



The Accountant

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Mark Your Calendar

NCSA Annual Convention
June 21-22, 2009
Hilton Riverside
Wilmington
Registration
Details Coming
Soon

A Message From The President

Denise J. Hammond

Half way there!!! Hello NCSA members, hope all is going well. Spring is just around the corner, and the weather here is great. Earlier in the week we got what my grandmother always called the perfect snow; left as fast as it came.

There were several tax bills introduced in late January. Our legislative committee as usual is on top of it and are working with Mr. Jones in reviewing anything that may affect our right to practice. And speaking of OUR RIGHT TO PRACTICE, have you sent your contribution to the Legislative Fund.

I know everyone has the 2009 Convention on their calendar now!! The **Convention will be held in Wilmington, NC, June 21-22**. A great time to enjoy the coast, get involved in NCSA and meet some of our membership. The length of Convention this year has been shortened, to accommodate our time constraints. Bring the family everyone is welcome. Brochure is in process and will be mailed shortly.

NCSA, will be sponsoring a Jennings seminar in the fall as well as NSA District IV meeting, more information to come.

Thank you to all committee members and Candace everyone is doing a great job.



Denise J. Hammond

NCSA brochures and/or registration forms we be available on the Calendar page of our web site at www.ncsainc.org.

Chapter News

Even though you are busy with tax returns, don't forget to set some time aside for your local Chapter meeting. Chapter meetings present an excellent opportunity to discuss current tax and accounting issues with your peers. If your next meeting time is not listed below, contact one of your Chapter Officers or other individual in your chapter responsible for monthly meetings. The topics/issues to be discussed at your next Chapter meeting may be one thing you need to know more about.

Support Your Chapter – Attend Meetings! - *[Bill Fischer, Chapter News Editor]*

Burlington

Cape Fear

Cape Fear Chapter met at The Barn Restaurant, Fayetteville. Linda Amos from the Employment Security Commission spoke on issues and updates.

The next meeting will be on March 16 at the Brass Lantern, Dunn. NCSA Past President Stephen Metelits will speak on Disclosure.

Central

Central Chapter met at the Sagebrush Steakhouse in Asheboro on February 23. J.C. Crews from the Employment Security Commission was the speaker.

The next meeting will be on Monday, March 23.

Charlotte

Hickory

Hickory Chapter had a Tax Roundtable at the Olive Garden in Hickory on February 23.

The next meeting will be on March 30.

Raleigh

Western

Western Chapter will not have a meeting in February. The next meeting will be March 31. Topic and location will be announced at a later date.

NEWS IS A FLEETING THING. WE CAN ONLY REPORT WHAT WE ARE TOLD. PLEASE MAKE SURE YOUR CHAPTER IS SHARING WITH *THE ACCOUNTANT*.

Please e-mail information to taxpros@nc.rr.com or fax to 910-867-1757.

Durham DOR Office Moves

The NC Department of Revenue's Taxpayer service center in Durham moves to 3518 Westgate Drive, Suite 110, in March. The old center will be closed for the move from March 11-13, and the new center opens March 16.

The new center location is in the SouthPark building at the corner of Westgate Drive and University Drive.

COBRA

The *American Recovery and Reinvestment Act of 2009* allows workers to continue their health care insurance beyond their employment if the business offers it. There is no cost to the employer for this extension of benefits.

The former employee pays only 35% of the insurance premium. The employee pays this amount to either the insurance company or the employer. If the former, the employer pays 65% of the insurance premium to the insurance company. If the latter, the employer pays 100% of the insurance premium to the insurance company, having received 35% from the former employee.

The 65% the employer pays is reported on line 12a, "COBRA premium assistance payments," on the new Form 941. This allows the employer to treat the COBRA payment as an additional deposit and subtract it from whatever balance is due.

New Withholding Tax Tables

According to IR-2009-13, the IRS has released new withholding tables that result in more take-home pay this spring. The new tables incorporate the new "Making Work Pay" credit.

The new withholding tables will be incorporated in new *Publication 15-T*. This publication is posted on the IRS web site and mailed to more than 9 million employers in mid-March. The IRS asks that employers start using these new tables as soon as possible but no later than April 1.

Available for tax years 2009 and 2010, the Making Work Pay credit is 6.2% of a taxpayer's earned income with a maximum of \$800 (joint) or \$400 (all others). It is phased out for higher income taxpayers. Because the credit is refundable, most low income workers also qualify for the full credit. For joint filers, the phase out is for AGI between \$150,000 and \$190,000; for other taxpayers, the phase out is for AGI between \$75,000 and \$95,000.

