



## **MAKING WORK PAY - TAX CREDIT**

This new tax credit is temporary and will be in effect for the years 2009 and 2010 only. The credit is worth 6.2% of an individual's earned income, with a maximum credit of \$400 per person. Married couples who file a joint tax return thus have a maximum credit of \$800. The dollar amount of the "Making Work Pay" credit is reduced by any "economic recovery" payments (a one-time-only tax credit of \$250 for Social Security recipients). The credit starts to be reduced for individual filers making \$75,000 in modified adjusted gross income, or \$150,000 for joint filers. The credit is reduced by 2% of the amount of income

in excess of the \$75,000 (or \$150,000) threshold. The credit is completely phased out for individuals making \$95,000 or more, or \$190,000 for joint filers.

## **MEET ANTHONY MAZZOLA**

Anthony joined us in January and brings a strong background in tax preparation and expertise in the area of accounting, auditing and client service. He graduated from Westfield State College, concentrating in Law and Business, and is currently enrolled in graduate studies concentrating in Accounting. Anthony intends to sit for the CPA exam in 2010. In his spare time, he is the Offensive Coach for Mass Fury, a Semi-Pro New England Football League team.

## **BUSINESS MILEAGE DEDUCTION**

A Tax Court has recently ruled that estimated mileage and expenses are not acceptable evidence with respect to substantiating the business use of an automobile. In addition to receipts, documentation pertaining to tax-deductible automobile, travel, meals and entertainment expenses should include information regarding the business purpose of the expense, as well as the names and business relationship of the participants.

*Contact our office with any questions you may have.*



## **Newsletter Spotlight**

**New Tax Credit  
Refundable  
Phase Out  
New Staff  
Mileage Deduction  
Documentation**