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YOUR MONEY

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1,000 turn to News for tax help

BY PHYLLIS FURMAN
DAILY NEWS BUSINESS WRITER

CPAs FIELDDED nonstop calls and responded to a flood of emails from eager Daily News readers yesterday as the paper wrapped up its annual free tax hotline.

Over the course of three days, nearly 1,000 New Yorkers turned to The News for help. The free annual tax advice was provided in partnership with the New York State Society of Certified Public Accountants, whose members volunteered their time to help New Yorkers.

Reflecting the still difficult economy, a number of callers

said they had not filed tax returns in years.

"It sounds to me like people cannot afford to pay their taxes," said Joseph Nacmias of McGladrey & Pullen.

A reader from East New York said he had not filed since 2004. "What should I do?"

"You should prepare all of your returns," answered Alex Resnick of Wild, Maney, Camera & Resnick. "If you owe money to the IRS and you are not able to pay it, the IRS will enter into an installment agreement with you.

"Prior to filing your New York State returns, enter the New York State voluntary disclosure

program," he added. "If you qualify, it will result in lower penalties and interest."

A widow who logged on to yesterday's live Web chat at nydailynews.com/money said her husband passed away this year and owed a year's worth of back taxes. Was she responsible for paying it off?

"You may be responsible if you filed joint tax returns in the past," Resnick answered. "If you need more time to resolve the issues you can file for an extension."

Other callers had questions about deductions.

Theresa Elio, a 69-year-old retired executive assistant from

Yorktown Heights, N.Y., wanted to know if she could deduct the health insurance premiums that come out of her husband's pension pay.

"Health insurance premiums are deductible as part of your medical expenses, if you itemize," answered CPA Pamela Diamond.

Raquel Munoz, a 37-year-old university employee from Riverdale, Bronx, asked a question on behalf of her father.

"My dad took a considerable amount of money out of his IRA this year. Will he be taxed?" she asked.

"Because he deposited the money into his personal account, where it stayed for more than 60 days, it is not considered an IRA rollover and therefore it is taxable income," Diamond said.

Munoz was grateful for information. "We weren't sure," she said. "This confirms it to us."

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