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NEWSLETTER
MAY 2010

MEMORIAL DAY

We will be closed to observe the national holiday, May 31, 2010.

CLOSED ON FRIDAYS AT 1:00 P.M.

Beginning JUNE 4TH we will close at 1:00 p.m. on Fridays until Labor Day when we return to our normal 8 to 5 schedule.

PRIMARY ELECTION

With all the frustration being exhibited by America's citizens, it will be interesting to see how many choose to vote in the upcoming primaries.

BUSINESS LOSSES

Under prior law, a business sustaining a net operating loss (NOL) could generally carry back the loss two years and forward for 20 years. A tax law passed November 6, 2009 allows the carry back of losses incurred in 2008 or 2009 for three, four, or five years. An NOL carried back to the fifth year is limited to 50% of the taxable income for the year. Any remaining NOL may offset income in the remaining four years.

IRS AUDITS

More and more unincorporated small businesses are being audited by the IRS. These are businesses that report their income and expenses on Schedule C, Profit or Loss From Business. One important feature coming out of these audits is the IRS' insistence that taxpayers provide IRS all of their bank accounts, both business and personal. If the deposits to these accounts do not tie into the amount of gross receipts reported on Schedule C, the difference will be assumed to be unreported income unless the taxpayer can prove otherwise.

Another item worth noting is that taxpayers must have a contemporaneously prepared auto log in order to substantiate automobile expenses. Failure to produce this documentation results in the denial of the entire automobile deduction.

MAY 15 PERSONAL PROPERTY AND NOT-FOR-PROFIT RETURNS DUE MAY 15

Thank you for your continued patronage and support

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