



Steve Arthur's... *Monthly Newsletter!*

Insider Tips for Healthy, Wealthy, & Happy Living.....

**Steve Arthur
Federated Mortgage
NexTier Bank
412.390.3530 x108
877.533.2784 x108
412.298.2748 Cell
sarthur@fedmc.com**

Issue #24
December 2006
Pittsburgh, PA

Special One Time Tax Credit On Your 2006 Tax Return

When it comes time to prepare and file your 2006 tax return, make sure you don't overlook the "federal excise tax refund credit." You claim the credit on line 71 of your form 1040. A similar line will be available if you file the short form 1040A. If you have family or friends who no longer file a tax return AND they have their own land phone in their home and have been paying a phone bill for years, make sure they know about this form 1040EZ- T.

What is this all about? Well the federal excise tax has been charged to you on your phone bill for years. It is an old tax that was assessed on your toll calls based on how far the call was being made and how much time you talked on that call. When phone companies began to offer flat fee phone service, challenges to the excise tax ended up in federal courts in several districts of the country. The challenges pointed out that flat fee/ rate phone service had nothing to do with the distance and the length of the phone call. Therefore, the excise tax should/ could not be assessed.

The IRS has now conceded this argument. Phone companies have been given notice to stop assessing the federal excise tax as of Aug 30, 2006. You will most likely see the tax on your September cutoff statement, but it should NOT be on your October bill. But the challengers of the old law also demanded restitution.

So the IRS has announced that a one time credit will be available when you and I file our 2006 tax return as I explained above. However, the IRS also established limits on how BIG a credit you can get.

.....continued on page 4.

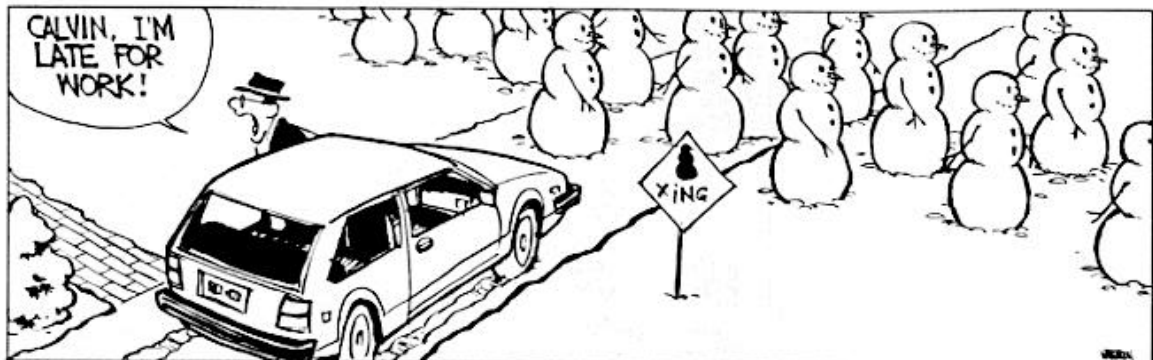
Inside This Issue...

Drycleaning.....Page 1

Twenty seven lines to make you smile.....Page 2

Cleaning up your credit report and raising your scores for better financial health.....Page 3

From the
Calvin & Hobbes
collection.....



Words of the Month...

Studies have shown that your income and wealth is directly related to the size and depth of your vocabulary.

Here is this month's word.

polemic - (po-lem-ik) adj.

Meaning: Of the nature of, or pertaining to, or involving controversy and aggressive conversation.

Sample sentence: The U.N Security Council was engaged in last-minute **polemic** arguments

Brain Teaser...

The more you take, the more you leave behind.

What are they?

(answer on the bottom of page 4)

Favorite Toasts!

"May the roof above us never fall in, and may we friends never fall out."

An old Irish blessing

"May you have warmth in your Igloo, oil in your lamp, and peace in your heart.

