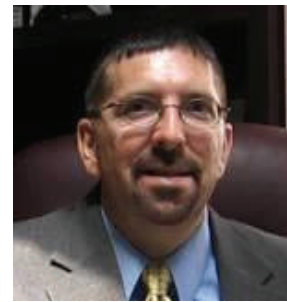


WHAT IF I CANNOT PAY MY TAXES ?

Don't panic. If you cannot pay the full amount of taxes you owe, you should still file your return by the deadline (extensions due October 15) and pay as much as you can to avoid penalties and interest. You also should contact the IRS to discuss your payment options at 1-800-829-1040. The agency may be able to provide some relief such as a short-term extension to pay, an installment agreement or an offer in compromise. In some cases, the agency may be able to waive penalties. However, the agency is unable to waive interest charges which accrue on unpaid tax bills.



Newsletter Spotlight

**Don't Panic
Homebuyers Ext.
Debt = Income?
1099s For All**

**** FIRST TIME HOMEBUYERS HAVE AN EXTENTION ****
Eligible taxpayers who contracted to buy a home, qualifying for the first-time homebuyer credit, before the end of April now have until Sept. 30, 2010 to close the deal, according to the Internal Revenue.

CANCELLATION OF DEBT MAY NOT BE INCOME

The most common situations where cancellation of debt is not taxable income involve:

- Qualified principal residence indebtedness created by the Mortgage Debt Relief Act of 2007 (recent legislation has extended this provision until 2012).
- Bankruptcy / Insolvency
- Non-Recourse Loans - default lead to repossession and debtor cannot pursue you personally.

POTENTIAL 1099 NIGHTMARE FOR BUSINESSES

A revenue raising provision of the Health Care Reform legislation greatly expands information reporting requirements for businesses. Beginning in 2012, businesses will be required to issue Form 1099's for payments for property and payments to corporations. There remains a \$ 600 threshold before the Form is required, however, imagine having to issue information returns for purchasing office supplies at Staples or Computer Equipment at Best Buy. Consider contacting your representatives in Congress and urge them to reconsider this requirement and repeal it.

Contact our office with any questions you may have.