

July 2009 News from TravelTax

Hope your summer is going great. There is a lot of tax news to share but before we start, we would like to remind our travel healthcare clients about the Travel Medical Professionals Convention coming up September 21-23 in Las Vegas. Please register early. With the financial crisis there are potential sponsors and exhibitors sitting on the sideline until a sufficient number of registrations are received. Follow the link for more information. As we did last year, we will be at the conference exhibiting and I will speak on a number of tax and investment topics and give an industry update as well.

www.travelersconference.com

First Time Home Buyers Credit

This 8000\$ freebie for first time home buyers expires the last day in November. If you are thinking of buying a home soon, this might be a great incentive to take advantage of, but act quickly. There are two bills before the House that would extend this credit for another 2 years, but there are way too many other spending bills to make this feasible.

Sales Tax Deduction for New Cars

This continues to be a popular deduction that is available this year

Cash for Clunkers

Eligible individuals can receive tax free a voucher of up to \$4,500 to offset the purchase price or lease price of a new car or truck when they trade in their current vehicle for a more fuel-efficient one. The program runs through November 1, 2009, and is designed to remove gas-guzzling, environmentally outdated automobiles from the roads, as well as boost sales for financially struggling automobile dealers. Under the program, the voucher is provided through registered dealers but is only available if the trade-in vehicle is in drivable condition, has been continuously insured under State law, was manufactured within the past 25 years, and has a combined fuel economy of less than 18 miles per gallon. Only one voucher per person is allowed. One caveat- though the rebate is not taxable at the Federal level, it may be subject to state taxation.

A Reminder about Deductions for Work Clothing

Clothing is a deductible expense only if it is required for the taxpayer's employment, is unsuitable for general or personal wear, and is not so worn. (*Hynes v. Commissioner*, 74 T.C. 1266, 1290 (1980); *Yeomans v. Commissioner*, 30 T.C. 757, 767 (1958)).

State Tax News

Louisiana Tax Amnesty

The 2009 Louisiana Tax Amnesty Program is set to run from September 1, 2009, through October 31, 2009. The program allows taxpayers to settle account balances, overdue audit assessments, and certain tax disputes with no penalties and only half of the interest on what they owe. It applies to resident and nonresident individuals and in-state and multi-state businesses. The news release regarding the amnesty program can be viewed at

<http://taxtopics.wordpress.com/2009/07/14/louisiana-tax-amnesty-program-set-for-sept-1-through-oct-31>

Indiana Adds New Taxes

- Unemployment Compensation is now taxable
- Foreclosure, loan forgiveness and debt discharge on a residence is now taxable
- Real Estate taxes on a principal residence are now deductible
- Solar Power Roof Vent or Fan- expenses for these items are deductible
- 50% of contributions to scholarship granting organizations are credits against income tax

Corporate News

California LLC fees now limited to CA gross receipts only and retroactively to 2007. A recent court decision has ruled these fees to be in violation of FTC laws.

Canadian News

Nova Scotia has a new one-time tax rebate on new home construction. The 4% rebate, equivalent to 50% of the provincial portion of the harmonized sales tax, will be available to homeowners who have a municipal construction permit dated May 1, 2009 or later. The rebate will be limited to a maximum of \$7,000 and only 1,500 rebates will be available (on a first-come, first served basis) for construction or purchases completed by March 31, 2010.

If you have any questions about these and other tax items, give us a call

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