

It's That Time of Year Again – Tax Filing Season!

Preparing your tax return is hardly as exciting as the winter games or anticipation of the arrival of spring but a necessary ritual for all of us. Below is a list of items related to potential tax breaks available.

Click on each of these topics to learn more:

- [Computers ARE educational expenses under 529 plans](#)
- [Use Your Refund to Buy Savings Bonds](#)
- [Split your refund between bank accounts](#)
- [Partial exclusion of unemployment benefits](#)
- [Cash for Clunkers payments are not taxable](#)
- [Residential Energy Credits](#)
- [Beware of On Line scams](#)
- [2009 Quick Facts](#)

No matter how many links or lists we provide, nothing takes the place of a face to face meeting with one of our tax professionals who will sit down with you and review your information to make sure you do not pay more than what is required.

Call us today at (219) 924-3450 and let us guide you through the tax maze.

Haitian Donations

According to the Internal Revenue Service, donations made to charities providing earthquake relief in Haiti can be claimed on the tax return you are completing this season. Taxpayers who itemize deductions on their 2009 return qualify for this special tax relief provision, enacted January 22, 2010. Only cash contributions made to these charities after January 11, 2010, and before March 1, 2010, are eligible. This includes contributions made by text message, check, credit card, or debit card specifically for the relief of victims in areas affected by the January 12 earthquake in Haiti. Taxpayers have the option of deducting these contributions on either their 2009 or 2010 returns, but not both. To get a tax benefit, taxpayers must itemize their deductions on [Schedule A](#). Those who claim the [standard deduction](#), including all short-form filers, are not eligible.



Sales Tax Deduction for Vehicle Purchases

This deduction is available on new vehicles purchased from February 17, 2009, through December 31, 2009. The deduction is limited to the taxes and fees paid on up to \$49,500 of the purchase price of an eligible vehicle. The deduction is reduced for joint filers with modified adjusted gross incomes (MAGI) between \$125,000 and \$135,000. Taxpayers with higher incomes do not qualify.



In states that do have a sales tax, the law provides a deduction for other taxes or fees paid. This deduction is available whether or not a taxpayer itemizes deductions on Schedule A.

2010 Mileage Rates Effective January 1, 2010

The standard mileage rate for business use of a car, van, pick-up, or panel truck is 50 cents for each mile driven. The standard mileage rate for the cost of operating a vehicle for medical reasons or as part of a deductible move is 16.5 cents per mile. The rate for using a car to provide services to charitable organizations is set by law and remains at 14 cents a mile.

Tax Credits For Home Buyers

The Worker, Homeownership, and Business Assistance Act of 2009 extended and expanded the tax credit for first time homebuyers that had been created in 2008. The new law extends the deadline for qualifying home purchases from November 30, 2009, to April 30, 2010. If a buyer enters into a binding contract by April 30, 2010, the buyer has until June 30, 2010, to settle on the purchase. [Click here for more information.](#)



Provisions expiring in 2010

- COBRA subsidy - Expiring February 28, 2010
- Homebuyer Credit - Must enter a binding contract by April 30, 2010
- Repeal of Estate Taxes - Currently under review in Congress

