



AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

How it affects your business

1. Bonus depreciation.
2. Higher caps on vehicle depreciation.
3. NOL carry back for 2008 losses will allow businesses to carry back the loss three, four or five years.
4. Two new targeted groups were created for the Work Opportunity Tax Credit.
5. Refundable credits are available for accumulated alternative minimum tax and research and development credits in lieu of taking bonus depreciation.
6. Investors in certain small business stock acquired after the date of enactment and January 1, 2011 and held for more than 5 years, will be able to exclude 50 percent of the gain from the sale.
7. S Corp Built-in Gain Period shortened from 10 to seven years.
8. Estimated tax payments for individuals whose income comes primarily from a small business will be reduced.
9. COBRA Benefits for individuals involuntarily separated from employment may be payable 65% by former employers. Employers may be reimbursed the credit by crediting those amounts against payroll taxes.

IRS Circular 230 Disclosure: Any tax advice in this communication is not written or intended by McPherson, CPA, PLLC to be used, and cannot be used, by a client, entity or other person for the purpose of avoiding penalties that may be imposed by the Internal Revenue Service.

www.mcphersoncpa.com

484-888-8171

samcpherson@mcphersoncpa.com