

# IN THE BLACK

Volume 8, Edition 1

Spring 2009

**BRUCE A. RUKKILA, CPA, PC**  
CERTIFIED PUBLIC ACCOUNTANTS

## What We Offer You:

### Auditing

- √ Governmental
- √ Nonprofit
- √ Private

### Tax Planning & Preparation

- √ Individual
- √ Business
- √ Trust & Estate
- √ Pension & Profit Sharing
- √ Property & Excise Taxes
- √ Nonprofit

### Accounting Services

- √ Payroll
- √ General Ledger
- √ Compilations
- √ Reviews

### QuickBooks® and Creative Bookkeeping Solution Consulting

- √ Set up
- √ Training
- √ Support

### Additional Service Areas

- √ Business Valuations
- √ Financial Reorganizations
- √ Human Resource & Benefit Consulting
- √ Business Plan Development
- √ Personal Financial Statements
- √ Financial Projections & Forecasts

The goal of our newsletter is to share information and tips that are relevant to you and your business.

If you have questions or suggestions for us, please e-mail Wendy at [help@brucerukkila.com](mailto:help@brucerukkila.com) or give us a call at (906) 482-6601.

## American Recovery & Reinvestment Act of 2009

### Check Your Withholding

How will the Making Work Pay tax credit affect you?

Most wage earners will benefit immediately-or already have-with a larger paycheck as a result of the changes made to the federal income tax withholding tables to implement the Making Work Pay tax credit. Some people may find that the changes built into the withholding tables result in less tax being withheld than they prefer.

If you're not eligible for the Making Work Pay tax credit, credit withholding changes could mean a smaller refund next spring. A limited number of people, including those who usually receive very small refunds, could in some situations owe a small amount rather than receiving a refund. Those who should pay particular attention to their withholding include:

- Pensioners
- Married couples with two incomes
- Individuals with multiple jobs
- Dependents
- Some Social Security recipients who work
- Workers without valid Social Security numbers

The Making Work Pay tax credit, normally a maximum of \$400 for working individuals and \$800 for working married couples, is reduced by the amount of any Economic Recovery Payment (\$250 per eligible recipient of Social Security, Supplemental Security Income, Railroad Retirement or Veteran's benefits) or Special Credit for Certain Government Retirees (\$250 per eligible federal or state retiree) that you receive. If you are affected by this reduction, you should review your withholding to ensure that sufficient funds have been withheld to meet your tax obligation.

If you believe your current withholding is not appropriate for your personal situation, you can perform a quick check using the IRS withholding calculator. Adjustments can be made by filing a revised Form W-4, Employee's Withholding Allowance Certificate, with your employer. Go to [www.irs.gov](http://www.irs.gov) and click on *Too much or too little tax withheld* for more information.

Please visit our website at: [www.brucerukkila.com](http://www.brucerukkila.com)

## American Recovery & Reinvestment Act of 2009 *Continued*

### Energy Credits

**Personal Energy Property Credit.** A nonrefundable credit equal to 30% of the cost of personal energy property (certain energy saving improvements such as insulation, doors, windows, electric heat pumps, etc. to a principal residence) is available. The credit is limited to a total of \$1,500 for 2009 and 2010. Expenditures from subsidized energy financing can be considered for the credit.

**Residential Energy Efficient Property Credit.** A nonrefundable credit equal to 30% of the cost of residential energy efficient property (qualified solar water heating, geothermal heat pump, fuel cell, small wind energy, and solar electric property). For qualified fuel cell property, the credit is limited to \$500 for each 0.5 kilowatt of capacity. Expenditures from subsidized energy financing can be considered for the credit.

*Information provided by Thomson Reuters Quickfinder Handbook*

### Sales Tax Deduction—New Vehicles

Taxpayers who buy a new car or several other types of motor vehicles this year may be entitled to a special tax deduction when they file their 2009 federal tax returns next year.



Here are seven things you should know about this new deduction:

1. State and local sales taxes paid on up to \$49,500 of the purchase price of qualifying vehicles are deductible.
2. Qualified motor vehicles generally include new (not used) cars, light trucks, motor homes and motorcycles.
3. Purchases must occur after Feb. 16, 2009, and before Jan. 1, 2010.
4. This deduction can be taken regardless of whether or not you itemize other deductions on your tax return.
5. Taxpayers will claim this deduction when filing their 2009 federal income tax return next year.
6. The amount of the deduction is phased out for taxpayers whose modified adjusted gross income is between \$125,000 and \$135,000 for individual filers and between \$250,000 and \$260,000 for joint filers.
7. The deduction may not be taken on 2008 tax returns.

Consumers who are considering buying a new car may find that this tax incentive means there may have never been a better time to buy.

*For more information please go to [www.irs.gov](http://www.irs.gov)*

### Unemployment Compensation

Up to \$2,400 of unemployment compensation is excludable from the recipient's gross income.

### Cancellation of Debt—Reacquired Business Debt

For cancellation of debt (COD) income that results from reacquiring a business debt instrument at less than its issue price, a taxpayer can elect to include the income ratably over five tax years, beginning in 2014.

### NOL Carryback Period for Small Businesses

A business (including a sole proprietorship) with average annual gross receipts of \$15 million or less can elect to carry back a 2008 NOL for three, four or five years. Generally, the 2008 NOL is the NOL for the tax year ended in 2008. But, taxpayers can instead elect to treat an NOL for their tax year beginning in 2008 as the 2008 NOL.

### Section 179 Deduction

The Section 179 deduction limit is \$250,000 and the qualifying property limit is \$800,000.

*Information provided by Thomson Reuters Quickfinder Handbook*

## Frequently Asked MBT Questions

### When are MBT quarterly estimates due?

Quarterly returns and payments for calendar year filers are due April 15, **July 15**, October 15 and January 15. Quarterly returns and payments for fiscal year filers are due the 15th day of the first month after each quarter.

### How are quarterly estimates calculated?

The sum of estimated payments must equal at least 85% of estimated tax liability for the year, and the amount of each estimated payment must reasonably approximate the tax liability for that quarter. For Tax Year 2009 and after, if prior year's tax is \$20,000 or less, estimated tax may be based in the prior year's amount in four equal payments, the sum of which equals the previous year's tax liability. If the year's tax liability is \$800 or less, quarterly returns are not required.

*For more information please go to [www.michigan.gov](http://www.michigan.gov)*

## 2009 Standard Mileage Rates

Beginning on Jan 1, 2009, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

- 55 cents per mile for business miles driven
- 24 cents per mile driven for medical or moving purposes
- 14 cents per mile driven in service of charitable organizations

*For more information please go to [www.irs.gov](http://www.irs.gov)*

## Federal Tax Credits for Energy Efficiency

Please visit our website, [www.brucerukkila.com](http://www.brucerukkila.com), and click the Federal Energy Tax Credits link for the most up to date information and forms on energy credits for home builders and commercial buildings.

*Information provided by [energystar.gov](http://energystar.gov).*

## Plenty of Parking

**Our office remains open during construction.**

**Please use our back door located on the parking deck for easy access to our office.**

### Construction Fact:

498,000 pavers will be used to create the new downtown Shelden Avenue.



## Think Green

We are in the process of going paperless in an effort to be more efficient to our clients and more environmentally friendly.

Going paperless means:

- Instant access to all client documents
- Reduced storage space
- Faster workflow with seamless integration
- Increased productivity

*Information provided by Thomson Reuters*

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# IN THE BLACK

**Who We Are and How to Reach Us...**

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TEMP-RETURN SERVICE REQUESTED