



EXTENTION DEADLINE IS NEAR

Its time to focus on finishing extended income tax returns which are due October 15, 2010. If you filed an extension, or if we filed one on your behalf, time is running out. Please contact the office to set up an appointment. Also some of our readers have found errors in or are uncomfortable with tax returns prepared by seasonal storefront companies or using retail tax software. We can provide a second opinion and file amended returns on their behalf. Others have received notices for tax audits and can't get help from their tax return preparer. We can help with these situations as well.



Newsletter Spotlight

Final Countdown
New Joint Filers
Health Tax Credit
Flex for Kids

SAME SEX MARRIED PARTNERS CAN FILE JOINTLY

A federal district court in Massachusetts has ruled that same sex couples legally married in Massachusetts are eligible to file joint income tax returns. The Federal Court found the Defense of Marriage Act of 1996 (DOMA) violates the equal protection provision of the Fifth Amendment's due process clause. Expect to see an appeal. (*Gill*, DC Mass, July 8, 2010)

TAX CREDIT FOR HEALTH INSURANCE PREMIMUMS

Qualifications and reporting requirements for the new small business health care tax credit are being released. Form 8941 shows how to calculate and claim the credit when businesses file their 2010 tax returns next year. This credit is designed to encourage small employers to offer health insurance coverage for the first time, or to maintain existing coverage. Components used to calculate the credit include number of employees, and pay scale. The lower both are, the higher the credit. To be eligible, a business must pay at least half the cost of single coverage (employee only coverage) for their employees in 2010. You must have an average of 25 or fewer employees, and have an average payroll of less than \$ 50,000.00 per employee (phase out limit).

FLEXIBLE SPENDING PLANS MUST BE AMENDED

Section 125 plans that permit employees to pay for medical expenses on a pre-tax basis must be amended by December 31, 2010 to allow for coverage of employees' children under the age of 27. The plans can not exclude them starting with the first plan year beginning after September 22, 2010. Companies can permit immediate coverage but will have to amend the plan retroactively by December 31, 2010. Contact your benefits manager or provider to make sure you are in compliance.

Contact our office with any questions you may have.