

We hope you had a prosperous 2008. As we kick-off the 2008 tax filing season, we want to make sure you are aware of some of the currently enacted tax legislation that may impact your 2008 tax returns. Some or all of these changes may impact your business and/or individual return, and we will be happy to discuss them as we work on your 2008 tax return.

The following four major new tax acts along with the highlights of each one are listed below:

Economic Stimulus Act of 2008 – This act provides numerous business incentives including:

- An increased Section 179 deduction from \$128,000 to \$250,000 along with an increased phase-out amount to \$800,000 from \$510,000
- Additional first year bonus depreciation of 50% for qualified NEW property
- Increase in first year depreciation on passenger automobiles used in your business

Housing Assistance Act of 2008 – This act includes many home related incentives:

- A real property tax deduction for individuals who don't normally itemize their deductions - \$500 for single filers and \$1,000 for joint filers. To qualify, you must have paid at least these amounts in 2008.
- Refundable credits for first-time homebuyers (have not owned a home in the last 3 years)
 - AGI limits apply

Emergency Economic Stabilization Act of 2008 – This act aimed at helping with the financial markets also included over 290 changes to the tax code. The changes that impact most taxpayers include:

- An AMT patch which raised the AMT exemption amounts
- Extension of many common credits and deductions that were scheduled to sunset
 - Examples included sales tax deduction, educator's deduction, tuition deduction
- Exclusion of debt forgiveness income for certain mortgage foreclosures

Worker, Retiree and Employer Recovery Act of 2008 – This act is also aimed at assisting the current financial situation through pension tax relief:

- Required minimum distributions (RMDs) from qualified retirement accounts for taxpayers age 70 ½ and above have been suspended for 2009 only (does not apply to 2008)

Due Date and Address Changes for Tax Forms

- Partnership tax returns (Form 1065) - extended due date moved from October 15 to Sept. 15
- 1099B and 1099S forms issued to taxpayers - moved from January 31 to February 15
- The mailing addresses for IRS 1040-ES and 1040 payments due have been changed

We hope this list provides you with an overview of some of the changes already enacted that may impact your 2008 tax returns and 2009 planning. Of course, this is a very high level summary and each change may have income or other limitations that ultimately determine the impact on your own return(s).