An Eskimo Toast of Goodwill

"May your house be too small to hold all your friends"

Myrtle Reed

"To a true friend....He knows all about you and likes you just the same."

Anonymous

TWENTY SEVEN LINES TO MAKE YOU SMILE

- 1.. My husband and I divorced over religious differences. He thought he was God and I didn't.
- 2..I don't suffer from insanity; I enjoy every minute of it.
- 3.. I Work Hard Because Millions On Welfare Depend on Me!
- 4.. Some people are alive only because it's illegal to kill them.
- 5.. I used to have a handle on life, but it broke.
- 6.. Don't take life too seriously; No one gets out alive.
- 7.. You're just jealous because the voices only talk to me.
- 8.. Beauty is in the eye of the beer holder.
- 9.. Earth is the insane asylum for the universe.
- 10.. I'm not a complete idiot — Some parts are missing.
- 11.. Out of my mind. Back in five minutes.
12. NyQuil, the stuffy, sneezy, why-the-heck-is-the-room-spinning medicine.
- 13.. God must love stupid people; He made so many.
- 14.. The gene pool could use a little chlorine.
- 15.. Consciousness: That annoying time between naps.
- 16.. Ever stop to think, and forget to start again?
- 17.. Wrinkled Was Not One of the Things I Wanted to Be When I Grew up.
- 18.. Procrastinate Now!
- 19.. I Have a Degree in Liberal Arts; Do You Want Fries With That?
- 20.. A hangover is the wrath of grapes.
- 21.. A journey of a thousand miles begins with a cash ad-vance.
- 22.. Stupidity is not a handicap. Park elsewhere!
- 23..He who dies with the most toys is nonetheless dead.
- 24..A picture is worth a thousand words, but it uses up three thousand times the memory.
- 25..Ham and eggs. A day's work for a chicken, a lifetime commitment for a pig.
- 26.. The trouble with life is there's no background music.
- 27.. I smile! because I don't know what the hell is going on.

Thank you, Thank you!!!!

Folks, thanks for all the referrals this past year. This allows me to focus on what I do best, helping people with professional and caring service.

I'm never too busy to talk to anyone, so keep them coming!!!

THANK YOU for your referrals!!!!!!!!!!!!!!

Say “NO” to Night Owl work habits

If you take work home from the office, you may be better off getting up early instead of burning the midnight oil. A study at the University of Pittsburgh Medical Center found that mental speed drops as much as 30% by 11 p.m. Late night work sessions will also cause a corresponding drop in brain power the next day!

Today’s frugal tip

Don’t you just hate it when grass clogs and stops your mower when you mow the lawn? An easy way to stop this is to clean underneath the mower with a hose and brush, let it dry and spray with furniture polish. This creates a super-slick surface that grass won’t stick to. This works in cold weather as well on snow shovels.

Did you know.....

- * The tomato was originally considered a fruit
- * The average person sheds one pound of skin a year
- * Saturn is the only planet that can float on water
- * A lobster’s blood is blue
- * Postage stamps in Israel are certified kosher
- * Texas has the highest bat population in the United States

The “Street Method” to cleaning up Your Credit Report and Maintaining a Good Credit Score.

I’ve included this in my newsletter before, but it bears repeating. Credit score is everything. Not only for borrowing money for a new home, but also for car loans, credit cards, even automobile insurance. Here goes:

Pay everything on time, especially your mortgage or rent. Good payment history raises your scores.

Use your credit cards every month. Even if you pay it off monthly so as not to incur interest fees, the credit card companies will still report this as positive payments! Keep your card balances below 1/3 to 1/2 of the credit limit to maximize your scores.

The closer you are to the limit, the more it lowers your scores.

Keep old accounts open that have a good payment history. Establish good credit, i.e, secured credit cards, utilities, etc.

Check www.bankrate.com for the best deals.

Order a copy of your credit report from the three major credit bureaus.

