

SEASON'S GREETINGS

We would like to wish you and your family, a happy holiday season and a financially prosperous New Year. Thank you for your business and the referrals during the last tax season. This is the best compliment a client can give, as we continue to provide the same high quality and professional service that you have received in the past.

!!Have a Happy Holiday!! Happy New Year!!

Announcements

- Our Maplewood office is now located at 1733 Springfield Avenue Maplewood NJ 07040 (Two buildings from the old office).
- The Bloomfield Taxko office has relocated to 8 First Avenue Bloomfield NJ 07003 (Three doors from the old office).
- NJ Homeowners rebate has been extended from November 1, 2010 to January 3, 2011.
- The Bush tax cuts have been extended for two years, therefore, individual tax rates would not be increasing on January 1, 2011.

What's New for 2010 - Individuals

First Time Home Buyer Credit –Extended for 2010: To claim the credit for a main home purchased in 2010, taxpayers must have purchased the home by May 1, 2010, or after April 30, 2010, and before September 1, 2010, and entered into a binding contract before May 1, 2010, to purchase the property before July 1, 2010. Note: Taxpayers who received the credit for main homes purchased in 2008 would start repaying the credit of \$500.00 per year for 15 years on their 2010 tax returns.

Payroll Tax –For 2010, the Social Security tax withholding rate has been reduced from 6.2% to 4.2%. The Medicare tax withholding rate remains at 1.45%.

American Opportunity Credit: formally the Hope Credit- Extended for 2010. Part of the credit is now refundable and increased to \$2,500.

Credit for Nonbusiness Energy Credit: Extended for 2010 -you may be able to take this credit for qualifying energy saving items used for your home in 2010.

For more tax law changes and additional information,
please visit our website- www.frasercpa.com

What's New for 2010 - Businesses

Small Business Health Tax Credit: The credit is up to 35 percent of premiums paid for taxable years beginning in 2010 through 2013. For the taxable year, tax-exempt entities should have average annual wages of its employees for the year of less than \$50000 per FTEs (For Tax Exempt) and must maintain a qualifying arrangement.

Retained Worker Credit – Employers are permitted a general business credit of 6.2 percent of wages, but limited to \$1000.00 for each retained worker. A retained worker is any worker who is employed by this employer for no less than 52 consecutive weeks and whose wages for the last 26 weeks are at least 80% of the first 26 weeks of the period. The credit can only be claimed when the employee reaches the 52nd consecutive week of work.

Section 179: The Sec. 179 limit has been increased to \$500,000 for tax years beginning in 2010 and 2011. The phase-out starts at \$2,000,000.

Form 1099 Change: Beginning with payment received on or after January 1, 2011, credit card companies are required to issue 1099 type forms to businesses. Reporting is not required if the business does not have credit card sales exceeding \$20000 for the calendar year or the number of transactions does not exceed 200.

Statute of Limitations for Partnerships: The statute of limitations for partnership returns increases to six years instead of three years for omissions of income in excess of twenty-five percent of gross income stated on the return.

Flexible Savings Accounts and Health Savings Accounts: Beginning January 1, 2011, funds from these accounts can no longer be used to purchase over the counter medications.

News Letter

taxko
ACCOUNTING | TAX SERVICES | PAYROLL | TAX RESOLUTION

8 FIRST AVE. BLOOMFIELD NJ 07003
TEL: 973-748-7100 FAX: 973-748-7343
293-1/2 FIRST AVE., NEWARK NJ 07107
TEL: 973-991-1891 • FAX: 973-991-1892

Volume 1/2010

frasercpa
ACCOUNTING | TAX SERVICES | PAYROLL | TAX RESOLUTION

1733 SPRINGFIELD AVE., MALEWOOD NJ 07040
TEL: 973-762-7299 • FAX: 973-762-7292

YEAR END TAX TIPS

✓ Start gathering your tax records. Go through your checkbook and credit card statements and summarize all of your tax related expenses.

