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NEWSLETTER
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GOD BLESS AMERICAN ON HER 233RD BIRTHDAY.

PRESIDENT SIGNS THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

The new law, signed on February 17, 2009, offers new tax breaks some of which are set forth below.

First-time homebuyer credit.

If you have not owned a home for the past three years, you may qualify for the credit which amounts to 10% of the cost of the home purchased before December 1, 2009. The credit is limited to \$8,000 or \$4,000 for married individuals filing separately. The amount of the credit begins to phase out for taxpayers whose adjusted gross income is more than \$75,000 or \$150,000 for married couples filing jointly.

Deduction for sales and excise tax deduction for new vehicle.

If you purchased a new light truck or motor home weighing less than 8,500 pounds, automobile or motorcycle after February 16, 2009, you can deduct state and local sales and excise taxes even if you do not itemize your deductions. The deduction is limited to tax amounts paid on up to \$49,500. As with most deductions and credits, this deduction is phased out for taxpayers whose adjusted gross income is between \$125,000 and \$135,000 for individuals and between \$250,000 and \$260,000 for married couples filing jointly.

Alternative energy tax breaks.

Both individuals and businesses can take advantage of new or expanded tax benefits for the cost of reducing energy use or creating new energy sources.

Homeowners can receive a tax credit, up to \$1,500, for example, adding insulation to walls, etc., replacing windows, skylights and external doors, window films and Energy Star-rated pigmented metal roofs and asphalt roofs with cooling granules. To get these credits, the homeowner must obtain a copy of the manufacturer's certification when buying these products and file IRS Form 5695.

Eligible Contractors are eligible to receive the Energy Efficient Home Credit for homes substantially completed during 2009. An eligible contractor is the person who constructed a qualified energy efficient home (or produced a qualified energy efficient home that is a manufactured home). To obtain the credit, either \$1,000 or \$2,000, eligible contractors use IRS Form 8908. The credit is available for new energy efficient homes that are substantially completed after August 8, 2005, and acquired by sale or lease by an individual from that contractor during this tax year for use as a residence.

THANK YOU FOR YOUR CONTINUED PATRONAGE AND SUPPORT

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