



Kristel's trusted since 1972

2010 Tax Update & Newsletter

Seasons Greetings!

Best wishes for a
happy, healthy and
prosperous 2011!

Two locations	5018 Madison Av 8005 S Meridian St	Corner of Thompson & Madison Across from Perry Meridian Middle School	783-6696 888-4828	1-800-844-2293 1-888-283-8959
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Important Tax Law Changes

► First Time Home Buyer Credit

Up to a \$8,000 refundable credit for principle residences purchased before April 30, 2010. You can even get the credit on your 2009 tax return.

Also, repeat buyers could be eligible for up to a \$6,500 refundable credit for purchasing a principle residence by April 30, 2010

► Refundable Education Credit

For 2010, the American Opportunity Credit of up to \$2,500 is available for the first four years of post-secondary education tuition and includes course materials. Up to 40% of the credit could be refundable if the individual qualifies.

► Adoption Credit

New for 2010, the Adoption Credit is increased to a maximum of \$13,170 per child.

Also, the credit is now refundable.

► 0% Capital Gain rate for 2010

If you were fortunate enough to have capital gains, and you are in the 10% or 15% tax bracket, any long term capital gains will not be taxed. Wow!

► Residential Energy Credit

Continues for 2010, home improvements that are to increase energy efficiency could qualify for a credit up to \$1,500. This includes items such as insulation, windows, furnaces, heat pumps, water heaters, etc.

► Gambling Winnings/Losses

New for 2010, losses for each winning "event" can be taken as a direct deduction without requiring itemizing.

how "fast" do you want your money?

► tomorrow

No money needed up front, all fees are deducted from your loan.
OR

or get your refund with no additional fees

► in as little as 8 days with ?????

**Free Electronic Filing
and Direct Deposit in a checking,
savings, or retirement account.**

New IRS regulations will apply

get added peace of mind with

◆ **Audit Guard** ® ◆

Never worry about facing the IRS

**Our work has been and always
will be guaranteed, however, IRS
can select any return for audit,
even a perfect one.**

**if you're ever one of those unlucky
taxpayers to get that dreaded
IRS audit notice.....**

**"Audit Guard®" allows us to go in
your place to legally represent and
defend you. Someone on your side
who knows the law and has the
experience of dealing with the IRS.**

Tax & Accounting Services

Tax Preparation

Individual, Partnerships, Corporations,
Personal Property, etc.

Payroll Processing

Issue checks, direct bank deposits, etc

Accounting/Bookkeeping

Financial statements, reconciliations, etc

Quickbooks Consulting

At your location or ours, or on the phone

LLC & Corporation advice

Very important differences, see us first

Call us, office consultations are free

Legal Services

Randolph B Kristel, Attorney at Law,

would like to meet with you to
discuss:

Chapter 7 Bankruptcy

Wills, Estates, Trusts

Divorce

Small Claims

Real Estate

Litigation

Free Initial Consultation

\$20 We Love New Client Referrals \$20

A \$20 Thank You check will be sent to you for any referral and a \$20 Discount given to the person you referred. You both benefit.

And, we'll **double your \$20** (that's a \$40 Thank You check) for each referral after the first referral in the same year. We are truly grateful for every referral you give us. If you don't have any of our referral cards, simply tell your referral to mention your name and that you referred them, and we'll gladly give them a discount and send you our thank you.

More Tax Law Changes

► **Non-Custodial Parent Rules**

As with 2009, the IRS will no longer be accepting state court orders or decrees as a substitute for Form 8332 (Release of Exemption).

*****IMPORTANT*****

The non-custodial parent is required to have Form 8332 signed by the custodial parent, or similar written declaration in order to claim the dependency exemption.

IRS rulings state that the custodial parent is the individual whom the child stayed with the "greater number of nights" during the year.

► **Health Savings Accounts**

Effective 2011, amounts paid for over-the-counter drugs only qualify as a medical expense with a written prescription present.

Indiana Tax Law Changes

► **New Payment Options**

Balance due taxpayers can elect to pay their Indiana tax owed using the internet bill pay, mailing in a payment, or setting up a payment plan for the next 12 - 24 months.

► **Indiana tax issues – Military**

Continued for 2010, the military deduction has been increased from \$2,000 to \$5,000.

Retirement Tax Law Changes

► **Traditional and Roth IRA's**

For 2010, taxpayers under 50 can contribute \$5,000 and taxpayers 50 and older can add an additional \$1,000, or a total of up to \$6,000.

► **Roth Conversions**

New for 2010, you can now convert a traditional, SEP, & Simple IRA to a Roth IRA and spread the tax liability out over tax years 2011 and 2012.

Mail-In Program

We want to provide service to our clients wherever they live with absolutely no cost for phone calls or postage

If you're not able to come to our office for whatever reason, a Florida snowbird, a winter Texan, or where ever you now reside, please call us and we'll send our **mail-in package**, which includes a postage-paid return envelope.

You mail your information to us in the **postage-paid** envelope, call us with any questions on our **toll-free** line at (800)844-2293 from anywhere, and we mail the completed return back to you.

Appointments

Clients of Wilson Hopkins

Wilson will be here only one week this year, Mon Feb 7th - Sat Feb 12th

Clients of Burk Fleming

Burk has returned this year with a limited schedule.

Call Early for Your Favorite Preparer

Please make your appointment as early as possible to get your favorite preparer. Each location makes their own appointments. Our web site "kristels.com" has pictures and bios of all our tax professionals.

Tax Season Office Hours

(January 14th thru April 18th)

Monday thru Friday

First appt 9:00AM - Last appt 8:00PM

Saturdays & April 18th

First appt 9:00AM - Last appt 4:00PM

Like most businesses, we do make exceptions in special circumstances. If you need an appointment before 9:00 AM or after 8:00 PM, or on Sunday, call and we will try to assist you.

Small Business Tax Law Changes

► **Self Employed Health Ins**

New for 2010, the deduction of 100% of your health insurance premiums can be used to reduce self employment taxes. This also includes any long term care insurance premiums.

► **Depreciation**

For 2010, the instant depreciation (Sec 179) write-off increased to \$500,000.

In addition for 2010, there is a special 50% bonus depreciation rule. This applies after the instant depreciation (Sec 179).

► **6,000 lb Vehicle rule**

We have a list of all vehicles that qualify for this very beneficial instant (Sec 179) write off, up to \$25,000 if purchased this year.

► **Over the Road Drivers**

The daily meal allowance for 2010 is \$59 for transportation workers subject to DOT hours. 80% is deductible for 2010.

► **Day Care Providers**

The Standard Meal and Snack Allowance for children in your care has been increased for 2010 (you do have to keep records, but not grocery receipts).

Breakfast	\$1.19 (US)
Lunch & Supper	\$2.21 (US)
Snack (up to 3)	\$0.66 (US)

► **2010 Business Mileage Rate**

50¢ per mile
and 51¢ to begin 2011

► **Late Filing Penalties**

All Corporations filing after March 15th, and Partnerships filing after April 15th will be assessed an "increased" late filing penalty.

Prepared your own return?

You can still get your money ♦ tomorrow, with no money needed up front, begins January 14th

If you want us to just **Electronically file** your return, you could have your refund direct deposited in your account in as little as 8 days.