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NEWSLETTER
SEPTEMBER 2010

WELCOME

Please join us in welcoming Amie Kennedy, CPA, to our Firm. Amie brings over 14 years of accounting and tax experience gained with a regional CPA firm, a local bank and a *Fortune 500* company.

HAPPY LABOR DAY

We now return to our regular hours, Monday through Friday 8 a.m. to 5 p.m.

EXPIRATION OF THE BUSH TAX CUTS

Rather than being swayed by “The Media” when it comes to the effect the expiration of the Bush tax cuts will have, do your own homework. *The Tax Foundation*, a nonpartisan, nonprofit organization, has created a “Bush tax cuts” calculator at www.MyTaxBurden.org. This calculator allows you to compare your 2011 federal income tax under three scenarios: if all the Bush tax cuts expire, if they are all extended into 2011 or made permanent, and if the President’s budget is adopted. For example, a married couple with two children under age 17 with taxable income of \$64,530 would pay \$9,548 if all Bush tax cuts expire and \$6,827 if Bush tax cuts are extended. Under the President’s tax proposals the tax would be \$6,027 and under the House Democratic plan the tax would be \$6,827.

THE 2010 HEALTH CARE ACT

And as above, *The New York Times* published “How Different Types of People Will Be Affected by the Health Care Overhaul.” For example, a married couple, ages 72 and 68, with several medical conditions and insured through Medicare with income of \$85,000, will receive a \$250 rebate for prescription drugs in 2010. In 2011, they will receive a 50 percent discount on brand-name drugs. In addition, they will also receive an annual checkup and many preventive services and screenings at no cost. You can visit the New York Times site for more information about the effect of the 2010 Health Care Act on your personal situation.

S CORPORATION PAYROLL TAXES

The House passed a bill that would apply payroll taxes to all business profits of active shareholders of S corporations primarily engaged in service businesses. The bill is targeted at service professionals, such as lawyers, doctors, architects, and engineers who route their self-employment income through S corporations. It should be remembered that IRS is already addressing this issue to **all** S corporations, not just service business S corporations. If the S corporation reports little or no wages for its officers, IRS will impute market value compensation.

DON'T FORGET TO PAY YOUR ESTIMATED TAXES ON OR BEFORE SEPTEMBER 15th.

IF YOU LIKE OUR SERVICE, TELL OTHERS. IF YOU DON'T, TELL US.

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