American Recovery and Reinvestment Act of 2009

One of the provisions is the Making Work Pay tax credit. Taxpayers will *not* get a separate check for the \$400 to \$800 of this credit mailed to them. For many taxpayers, the additional credit automatically will start showing up in their paychecks no later than April 1st. For people who get paychecks, the credit will be handled by their employers through automated withholding changes. For others, the credit will be claimed on their 2009 tax return.

Some other provisions include:

- Those receiving benefits from the Social Security Administration, those receiving benefits from the Department of Veterans Affairs, and Railroad Retirement beneficiaries will get a one-time payment of \$250 by late May.
- Alternative Motor Vehicle credit—Beginning after December 31, 2008, this credit will be allowed against the AMT.
- NOL carryback—Eligible small businesses can elect up to a 5 year carryback of net operating loss for tax years beginning in 2008.
- COBRA—Employees terminated between September 1, 2008, and December 31, 2009, who elect COBRA coverage get a subsidy equal to 65% of the premium health coverage for a period of 9 months. The employer required to make the COBRA premium payments gets a credit on Form 941 for taxes paid on the premium amount plus a reimbursement for the subsidy it pays. (See the COBRA article for more details.)
- Tax on purchase of vehicle—Starting after February 17, 2009, itemizers and non-itemizers can deduct the sales and excise taxes incurred on the purchase of a *new* motor vehicle.
- Bonus depreciation—For property placed in service in 2009, the 50% first-year bonus depreciation is extended to this year.
- Section 179—The §179 deduction is increased to \$250,000 for 2009 with the phase-out starting at \$800,000.
- First-time Homebuyer credit—This credit is extended to cover purchases before December 1, 2009; increases the maximum credit to \$8,000 (\$4,000 for married separate); the repayment requirement is waived for purchases in 2009.
- Unemployment compensation—Up to \$2,400 of unemployment compensation is excluded from gross income for 2009.
- Work Opportunity credit—This credit is expanded to cover unemployed veterans and disconnected youth hired in 2009 and 2010.
- Plug-in Vehicles credit—The existing credit is modified for 2009. For 2010 and 2011, a new 10% credit (up to \$2,500) is added for plug-in electric vehicles that are low-speed vehicles, motorcycles, or 3-wheeled vehicles and adds a new 10% credit (up to \$4,000) for the cost of converting a motor vehicle into a qualified plug-in vehicle.
- Non-business Energy Property credit—This credit is extended for 2009 and 2010, the calculation of the credit is modified, and the efficiency standards are updated (as of February 17, 2009).
- Residential Energy Efficient Property credit—The credit caps for solar hot water, geothermal, and wind property are eliminated. This is good through 2016.
- Child Tax credit—The calculation of the refundable portion of this credit is calculated to apply to 15% of earned income in excess of \$3,000.
- American Opportunity credit—The Hope credit is increased to 100% of first \$2,000 and 25% of next \$2,000 for first 4 years of post-secondary education; the credit is extended to apply to course materials; the AGI limits are increased; a credit against AMT is allowed; a portion is refundable; and the changes are good for 2009-2010.
- Computer technology—Taxpayers can use distributions from §529 accounts to purchase computer technology, computer equipment, or Internet access and services while the beneficiary is enrolled at an educational institution in 2009-2010.
- AMT exemptions—For 2009, the exemption amounts are increased to \$70,950 (joint and surviving spouse), \$46,700 (single), and \$35,475 (separate).

NCSA Schedule of Events

2009

May 16—**Board of Directors meeting**—
Optimist Club, Lenoir, NC

June 21—**Board of Directors Meeting**—
Hilton Riverside, Wilmington

June 21-22—**NCSA Convention**—Hilton Riverside, Wilmington

July 18—**Board of Directors Meeting**—Greensboro

July 18—**Leadership Conference**—Greensboro

August 17-19—**IRS Carolina Tax Forum**—
Hilton University Place, Charlotte, NC

October 23—**NCSA Practitioner's Forum**—Greensboro

November 2—**Board of Directors Meeting**—
Embassy Suites, RDU, Cary

November 2-3—**Jennings 1040 Tax**—
Embassy Suites, RDU, Cary

2010

May 4—**Board of Directors Meeting**—
Dinner Meeting—TBD

June 6-8—**NCSA Convention**—TBD

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