

MISCELLANEOUS TAX PROVISIONS FOR 2009

Real estate taxes....up to \$500(\$1000 on a joint return) may be deducted in addition to the standard deduction.

Sales tax, new vehicles.....Effective for purchases from February 17 thru December 31 of 2009, taxpayers may deduct(with or without itemizing) sales tax on new vehicles up to \$49,500 in cost. Qualifying vehicles are those with a GVW of less than 8,500 pounds. Motor homes also qualify. A phase out based upon adjusted gross applies.

Minimum distributions....The requirement to take minimum distributions from qualified plans does not apply for 2009.

Unemployment compensation....Up to \$2,400 in benefits may be tax free for 2009.

First time homebuyers....Up to \$8000 refundable credit available for the purchase of a new principle residence before December 1 of 2009. A residence is considered first-time if no ownership in last three years. No recapture applies if acquired after December 31 of 2008 and held for at least 3 years. Phase out based on income does apply.

Plug-in electric vehicle credit...This is a rather complex, but lucrative, credit for electric drive vehicles purchased before January 1 of 2015. Basically, the credit is the sum of \$2,500 plus \$417 for each kilowatt hour of traction battery capacity in excess of 4KWH.

Nontaxable IRA transfers to charity....The ability to make nontaxable IRA transfers to eligible charities has been extended thru 2009. Taxpayers must be at least age 70 1/2. Up to \$100,000 per person may be contributed.

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