



The Rodman Report - December 21st, 2010



2010 Tax Relief Act Signed By President

by Thomas Astore, Tax Director

On Friday, President Obama signed into law the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010. Rodman & Rodman will provide a more comprehensive analysis of this law, but for now I thought it best to give you a brief summary of the Act's major provisions:

- Current income tax rates to be preserved for 2011 and 2012 including the 15% rate on qualified dividends and long term capital gains;
- A two year Alternative Minimum Tax (AMT) patch by increasing the exemption;
- Reducing employee's FICA payroll tax by 2% from 6.2% to 4.2% in 2011. The employer match would remain at 6.2%;
- The \$1,000 Child Tax Credit to be preserved for 2011 and 2012;
- The American Opportunity Education Tax Credit extended for 2 years;
- Additional Unemployment Insurance benefits extended for 13 months;
- Allow businesses to expense 100% of equipment and machinery purchases after September 8, 2010 through December 31, 2011;
- Two year extension of various credits, including the Research & Development credit;
- Reinstates the estate tax with a \$5 million exemption and a 35% top marginal tax rate. The Act also re-unifies the gift tax and estate tax giving them identical exemptions and tax rates. There are special elections available for those dying in 2010 that give options to the estate as to how they would be taxed. Please call me for details.

Please contact me directly if you have any questions at 617.965.5959 or by email at thomas@rodmancpa.com.

Electronic Payments Deadline Approaches

by Bonnie Stockdale



If you make tax payments using the tax deposit coupon Forms 8109 or 8109-B, please be on notice that the IRS, as of January 1, 2011, will no longer be accepting payments (nor will banks be able to process payments) made in such a fashion without assessing a penalty equal to 10% of the amount of the payment.

Many of the affected taxpayers should have received a notice warning them of the change with instructions on how to enroll in the Electronic Federal Tax Payment System (EFTPS). Fortunately, the enrollment process is easy, no cost and can be done online. If you visit www.eftps.gov you will need the following information available to complete the enrollment:

- Employer Identification Number
- Name of Business
- Contact Name
- Address and Telephone Number
- Bank Routing Number & Account Number

Within a week of enrollment, you will receive a temporary Personal Identification Number (PIN) and you will then be able to go online and make your tax payments. If between the time of enrollment and receipt of your PIN, a tax payment is due, you may call EFTPS and make a payment over the phone.

Again, enrollment in EFTPS is required by December 31, 2010. Enroll today to avoid what can be substantial penalties. I would be very happy assist any of our clients or friends with this process if you need assistance. Please feel free to call me at 617.965.5959 or I can be reached by email at bonnie@rodmancpa.com.

Business Getting Results Groups Looking To Grow

by Larry Rice, Director

Our Braintree-based **Business Getting Results (BGR)** groups are off the ground and running. I moderate 2 separate groups that meet once a month on Thursday. One group meets in the morning and one in the late afternoon on the same day. Both groups are looking to add members to strengthen those groups and provide a greater cross-section of business knowledge and experience to share.

BGR has its goal growing the profitability and value of the businesses participating. By meeting in small groups of 8 or less, members receive the dual benefit of individual attention to their specific challenges, while simultaneously having an outside Board of Advisors who provide ideas, feedback and best practices that they can take back to their businesses. Each meeting is unique, educational, challenging, but each aims to find solutions to business challenges common to all.

A third benefit is the modest fee for joining BGR. Its \$1,200 annually, with additional benefits when you sponsor someone who also joins BGR.

BGR is a program for business owners and key players in business who need a group of peers to learn from, bounce ideas off of and to help them strategize their business for growth. It can also be a great networking opportunity.

If you are interested, give me a call at 508.740.2255 or email me at larry@rodmancpa.com and we'll see if BGR is a good fit for you. The first BGR meeting you attend is **free** and without any obligation whatsoever. If you like what you see, join.

Our next meetings are scheduled for Thursday, January 20th, 2011. The morning meeting runs from 7:30 a.m. - 9:30 a.m. and the afternoon meeting is 4:30 p.m. - 6:30 p.m. Both meet in our conference room at 25 Braintree Hill Office Park. I look forward to hearing from you if you are interested.

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Thank you for checking in on The Rodman Report. We'll see you next time. Happy Holidays!

Best regards,

The Rodman Team

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