

**Upcoming TIA Meeting for SATURDAY, March 15, 2008**  
**At 10 AM in the 2020 building in the Oak Ridge Industrial Park.**  
**Visitors are always welcome.**

**Forthcoming speaker**

Care of Tom Kulaga, recording secretary.

The featured speaker for the March TIA meeting is **Bruce Hayes** of the Tennessee Small Business Development Centers (TSBDC). Bruce is a Senior Business Specialist who helps people start, develop, and grow their business. He works out of the Knoxville TSBDC office and regularly offers classes and seminars to those interested in developing their business.

**Meeting Notes from February 16, 2008 Meeting**

Care of Tom Kulaga, recording secretary.

**Jerry Hollyfield** was the featured speaker at our February 16 meeting. Jerry is both a lawyer and an accountant with a practice in Knoxville. Or, as Jerry put it, he is an attorney who knows accounting. Jerry spoke on topics relating to common tax deductions for inventors and how best to support those deductions with record keeping. Jerry's phone number is 865-966-8819 and he has an office in Knoxville.

The first topic Jerry discussed was how to deduct expenses. Jerry said that the inventor must have a business with an intent to make a profit. That is, the inventor must have a profit motive and not consider inventing a hobby in order to be able to deduct expenses.

Typically, research and development (R&D) expenses are amortized over 60 months, but they can also be deducted in the year they were paid. See the IRS webpage at <<http://www.irs.gov/businesses/small/industries/article/0,id=100123,00.html>>. R&D costs include patents, but not market research. A portion of the business start-up expenses can be deducted as expenses with the rest amortized.

As for recordkeeping, Jerry said "keep everything!"

There was a lively question and answer period about the best business form for taxes. Jerry explained that a business can be a sole-proprietorship, a partnership, an LLC (a limited liability company), an S-corporation, or a C-corporation. Each of the various business forms has a different legal status, but the Internal Revenue Service allows flexibility on how a person can treat the business for tax purposes. For example, an LLC can be taxed as a partnership or as a corporation, with the most popular being as a partnership.

**Igor Alexeff** brought in a copy of the 2006 Thomas Register that he received as a free CD. Igor also announced that his plasma sterilizer was just delivered to St. Jude Research Hospital for testing.

Igor brought in an antique medical instrument and gave a demonstration to the group. The medical instrument was called a violet ray generator and was over 80 years old. It included various shaped glass probes that gave an electrical discharge when the probe

was brought next to a person's skin. See

<http://www.museumofquackery.com/devices/uv.htm> for more information on the device.

**Martin Skinner** made a short announcement about previous seminars sponsored by the TIA. Martin is a co-founder of the TIA and brought in some brochures and information from the 1987, 1994, 2003, and 2004 seminars. The 2003 seminar was about patents and had a PTO person as a speaker. The 2004 seminar was on marketing and had 4 speakers. Martin is part of a committee working on the next seminar.

**Terry Carpenter** gave an update on his Bible book educational device. In its current form it is about the size of a thick coffee table book. Terry's initial prototype spoke the name of the Bible book when the book was inserted in the correct location. The current version is a wooden puzzle where the books fit only in the correct slot. Terry had several prototypes made by a factory in China. He is currently promoting his invention to various resellers.

**Tom Kulaga** announced that the website at <[www.TnInventors.org](http://www.TnInventors.org)> has been revamped. He requested that everyone take a look at the website. He said that all suggestions are welcome and that additional changes will be coming to the website in the next few weeks.

Photo of Speaker, Jerry Hollyfield.



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Dues are \$30.00 per year, and due in January. Anyone joining after January will pay a pro rated amount.  
Please make checks payable to Tennessee Inventors Association.

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