



Media Inquiry Guide

2009-2010 Tax Season- *What you need to know*



Impact of the Economy

The American Recovery and Reinvestment Act of 2009 favors spending programs over tax incentives. While the Act provides tax relief to some individuals, it falls short on business tax provisions that many hoped would be included to stimulate the economy. Learn more about our analysis of certain key tax provisions contained in the Act.

- **Business incentives**, including:
 - Bonus depreciation
 - Monetization of AMT and R&D credit carryforwards
 - Debt cancellation income
 - Work Opportunity Tax Credit
 - New Markets Tax Credit
 - COBRA premium assistance
- **Energy incentives** to help save money
- **Individual incentives**, including:
 - Estimated tax relief
 - New Making Work Pay income tax credit
 - New homebuyer credit

Tax Law Change Alerts

AMT patch provides reprieve, but no long-term relief

Who's affected: Many middle- and high-income taxpayers.

Planning tips: Planning for the AMT continues to be a challenge because as of this writing it's unknown whether Congress will pass more patches or provide longer-term relief. Talk to your tax advisor for the latest information and to determine the best strategy for your situation.

Estimated tax payment requirements temporarily eased for some

Who's affected: Many small-business owners.

Planning tips: Take advantage of the lower payment requirements to help maintain your business's cash flow. You may end up owing more on April 15, 2010, because you won't have prepaid as much tax. But until then, you'll have more cash in your pocket to use as needed.

Tax Law Change Alerts

A tax break for QSB stock gets bigger

Who's affected: Investors considering diversifying their portfolios with qualified small business (QSB) stock.

Planning tips: Stock in smaller companies provides additional tax benefits as well. Work with your tax and investment advisors to see whether such stock may be right for your portfolio.

AMT risk lifted for some private activity bonds

Who's affected: Bond investors vulnerable to the AMT.

Planning tips: Those who've hesitated to invest in private activity bonds because of the potential negative AMT consequences may want to reconsider them. Those holding private activity bonds that don't fall under the new provision, however, still need to be wary of the AMT.

Expanded break for first-time homebuyers

Who's affected: "First-time" homebuyers and "long-time" homeowners purchasing a subsequent home.

Planning tips: If you haven't been able to take advantage of the credit, the extension and expansion may allow you to do so. And if you want to help your children fund a down payment, now may be the time to do it: They can potentially benefit from the credit plus take advantage of low housing prices and interest rates. But consider the gift tax consequences.

529 plans temporarily more flexible

Who's affected: 529 plan owners and beneficiaries.

Planning tips: 529 plan owners with beneficiaries who are in college this year or will be next year may want to use plan funds to purchase computers as soon as they're eligible, in case the expanded definition isn't extended beyond 2010. Also be sure to evaluate your 529 investments regularly so you can take advantage of the added opportunity to make a change if needed.

RMD rules suspended for 2009

Who's affected: Seniors and others who otherwise would have to take required minimum distributions (RMDs) from their retirement plans in 2009.

Planning tips: If you're subject to the RMD rules, consider whether you can benefit from reducing or skipping your 2009 distribution. Your tax advisor can help you crunch the numbers to determine the wisest course of action.

Estate and GST tax exemptions increase in 2009

Who's affected: Anyone concerned about estate and generation-skipping transfer (GST) taxes.

Planning tips: Don't take a wait-and-see attitude about reviewing your estate plan; review it now. Depending on how your plan is set up, it may require updates to avoid unexpected and undesirable results. Plus, with proper planning, you can make the most of the increased exemptions.



Discussion Topics and Contacts



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- Federal, New York State and Erie County tax issues
- Tax tips for businesses and individuals
- IRS Audits and Assistance
- Charitable giving



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- General accounting issues

Questions? If you would like more detailed information on the 2009/2010 tax season, contact Emily A. Burns at emily.burns@freedmaxick.com or 716.332.2753



Overview of Services

Assurance Services
Auditing, Reviews & Compilations
SEC Reporting
Agreed-upon Procedures
Bankruptcy Accounting
Employee Benefit Plan Audits

Tax Services
Tax Preparation
Corporate & Executive Tax Planning
State and Local Tax
Sales Tax Audit Defense
Cost Segregation Studies
International Tax Planning
Federal & State Tax Credits
R&D Tax Credits

Consulting Services
Bank Financing Assistance
Mergers and Acquisitions
Strategic Wealth Management
Forecasting
Facilitation of Strategy Sessions
Business Valuations
Business Succession
Forensic Accounting
Fraud Investigation
Expert Witness Testimony
Due Diligence
Estate Planning
Litigation Support
404 Compliance
Enterprise Risk Management

Asset Based Lending
Pre-loan surveys
Rotational inspections
Forensic Investigations
Assessment of Collateral Exposure
Evaluation of Accounting
Procedures & Financing
Reporting Capabilities

Firm Overview

- Over 260 professionals & employees
- Largest accounting & consulting firm in Western New York
- Included among the Top 100 largest accounting firms in United States
- Alternative Practice Structure with RSM McGladrey, the 5th largest accounting and consulting firm in the United States
- Registered with the Public Company Accounting Oversight Board
- National & International Affiliates & Capabilities
- Culture of intense client service delivery and development of our professional staff; a Best Places to Work firm

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