

Clogged Communication - Your Staffs are Your Customers

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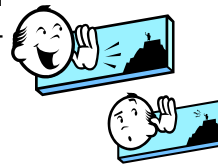
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A hotel restaurant had problems with sewage back up. The sewage pipes were old, and each time it clogged, restaurant staffs had to clean the kitchen floor. One day, a restaurant staff took me to the kitchen and showed me the problem. I soon asked a hotel manager "Do you know the restaurant kitchen has had the sewer problem? It has not been fixed for more than 2 years." He said, "I did not know. Nobody reported me. Unless my staffs report me, how can I know about the problem?" I replied to him, "You are right. By the way, why didn't your staffs talk to you about the problem?" The manager quite often does not now about operation issues and problems at the hotel, and similar things do happen in many companies.

Why People Do not Talk to Manager

People do not contact you if they have been refused by you or have bad experiences with

you in the past. The restaurant staffs say they do not ask the manager for any helps because most of the time, his answer is "No". He often says "We cannot do anything about it because of company policy.", and offers no solutions. There is no open discussion to focus on solutions. You know who caused the non-communication situation.



Why Manager Does Not Have Solution

The manager cannot provide any solutions for a problem, if he does not have the detailed facts on the problem. If he wants to know detailed facts on the hotel and restaurant operations he has to come down to the site where people work. Instead of waiting for the staffs to report him, he can proactively visit and talk to them at their work place – restaurant rooms, kitchen, and locker rooms - daily and

as often as possible.

Sewage Backup Solved

A week after I talked to the hotel manager on the sewage problem, I visited the kitchen for a follow-up. A kitchen manager then told me that the restaurant had never cleaned the sewage pipes for 20 years. We cleaned the pipes, and as a result, did not have the sewage problem anymore. We decided to clean up the sewage pipes once a year to prevent the problem from happening again.



You have to open a door for your staffs. Never forget "Your staffs are also your customers". Including myself, people sometimes does not accept that they cause problems by themselves.





OpenAxis, Inc. has an office in Las Vegas to provide the following services

- Assisting real estate developers
- Hotel management
- Incorporation of Business in Nevada State

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How to Handle Moving Expenses

Moving expense is a popular issue among our clients because many of them involve with moving between the U.S. and Japan. Most employers give employee a fixed amount for the moving expense allowance rather than reimbursing the actual costs.

Who Can Deduct Moving Expenses?

An employee can deduct moving expenses if he/she meets all three requirements:

1. The employee has to move within 1 year of the date he/she starts the new job location.
2. The distance between the em-

ployee's new job location and former home is at least 50 miles farther than the distance between the old job location and the former home.

3. The employee must work full time for at least 39 weeks during the first 12 months after he/she arrive the new job location.

Qualified (deductible) Moving Expenses to Employees

If the employee meets the above requirements, he/she can deduct the reasonable:

- Cost of moving (packing, trucking, shipping etc.)

- Cost of traveling
 - Transportation and lodging expenses for family members during traveling
 - Lodging expenses in the area of former home within one day after he/she could no longer lives in the former home.
 - Only one trip from former home to new home.
- Cost of temporary storage within 30 days after moved. (If it is foreign-move, then he/she can deduct the reasonable expenses.)



Nondeductible Expenses to Employees

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- | | |
|---|---------------------------------|
| Car tags | Loss on the sale of home |
| Driver's license | Meal expenses |
| Expenses of buying or selling a home | Mortgage penalties |
| Expenses of getting or breaking a lease | Pre-move house hunting expenses |
| Home improvements to help sell a home | Temporary living expenses |

In general, reimbursements of moving expenses are not income to employees. However, reimbursements received for nondeductible expenses are income to

employee. Allowances paid for moving expenses are income to employees. Employees can file form 3903 (Moving Expenses)

to figure out their moving expense deduction.

Source of Income

If the employee is relocated from a foreign

country to the U.S., the allowance of moving expenses is his/her U.S.

source of income. If the employee moves out from the U.S., the allow-

ance is his/her foreign source of income.



