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E-mail Spam and Filtering

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PRESIDENT OBAMA'S FIRST 100 DAYS — How Recent Changes Could Affect Your Taxes

One of the first actions of the Obama administration was to help repair our ailing economy. Thus, the American Recovery and Reinvestment Act was signed into law in February. With the numerous changes this tax act brings, we have summarized certain key provisions that may affect business owners and individuals.

Businesses/Self Employed

50% Bonus Depreciation—The new tax law extends the expensing of half the cost of an asset in its first year. This is good on NEW assets only.

Automobiles— The new tax law extends the luxury auto depreciation through 2009. The maximum depreciation that can be taken on a luxury auto continues to be \$11,060 (assuming 100% business use).

Individuals

Workers—Workers and the self employed will get a payroll tax credit for 2009 and 2010 of up to \$400 a year for single taxpayers and \$800 for couples filing jointly. This credit will phase out with adjusted gross income of \$75,000 for single taxpayers and \$150,000 for joint filers.

Unemployed—This new bill makes the first \$2,400 of unemployment income non-taxable.

First-time home-buyers—This tax package increases the \$7,500 first-time home buyer credit to \$8,000 for primary residences purchased between January 1, 2009 and November 30, 2009 and eliminates the requirement that the credit be repaid as long as the house isn't sold within three years (looks like Congress will extend this until the end of 2010).

Expensing Newly Acquired Assets (Section 179)—The new tax law extends the expensing of newly acquired assets. Assets placed in service through the end of 2009 can be expensed up to \$250,000. This applies to NEW and USED assets.

Cobra Benefits—An individual who is involuntarily separated from employment may elect to pay 35% of their COBRA coverage and have it treated as paying the full amount. The former employer will pay the other 65% and will get a credit against their payroll taxes on form 941 for

College Students—The Hope Credit for college costs is increased to \$2,500 for 2009 and 2010. The credit is available for all four years of college (previously only the first two years) and covers the cost of books. It is 40% refundable and begins to phase out at \$80,000 of adjusted gross income for single filers (\$160,000 for joint filers).

New car buyers—Buyers of new cars, light trucks, SUVs, motorcycles and motor homes during 2009 can deduct the state sales tax or excise tax they pay, even if they do not itemize their deductions. This break starts to phase out for single taxpayers with adjusted gross income over \$125,000 (\$250,000 for joint filers).

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President Obama's First 100 Days —

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Retirees, veterans and the disabled —Because the payroll tax credit only goes to employees and the self employed, the bill adds something for others as well: a one-time payment of \$250 to recipients of Social Security benefits, Railroad Retirement benefits, Supplemental Security income payments and pension and disability benefits from the Veterans Administration. Government retirees who don't get Social Security will also get a one-time refundable tax credit of \$250 in 2009.

Homeowners—There is now a 30% credit for energy-saving home improvements, including energy-efficient skylights, windows and outer doors, along with energy-saving water heaters, central air conditioners and biomass stoves.

Middle-income taxpayers—To keep millions of middle-income taxpayers from being forced to pay the Alternative Minimum Tax (AMT) for 2009, the measure increases the minimum tax exemptions to \$70,950 for couples filing jointly and \$46,700 for single filers.

Cash for Clunkers

This program is scheduled to start in late July. Once it opens, if you trade your car with an EPA rating of 18 mpg or less, you receive a \$3,500 credit at the dealer to buy or lease a car rated at 22 mpg or more. Credit is in lieu of a trade in. You will get \$4,500 if the new vehicle gets 10 mpg or more than the old vehicle. Your vehicle must be less than 25 years old and only the purchase or lease of NEW vehicles qualify.

Estate Tax Update

It appears that estate tax changes will have to wait for the fall. A lot of work is going on behind the scenes, but other issues are taking top priority. It is still expected Congress will keep the estate tax at 2009 levels for 2010 – voiding the one year repeal scheduled for 2010. Thus, this year's exemption of \$3.5 million will be retained for a year with the 45% rate on the excess.

IRS Audit Thrust

The IRS announced it will conduct 6,000 examinations over the next 3 years on random employment issues. They will specifically target mis-classified workers that are claimed as independent contractors.

Health Care Reform — Latest

A showdown in Congress is close on President Obama's push for health care reform. The centerpiece of the Senate's tax plan will impose a limit on the tax break employees receive for employer provided health coverage. Experts predict the cost of health care reform will exceed \$1 trillion over the next 10 years with no consensus on a source of funding. Some options being considered:

Surtax on high income taxpayers — a 2% or higher surtax on singles earning over \$200,000 and marrieds above \$250,000—strongly supported by Democrats – some are pushing a top tax rate of 45%.

