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NEWSLETTER
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SEPTEMBER 15th ESTIMATED TAX PAYMENTS DUE

Mark your calendars now to make your 3rd (Voucher 3) 2009 Federal and State estimated tax payments.

CORPORATE AND PARTNERSHIP INCOME TAX RETURNS DUE SEPTEMBER 15th ALSO

If you filed an extension to file your corporate and/or partnership income tax returns, kindly note that the final due date for filing these returns is September 15th. There are no further extensions available.

CASH FOR CLUNKERS

Under this program, a voucher of \$3,500 or \$4,500, depending on the type of vehicle traded in and the fuel efficiency of the vehicle purchased, will be sent directly to the car dealer to be applied against the cost of the new car. Further good news is that this voucher will not be taxed as income to those participating in the program. This new law proved so popular that it ran out of money. The House moved promptly to infuse \$2 billion more to keep the program going. The measure now waits for the Senate's approval.

ORDINARY INCOME VERSUS CAPITAL GAIN ON SALE OF HOUSE LOTS

Taxpayers bought over 14 acres on which they were going to build their "dream house." However, they decided to subdivide and develop the land. Over the years, one lot per year was sold, mainly to friends and acquaintances. The gains on the sale of the lots were reported as capital gains. The IRS disallowed capital gain treatment and treated the gains as ordinary income. Taxpayers objected and appealed to the U.S. Tax Court. Happily, the Tax Court sided with the taxpayers and upheld capital gain treatment on the sale of lots. What carried the day for the taxpayers is their level of sales and casual attitude toward the sales, they sold primarily to friends, they did not advertise widely, and they held other fulltime jobs. The Tax Court held that they were investors and not dealers.

LOWER PAYROLL WITHHOLDING TAXES

Lower withholding taxes may result in a balance due or lower refund when filing 2009 tax returns. To avoid this result, change your withholding taxes to what they were before the Tax Law change.

CLOSED LABOR DAY MONDAY SEPTEMBER 7TH

Labor Day also means we will return to being open until 5 p.m. on Fridays.

THANK YOU FOR YOUR CONTINUED PATRONAGE AND SUPPORT

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