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NEWSLETTER
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What's New for Tax Year 2010 for Individuals

Self-employed health insurance deduction. If you were self-employed and paid for health insurance, you may be able to include in your self-employed health insurance deduction any premiums you paid to cover your child who was under age 27 the end of 2010, if the child was not your dependent. This was effective on March 30, 2010. In addition, beginning in 2010, your health insurance costs are deducted in calculating net earnings from self-employment for the purpose of determining self-employment taxes.

Limits on personal exemptions and overall itemized deductions ended. You will no longer lose part of your deduction for personal exemptions and itemized deductions, regardless of the amount of your adjusted gross income.

Standard deduction increased. For some taxpayers who do not itemize their deductions on Schedule A, their 2010 deduction will be higher than it was in 2009. The amount of increase depends on your filing status.

First-time homebuyer credit. Generally, you cannot claim the credit for a home you bought after April 30, 2010. However, if you entered into a written binding contract before May 1, 2010, to buy the home before July 1, 2010, and actually bought the home before October 1, 2010, and did not own any other main home during the three year period ending on the date of purchase, you may claim the credit.

What's New for Tax Year 2010 for Businesses

Net operating loss carryback period changed. Corporations can elect a 3, 4, or 5-year carryback period for an applicable net operating loss or loss from operations.

Section 179 depreciation. For 2010 and 2011, small businesses can write off \$500,000 immediately for purchase of machinery, equipment and furniture. It can also apply to some real estate improvements, including those made to restaurant and retail properties.

Enhanced start-up expense deduction. The deduction for qualified trade or business start-up expenses increased from \$5,000 to \$10,000. The \$10,000 deduction is reduced (but not below zero) by the amount of total start-up costs that exceeds \$60,000.