



James Marta & Company
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

New and Expiring Provisions

| Provision | New | Expiring |
|--|-------------------|-------------------|
| <u>Exclusions</u> | | |
| Unemployment compensation excluded up to \$2,400 | 2009 | 2009 |
| §121 limitation for nonqualified use | 2009 | |
| Qualifying §529 expenses include computer tech | 2009 | 2010 |
| "Cash for Clunkers" payment | 2009 | 2009 |
| Small business stock exclusion increased to 75% | 2009 | |
| Transportation fringe benefits enhanced | 2009 | |
| <u>Personal deductions</u> | | |
| Deduction for sales tax on new car purchase | 2009 ¹ | 2009 |
| Casualty loss deductible increase | 2009 | 2009 |
| Deduction for mortgage insurance premiums | | 2010 |
| Standard deduction for disaster losses and carryback of net disaster losses | | 2009 |
| Standard deduction for property tax | | 2009 |
| Sales tax deduction in lieu of state income taxes | | 2009 |
| Tuition and related expenses deductible above-the-line up to \$4,000 | | 2009 |
| Educator deduction up to \$250 for school supplies | | 2009 |
| Qualified conservation contributions (IRC §170(b)(1)(E)) | | 2009 |
| <u>Business deductions</u> | | |
| One-year extension of enhanced §179 | | 2009 ² |
| One-year extension of 50% bonus depreciation | | 2009 |
| First-year bonus on auto depreciation | | 2009 |
| 15-year depreciation for leasehold improvements, restaurant property and qualified retail improvement property | | 2009 |
| Enhanced NOL for small business | 2009 ³ | 2009 |
| Enhanced deductions for donations of food inventory (IRC §170(e)(3)(C)) | | 2009 |
| Five-year write-off for certain farm machinery | | 2009 |
| <u>AMT</u> | | |
| Nonrefundable credits offset AMT extended through 2009 | | 2009 |
| AMT exemption amounts updated for 2009 | 2009 | 2009 |
| Interest on private activity bonds not subject to AMT | 2009 | 2010 |

New and Expiring Provisions

| Provisions | New | Expiring |
|--|-------------------|-------------------|
| <u>Credits</u> | | |
| Adoptions Credit | | 2010 |
| Income threshold dropped for refundable portion of Child Tax Credit | 2009 | 2010 |
| HOPE Credit enhanced and temporarily renamed American Opportunity Tax Credit | 2009 | 2010 |
| Nonbusiness Energy Credit enhanced | 2009 | 2010 |
| Residential Energy Efficient Property Credit enhanced | 2009 | |
| Qualified Alternative Fuel Motor Vehicle Credit enhanced | 2009 | |
| Credit for QAFV refueling property increased | 2009 | 2010 |
| Plug-in credit made permanent and expanded | 2009 | |
| EITC percentage increase for three or more children | 2009 | 2010 |
| New Making Work Pay Credit | 2009 | 2010 |
| New Government Retiree Credit | 2009 | 2009 |
| Enhanced First-Time Homebuyer Credit | 2009 | 2009 ⁴ |
| Work Opportunity Credit expanded to include two new targeted groups | 2009 | 2010 |
| Research Credit extended | 2009 | 2009 |
| 20% credit for differential pay to employees on active military duty | | 2009 |
| <u>Retirement</u> | | |
| Roth conversions - AGI limit dropped | 2010 | |
| DB(k) plans | 2010 | |
| RMD suspended for 2009 | 2009 | 2009 |
| Charitable distributions from IRAs | | 2009 |
| <u>Other</u> | | |
| Clarification of uniform definition of a child | 2009 | |
| Estimated tax payment relief for small business | 2009 | 2009 |
| Economic Recovery Payments | 2009 | 2009 |
| COBRA subsidies for laid-off employees | 2009 ⁵ | 2009 |
| Qualified dividends taxed at capital gains rate | | 2010 |
| Reduced capital gains rate | | 2010 |
| Built-in gain holding period shortened to seven years | 2009 | 2010 |

¹For qualifying purchases made on or after February 17, 2009

²Enhanced §179 is available for assets placed in service in tax years beginning in 2009

³For tax years beginning or ending in 2008

⁴For purchases on or before November 30, 2009

⁵For employees laid off between September 1, 2008 and December 31, 2009