Check this website, www.annualcreditreport.com for availability in your area. You are entitled to one free copy of your credit report per year from each bureau.

Once you receive the report, make sure all the information is correct. Dispute in writing all negative information whether it is correct or not. For any account that says collection, bankruptcy, repossession or chargeoff, send a letter that says “this is not my account”. For any account that shows delinquent payments, simply say “I was never late with this account”. If you’d like a sample dispute letter in Word format, let me know. I’d be happy to e-mail that to you.

When you dispute an item, the credit bureaus are required to investigate. When they investigate, whoever put the negative information on your credit report is required to respond to the investigation within thirty days. If they don’t respond, the information is considered to be unverifiable and is required to be removed by the credit bureau. Once the disputed items have been investigated the credit bureaus will send you an updated credit report.

Review the updated reports and repeat the letters for the remaining negative items. You should mail a separate dispute for each item. You will also need to include your social security number, your date of birth, a copy of your drivers license, and a copy of a utility bill with your current mailing address.

Here are the three major credit bureaus names, address’s and phone numbers.
Equifax 1- 800-685-1111 <http://www.equifax.com>

Trans Union (800) 888-4213 <http://www.transunion.com/> TransUnion LLC
Experian 1-888-397-3742 <http://www.experian.com/>

This is a lot of work, but will definitely be worth it!!!!!!!!!!!!!!

Thank you for the kind words.....
Thank you so much for your time and energy. I appreciate it. This is our first mortgage, and your advice was very helpful.

.....Michelle, South Carolina

Bad Day at the Doctor's Office

A man hasn't been feeling well, so he goes to the doctor for a complete check up. Afterwards the doctor comes out with the results.
"I'm afraid I have some very bad news," the doctor says. "You're dying and you don't have much time left"
"Oh, that's terrible!" says the man.
"How long have I got?"
"Ten" the doctor says sadly.
"Ten?" the man asks, "Ten what?"
"Months? Weeks? What?!"
"Nine."
"Nine?" the man asks. What do you mean "Nine?" You're confusing me!"
"Eight....."

Quote of the Month...
It is better to light a candle than curse the darkness.
—author unknown

Brain teaser answer....
Footsteps

THANK YOU
for reading my newsletter! I wanted to produce a newsletter that has fun content and is valuable and beneficial to you. Your constructive feedback is always welcome.

Steve Arthur
Federated Mortgage
NexTier Bank
412.390.3530 x108
877.533.2784 x108
412.298.2748 Cell
sarthur@fedmc.com



Don't lose your head during the holidays!!!

Call me today and I'll help you set up a **FREE** home equity line of credit to help with those Christmas bills!!!

.....Tax credit. Continued from page 1.

Here's how it works.
If you file your return as a single person with just you as a dependent, you get to claim a \$30 credit on line 71 of your 1040.
If you file with a child or a parent as your dependent, you claim \$40.
If you file your return as a married couple with no children, you claim \$40. If you file as married with children, you claim \$50 if one child, \$60 if two children.
In all cases, the most you get to claim is \$60 - UNLESS you have all your phone bills starting AFTER Feb 28, 2003 through July 31, 2006 (do not use any bills starting Aug 1, 2006.), then you can add up the **ACTUAL TAX AS IT APPEARS ON YOUR BILLS AND CLAIM THAT FOR A CREDIT.** Now if you have your actual phone bills and come up with an **ACTUAL TAX AMOUNT**, you cannot use line 71 on your tax return. You have to complete a special form number 8913 and attach it to your tax return.
Individuals using the special from 1040EZ- T will have to attach this form 8913 also.
One final point - this credit is a refundable credit. That means you get this money, no matter how your tax return works out. If you would end up owing the IRS a balance, the refund will reduce that balance you owe. If you end up getting a refund, the credit will be added and you get a bigger refund by that \$30 to \$60, depending on how many dependents are on your return.
Feel free to pass this on or make copies for family and friends who don't have computers.