

## ***Sunset of QuickBooks 2006***

We used this space a year ago to inform our business clients that Intuit's support of 2005 QuickBooks was being discontinued. When the software maker ends its support, so too must we. Another year has gone by, meaning another year is falling off the list of supported programs, both by Intuit and our office. QuickBooks 2006, in its various forms and versions, will not be supported. This means if your system would crash or your files are corrupted, you may not have the capability to recover your data. If you are using QuickBooks 2006 (or older) and utilize their business services (such as payroll and bill pay), or you need live technical support, you must upgrade. QuickBooks 2008 is currently available at area office supply stores, and 2009 will be released within the month. You may also order the latest program through our office. If you have any questions, contact any of the QuickBooks Pro Advisors at our office.



## ***E-mail/Bulk-mail scams***

We continue to see examples of creative (but fraudulent and/or misleading) attempts to defraud people and businesses under the guise of government agencies. They convincingly promise refunds or solicit monies for fees to "comply with regulations".

If you receive a contact via official-sounding and official-looking mailings, be aware that government refunds are not initiated by online forms. The IRS, for one, is aware of this activity, and provides some important details of certain known scams. They have been posted by the IRS at: [www.irs.gov/newsroom/article/0,,id=170894,00.html](http://www.irs.gov/newsroom/article/0,,id=170894,00.html)

## ***Credit Card Information Reporting***



Primarily to assist the IRS with creating a "paper trail" to find unreported income, banks and other processors of merchant payment cards will soon be required to report annual credit/debit card gross receipts to both the merchant and the IRS! It's still a ways off. The new law takes effect for sales on or after January 1, 2011. We'll be watching for specifics on how the mandatory reporting will be done. Exclusions and exceptions will apply, and we will do our best to keep our clients apprised of further details. Contact our office if you have any immediate concerns.

## ***New Arizona tax credit & deduction***

The State of Arizona continues to add to an already long list of available tax credits. Beginning in 2008, and for the succeeding four years, taxpayers can take a credit of up to \$200 (\$400 if married filing jointly) for contributions to a recently established fund administered by the Department of Veterans' Services in Phoenix. Go to [www.azdvs.gov/Departments/MFRF/MFRF\\_Brochure.pdf](http://www.azdvs.gov/Departments/MFRF/MFRF_Brochure.pdf) for forms and information or call them at (602)255-3373 for details.

Also for tax years 2008-2012, taxpayers may now take an Arizona income tax deduction for contributions made to Section 529 (education) plans. The first \$750 (\$1,500 for married filing jointly) is allowed as a tax deduction against income. Unlike most of the other thirty states that allow some kind of tax break, Arizona does NOT limit the deduction to its own 529 plan. It's allowed regardless which state's tuition program is used. Please let us know if any 2008 contributions were made so we don't miss out on taking the deduction.

## ***Housing Assistance Tax Act of 2008 (Passed July 30, 2008)***

Amidst the turmoil of the housing and financial crises this year, some significant tax legislation was passed. Tax stimulus checks were issued with the hope of stimulating the economy. The housing sector continued to struggle, leading to additional measures. The Housing Assistance Tax Act has some far-reaching effects that could impact many, many people. One of the new law's main provisions creates a new tax credit for home-buyers. The purpose of this discussion is to help dispel inaccuracies in rumors that have already begun to spread, and answer many of the questions that will likely arise as the year progresses. You may have already heard radio or television advertisements about how you can get a tax credit on your tax return of \$7,500 towards the purchase of a new home. As with virtually everything else, if it sounds too good to be true, it probably isn't true.

The truth in that statement lies within numerous qualifications and tests that need to be met. Even if you do qualify, the term "credit" is being thrown around loosely. While you do claim the amount as a refund on a 2008 or 2009 tax return, the "credit" is, in most cases, actually paid back (through "credit recapture") over a fifteen year period. In effect, this amounts to a no-interest loan with some added safety nets.

Specifically, for first-time homebuyers (meaning you hadn't owned a principal residence in the three years leading up to purchase of an existing home or date of occupancy of a newly-constructed home) you could be eligible to receive 10% of the purchase price as a refundable tax credit. As it currently stands, the purchase must be between April 9, 2008 and June 30, 2009. Also, restrictions on availability limit this benefit to those with adjusted gross incomes of under \$75,000 (or \$150,000 if married filing a joint return). Above those income limits, the "credit" phases out. No amount of credit may be claimed for those with adjusted gross incomes of \$95,000 (\$170,000 if married filing a joint return) or higher.

Numerous other hurdles must be avoided; many designed to close loopholes for the "creative". The home cannot be acquired through gift or inheritance nor can it be acquired from a related person.

Selling the home during the payback period can also have consequences. To the extent of gain, any amounts not yet recaptured become due and payable.

Complicating individuals' tax returns isn't the goal of such laws, it's just the unintended result. Still, some planning opportunities related to this law do exist. If you're nearing the decision to buy a home and the law could impact you, it could warrant a discussion with a tax professional at our office. Contact Dan Rock or Carol Escobedo for more.

### ***Office Hours & Contact Information***

With the cooler temperatures comes the end of Hammel, Beal & Lauer's summer office hours. As this goes to print, it is expected that:

**Beginning Monday, December 1, 2008, we will return to our regular office hours of 8am to 5pm Monday thru Friday.** Office hours again will be expanded beginning in early February, 2009 thru April 15<sup>th</sup>, 2009.



### ***Visit our Website***

For firm information, including services provided, contact information, directions, and a means to transfer files to us on a secure connection, please visit our website at: [www.CPAHammel.com](http://www.CPAHammel.com).