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**NEWSLETTER**  
***FEBRUARY 2010***

**OPEN SATURDAYS**

Beginning February 6, 2010, we will be open from 9:00 a.m. to 1:00 p.m. for those clients who work and cannot get here during our normal hours of 8:00 a.m. to 5:00 p.m. Monday through Friday.

**FARMERS**

It sometimes happens that farmers earn more from nonfarm activities than they do from farming. If this nonfarm income is more than one-third of their gross income, then the farmer is no longer considered a farmer for federal and state income tax purposes. That means the former farmer will have to pay estimated income taxes and may be liable for estimated income tax penalties.

**TAX ENGAGEMENT LETTER**

If you did not mail us your engagement letter, please bring it with you with your other tax documents. Also, we will need all of your Forms W-2's, 1099's, and 1098's for our files.

**2010 IRA REQUIRED MINIMUM DISTRIBUTIONS (RMDs)**

Under the Worker, Retiree, and Employer Recovery Act of 2008, IRA account owners and defined contribution plan participants were not required to receive RMDs for 2009 only. If you waived your 2009 RMD, you will be required to take your 2010 RMD by December 31, 2010.

**CONVERTING A TRADITIONAL IRA TO A ROTH IRA**

Beginning in 2010, more people will be able to convert a traditional IRA to a Roth IRA. A major benefit of a Roth IRA is that Roth IRA distributions are not taxable by the IRS. But there are other factors to consider in making the decision to convert, e.g., paying the taxes on the conversion. However, more importantly, is the question: Will Congress renege on their promise not to tax Roth IRA distributions in the future? Recall that since the inception of Social Security in 1935, Social Security Retirement Benefits were not taxable. But that all changed when President Reagan signed into law the taxation of up to 50% of Social Security benefits. Then in 1993 President Clinton increased the amount to up to 85%.

**LAKE COUNTY INDIANA PERSONAL PROPERTY TAXES**

Beginning in 2010, the Lake County Assessor's Office will not be sending you your personal property tax forms. It will be your responsibility to obtain those forms either on line or at the Assessor's Crown Point office. The forms are due to be filed on or before May 15, 2010 and NO EXTENSIONS WILL BE GRANTED. Failing to file on time will incur a \$25 fine plus penalties.

*Thank you for your business and we appreciate your referrals.*

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