- Trusts are low maintenance
- Trusts can protect your loved ones in worst case scenarios
- The structure of Trusts can assist children with special needs
- Complex assets can be properly divided using Trusts
- Trusts can ensure everyone in your family is taken care of properly

When you set up your estate plan, be sure to go over your Beneficiary designations you previously made to ensure that they align with your current plan. You may want to regularly review and update them at least once a year.

**Contact our office if you are interested in developing a will or other estate planning documents at 706-771-1077.**