



NEWSLETTER

January 2010

---

Green & McElreath 808 Travis, Suite 2100, Houston, Texas 77002 www.lcpa.com (713) 228-1040

---

**Dates to remember**

There are several important dates coming up:

- February 15      Submitting your corporation and S-corporation tax information to us by this date will enable us to get your return done in time for you to file by March 15. Otherwise, we may have to extend your return to September 15.
- March 1            Submitting your individual, partnership, and trust tax information to us by this date will enable us to get your return done in time for you to file by April 15<sup>th</sup>. Otherwise, we may have to extend your partnership or trust return to September 15, or your individual return to October 15.
- March 15          Corporate income tax returns are due for calendar year C-Corporations and S-Corporations.
- April 15           Your individual income tax return is due.
- April 15           Last day to deposit Traditional IRA and Roth IRA contributions and have them count as 2009 contributions.

**Mandatory e-File  
Tax Year 2010**

Starting with tax year 2010, we will be required to electronically file your individual income tax return. We do not have this requirement for tax year 2009, however, we can both file and provide your copy of your return in a secure electronic format. If you would like to electronically file your 2009 tax return, please contact us and we will send you a Form 8879, IRS e-file Signature Authorization. We can submit your return to the IRS upon receipt of your signed authorization form.

**Suspicious e-mails  
and Identity Theft**

Internet fraudsters continue their attempts to steal taxpayers' identities and assets through phony IRS e-mails. **The IRS will never contact you by email.**

**Texas Unemployment  
Tax Rate Triples**

Due to the increase in state unemployment benefits, Texas Workforce Commission (TWC) has raised the minimum state unemployment tax rate from 0.26 percent to 0.72 percent.

**Federal Deposit  
Insurance Coverage**

Your checking and savings accounts are federally insured for up to \$250,000 per depositor through December 31, 2013. On January 1, 2014, the amount will return to \$100,000. Please ensure your accounts are covered.

**Income Tax  
Preparation Tips**

Have you wondered what you can do to make your income tax preparation more tolerable? A few suggestions include:

- Organize and summarize your documents. Shoeboxes and piles of paper add preparation time.
- Simplify the process of gathering and sending us your tax information through our secure, electronic Tax Organizer. If you are interested, please call or email [info@lcpa.com](mailto:info@lcpa.com).
- Send information as complete as possible. There are exceptions, such as K-1's you haven't yet received. Otherwise, phone calls requesting missing or unclear information, and piecemeal tax data add time to your bill.
- Include a list of your estimated tax payments, indicating the amounts and dates paid.
- Business clients should ensure any prior year adjusting journal entries we sent have been recorded.
- You can securely upload your Quickbooks file and other documents at our webpage ([www.lcpa.com](http://www.lcpa.com)).

**Roth IRA's**

Effective for 2010, individuals will be able to rollover a traditional IRA to a Roth IRA without any income limitations and restrictions. You should consider a conversion if you: have several years until retirement, anticipate being in a higher bracket in the future, or you can pay the tax on the conversion. Please contact us for further details.

**Help us keep  
you informed**

Significant tax law changes are expected in the first quarter of 2010. Stay current with tax information by joining our email list. Please email [info@lcpa.com](mailto:info@lcpa.com) or click the link on our webpage ([www.lcpa.com](http://www.lcpa.com)).

**2010 Update**

- Retirement plan contributions for 401(k) or 403(b) plans are limited to \$16,500, plus an extra \$5,500 if you were at least 50 years before 2010.
- Under a Simple IRA Plan, employees can contribute up to \$11,500, plus an extra \$2,500 if they were at least 50 years old before 2010.
- The maximum IRA contribution amount is \$5,000, plus an extra \$1,000 if you were at least 50 years old before 2010.
- The annual contribution limit for most defined contribution plans is \$49,000.
- Current law repeals the estate and GST tax for individuals passing away in 2010 but expect Congress to eliminate that law, retroactively as of January 1. The Gift Tax Exemption remains at \$1,000,000.
- Annual gift exclusion limits remains \$13,000.
- The FICA/Self-employment tax wage base for 2010 is \$106,800.
- Mileage rate for business use of vehicles is now 50 cents per mile.

*Bob*