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NEWSLETTER
SEPTEMBER 2011

HAPPY LABOR DAY

We will be closed Monday to observe the Labor Day holiday.

NORMAL OFFICE HOURS

The month of September means that we return to our normal office hours: 8 a.m. to 5 p.m. Monday through Friday.

INDIANA 2011 TAX LAW CHANGES

As we reported earlier, Indiana decoupled from the federal tax laws that were created in 2010. **For Individuals**, some of these “decoupled” items (which mean they are deductible for Federal tax but not Indiana) include:

- Student loan interest
- Educator expenses
- Qualified tuition and fees

Effective July 1, 2011, the advanced earned income tax credit is eliminated and so is a teacher’s summer employment compensation credit after December 31, 2011.

For the business taxpayers they will have to add back to their business taxable income,

- Expenses of environmental remediation costs
- Start-up expenditures exceeding \$5,000
- Accelerated depreciation of qualified leasehold improvement property

After December 31, 2011, an employer may not be awarded a credit for making a new health benefit plan available as well as the qualified wellness program credit.

For all taxpayers, the carryback of net operating losses (NOL) is eliminated for tax years beginning after December 31, 2011. However, the carryover of a NOL is still available for up to 20 years.

Starting January 1, 2012, Indiana will tax interest on state and local bond interest from bonds issued by a state other than Indiana, or a political subdivision of such state. This additional taxable income will be on bonds acquired after December 31, 2011. So review your non-Indiana issued bonds with your portfolio manager.

REMEMBER TO MAKE YOUR SEPTEMBER 15TH ESTIMATED TAX PAYMENTS.

THANKS FOR BEING OUR CLIENTS. WE APPRECIATE IT VERY MUCH!

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