✓ Gather up those old clothing and give to charity - don't just throw them out, you are throwing out money. If you itemize (file schedule A) you can take a deduction for charitable contribution. When you give clothing to charity make sure you collect a receipt.

✓ Pay deductible expenses in December that you would pay in January.

✓ Sell stocks and mutual funds that will create a loss before December 31. The loss can be used to offset capital gains thereby reducing your tax liability. Deduction of capital losses is limited to \$3,000 per year, however, if you have a capital gain you can use the capital losses to offset against capital gains

✓ Open an IRA before April 15th 2011. Please note deductible IRAs are subject to income limitations.

✓ If possible, defer receiving taxable income until the next year.

✓ If you plan to take any pension or IRA distributions before the end of the year, take the minimum amount this year and defer the remainder to the following year. This will help to lower your taxes. On the other hand if your income this year is low you may want to take a larger distribution this year.

SERVING OUR CLIENTS FOR 13+ YEARS

We have been providing quality & professional services to our clients since 1997. We would like to thank you for your long standing support and we will continue to provide you with the quality of service you have been receiving over the years. Our strategic plan is to make Taxko/Fraser CPA a household name known for providing quality professional, tax, accounting, and other financial services to our clients.

WHEN TO EXPECT YOUR REFUND

Returns E-Filed Between	Direct Deposited by	Paper Check Mailed by
Jan 14 and Jan 20, 2011	January 28, 2011	February 4, 2011
Jan 20 and Jan 27, 2011	February 4, 2011	February 11, 2011
Jan 27 and Feb 3, 2011	February 11, 2011	February 18, 2011
Feb 3 and Feb 10, 2011	February 18, 2011	February 25, 2011
Feb 10 and Feb 17 2011	February 25, 2011	March 4, 2011
Feb 17 and Feb 24, 2011	March 4, 2011	March 11, 2011
Feb 24 and Mar 3, 2011	March 11, 2011	March 18, 2011
Mar 3 and Mar 10, 2011	March 18, 2011	March 25, 2011
Mar 10 and Mar 17, 2011	March 25, 2011	April 1, 2011
Mar 17 and Mar 24, 2011	April 1, 2011	April 8, 2011
Mar 24 and Mar 31, 2011	April 8, 2011	April 15, 2011
Mar 31 and Apr 7, 2011	April 15, 2011	April 22, 2011
Apr 7 and Apr 14, 2011	April 22, 2011	April 29, 2011
Apr 14 and Apr 21, 2011	April 29, 2011	May 6, 2011

Note:

The IRS does not guarantee a specific date that a refund will be deposited into your bank account or mailed. You should wait at least three weeks from the time the electronic return was accepted by the IRS before checking on the status of your refund.

Refund Information Hot Line

Federal Refund	800-829-1954
State of New Jersey Refund	800-323-4400 or 1-609-292-6400
State of New York Refund	800-443-3200 or 1-800-225-5829

Internal Revenue Service (IRS) – New preparer regulations 2010 -2011 tax season

Beginning January 1, 2011, all persons preparing a tax return for compensation would be required to register with the Internal Revenue Service (IRS). This regulation would create a new category of tax professionals who would have the designation of "Registered Tax Return Preparers (RTRPs)." Individuals would have to take and pass an IRS competency exam within three years of obtaining a mandatory Preparer Tax Identification Number (PTIN), to be eligible to prepare individual tax returns.

With the implementation of this program, RTRPs would be regulated by the Office of Professional Responsibility (OPR), whose mandate is to ensure tax professionals adhere to regulations of Treasury Department Circular No.230. It should be noted, RTRPs are only allowed to represent clients for the return they prepare. Attorneys, Certified Public Accountants (CPAs), Enrolled Agents (EAs), Enrolled Actuaries and Enrolled Retirement Plan Agents are the only persons admitted to practice before the IRS, and are qualified to represent tax payers at all levels of the IRS, e.g. collections, examinations and appeals.