Tax Benefit on Hybrid Vehicles

If you purchased a new hybrid vehicle for your own use in 2005, you are entitled to a \$2,000 deduction from your gross income (claimed on line 36 of 2005 Form 1040) ^{*1}. If you purchased the vehicle before 2005 and after June 30, 1993, you can claim the deduction by filing an amended tax return for the tax year, in which the vehicle was purchased.

After 2005, hybrid vehicles will qualify for a tax credit of \$250 to \$3,400

(IRS Code Sec. 30B), depending on the fuel economy and the weight of the vehicle. You can compute the tax credit amount by using the tables provided in IRS Code Sec. 30B(c)(2)(A).

Cars that have been certified as qualifying for a \$2,000 deduction (before 2006) or tax credit (after 2006) are the 2006 Toyota Highlander Hybrid, 2006 Lexus RX 400h, 2005 Toyota Prius, Ford Escape Hybrid, Honda Insight, Honda Civic Hybrid, and Honda Accord

Hybrid ^{*2}, as well as the Toyota Prius, Honda Insight, and Honda Civic Hybrid for model years 2004, 2003 and earlier ^{*3}.



*1 (IRS Code Sec. 62(a)(14) and Code Sec. 179(A) as amended by P.L. 109-58)

*2 (IRS News Releases 2005-69, IR-2005-57, IR-2005-14, IR-2004-147, and IR-2004-125)

*3 (IRS News Releases IR-2004-16, IR-2003-114, IR-2002-97, and IR-2002-93)

Who Must File Individual Tax Return

| If your filing status is : | Age at end of 2005 | Gross income at least | Standard deduction amount |
|----------------------------|--------------------------|-----------------------|---------------------------|
| Single | 65 or older | \$9,450 | \$5,000 |
| | Under 65 | 8,200 | |
| Married filing jointly | One spouse 65 or older | 17,400 | 10,000 |
| | Both spouses 65 or older | 18,400 | |
| | Both spouses under 65 | 16,400 | |
| Married filing separately | Any age | 3,200 | 5,000 |
| Head of household | Under 65 | 10,500 | 7,300 |
| | 65 or older | 11,750 | |
| Qualifying widow (er) | Under 65 | 13,200 | 10,000 |
| | 65 or older | 14,200 | |



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At OpenAxis, we focus on the implementation of IT solutions for small- and medium-sized businesses.

We provide management and computer consulting services by identifying issues, implementing solutions, and managing all your IT needs.

Comprehensive Solution:

- Accounting Solution
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With respect to a dependent of another taxpayer who is neither blind nor age 65 or older, a return must be filed for the 2005 tax year if the individual:

1. Has over \$800 of unearned income, or
2. Has over \$5,000 of earned income, or
3. Has a total of unearned and earned income, which exceeds the larger of (a) \$800 or (b) earned income (up to \$ 4,750) plus \$250.

Example: (1) A has unearned income \$100 and earned income \$1,000. A's total income is \$1,100, which does not exceeds \$1,250 (large of \$800 or \$1,000+\$250). A does not have to file return.

Example: (2) B has unearned income \$400 and earned income \$4,000. B's total income is \$4,400, which exceeds \$4,250 (large of \$800 or \$4,000+\$250). B has to file return.

Child under age 14 not needs to file a return:

If a child had no earned income, received unearned income (interest, and dividends in an amount less than \$8,000, that was not subject to backup withholding, and made no estimated tax payments, the parents may elect to report the income on their return. If the parents make this election, the child need not file a return.



Dependents who are blind and/or age 65 or older must file return if:

1. Their earned income exceeds their maximum standard deduction amount.
2. They have unearned income in excess of the sum of \$800 plus additional standard deduction amounts.
3. Their gross income exceeds the total of earned income up to the regular standard deduction amount or \$800, whichever is larger, plus the applicable additional standard deduction amount

Child or dependent: A child or dependent is taxed on income, including wages and income from property. The basic standard deduction for dependents is limited to greater of \$800 or sum of \$250 plus earned income. Therefore, a dependent who has gross income of \$800 or less will not be taxed on that amount and does not have to file an income tax return.