Tinkering with payroll taxes — including a raise in medicare tax from current 1.45% to 1.8% or higher – or a new payroll tax of 3% or so on premiums paid

Levy on employers — on those who don't provide health insurance of 8% of wages

Value added tax — or a national sales tax on consumers of 1.5% to 3% depending on exemptions (less likely than other proposals).

Health Insurance Coverage for Adult Children (Pennsylvania Law)

On June 10th, Governor Edward Rendell signed into law a bill that expands health insurance coverage for children of insured parents. It allows adults up to age 30, under certain conditions, to remain covered by their parents' health insurance. To be eligible children must be:

- unmarried
- have no dependents
- residents of the commonwealth or enrolled as a full-time student at an institution of higher education and
- not provided private insurance coverage or enrolled in, or eligible for, government benefits

The coverage expansion occurs at the discretion of the employer and does not preclude an increase in premiums related to covering children for these additional years. The law applies to new health contracts and renewals occurring 180 days (six months) after June 10, 2009, and then on a rolling basis as contracts are made or renewed.

4 Things You Need to Know About Email Spam and Filtering

1. Spam is the main source of viruses entering your network. It is more critical than ever that spam be prevented before it gets to your employees in order to avoid the temptation of opening virus laden emails. NetData System's hosted spam filter can block 99.9% of these messages before they get to your computer.
2. Processing of spam messages takes up considerable resources on Internet Bandwidth, computer processors, hard drive space and server memory. NetData System's hosted spam filter virtually eliminates spam before it touches your network and computers.
3. NetData System's hosted spam filtering also provides protection from e-mail server and internet outages. In the event that your Internet or mail server goes down, you can check your e-mail on our secure hosted servers during the outage. Once your mail server or internet is restored, all queued mail will be delivered normally.
4. Spam decreases employee productivity. Weeding through hundreds of spam messages to get to legitimate messages costs your company time and money. For only \$2.75 per user per month we can prevent 99.9% of spam before it gets to your computers.

Contact NetData Systems (a Brinker, Simpson partner) today for a free evaluation and free month of spam filtering. 610.543.1500 or info@netdatasystems.net.



Client Spotlight — Attolon Partners

Seven years ago, Ryan Lafferty and Chris Fazio decided to take their combined knowledge of recruiting, consulting and accounting backgrounds in various industries and use that as a foundation to start an executive search firm, Attolon Partners, located in Philadelphia. Since 2002, Attolon has placed several hundred senior accounting and finance professionals in all industries across the Delaware Valley. Ryan and Chris chose the name Attolon based on the Latin word "attollo" which means to elevate or raise up. Attolon's business philosophy is to raise the quality of executive search in the areas of accounting, finance and information technology.

Attolon prides itself on its unique, thorough search methodology that is efficient and effective. Their business model produces a result in a faster period of time with a high placement-and-retain result for their candidates and clients. Over 95 percent of Attolon's placed candidates stay with their employers for well more than one year. Attolon's history in creating long term matches for their clients is backed by a full year guarantee on all searches. Ryan and Chris also find time to give back to their community in different areas of need.

Ryan is a founding committee member of the Friends of Lankenau Institute for Medical Research (LIMR). LIMR is a nonprofit biomedical research center dedicated to advancing the understanding of the causes of heart disease and cancer.

Chris is President and founder of the Susan Fazio Foundation for Melanoma Research (www.susanfazio.org), a non-profit organization started in 2006 to raise funds to support research and increase awareness of Metastatic Melanoma and Mucosal Melanoma cancers. The foundation has raised several thousand dollars for Melanoma Research. On Monday September 21, the foundation will be hosting a golf outing to raise additional funds. Please see the website for details.

You can find more information about Attolon Partners at their website: www.attolon.com.



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*Personalized
attention you need...and
deserve!*

What's New at Brinker, Simpson & Company, L.L.P.

Bob Simpson was accepted into the American Society of Fraud Examiners.

Brinker, Simpson & Company had 80 attendees at its recent "X Factor" seminar in June at the Springfield Country Club. Thanks to Barrett Ersek of Happy Lawn for a great presentation. If you want to learn more and to download the "Seven Steps to Determine Your X-Factor", visit, www.barrettersek.com.

C. Caramanico & Sons, our client for many years, was voted Best Landscape Company in Delaware County by the readers of the Delaware County Daily Times for 2009. Visit www.caramanicolandscape.com.

Joyce MacIntyre welcomed a Grandson, Liam, on June 21st.

Bruce Rosen, Managing Partner of NetData Systems, welcomed a son, Reid, on April 21st.



*Wishing you a relaxing and
joyous summer!*