



Winter 2009

Please keep the following dates in mind:

- **December 31, 2009** - End of fourth quarter for payroll taxes. Form 941 will be due February 1. State and city form due dates vary.
- **January 15, 2010** - Fourth quarterly payment due for 2009 for taxpayers making estimated tax payments. Be sure to write "1040ES 2009" on your payment, or the IRS may apply the payment to the wrong tax year..
- **February 1, 2010** - Employer's Form 941/944 due. Forms W-2 due to employees.
- **Tax Season is approaching quickly. Start preparing now!**

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Clifford's Notes

Top 2009 Tax Issues To Watch

The 2009 tax year will soon be over. Be sure you do not miss out on the following tax benefits and issues:

- **First-Time Homebuyer Credit**—The first time home-buyer credit applies to principal residences purchased and used before December 1, 2009. Generally, the credit is \$8,000, and the credit is refundable, meaning that you will receive the credit even if you do not owe any income tax. Remember to bring your HUD closing papers to your tax appointment.
- **Unemployment Exclusion**—Effective for calendar year 2009 only, recipients of unemployment compensation are allowed to exclude up to \$2,400 of unemployment benefits from taxable income on their tax return.
- **Required Minimum Distributions**—If you turn 70 1/2 before December 31, 2009, Congress has provided that you are not required to take your Required Minimum Distribution (RMD) for 2009. If you have already taken your RMD for 2009, you may roll it back into your account or another qualified account by the later of November 30, 2009 or 60 days from the date of distribution without penalty. Remember that you will still need to take your 2010 RMD.
- **Motor Vehicle Sales Tax Deduction**—Did you purchase a new motor vehicle in 2009? You may be able to deduct the sales tax paid if the vehicle is new and you are the first owner. Cars, light trucks, motorcycles, and motor homes may qualify. Remember to give your purchase information to your tax preparer.
- **Education Credits**—The education credits have been expanded. The American Opportunity Credit has replaced the Hope Credit. The new credit applies to the first four calendar years of college, regardless of class rank. The credit is partially refundable. It applies to tuition, fees, and required course materials not paid for by scholarship, qualified tuition plan, or Series EE or I bonds. Remember to bring your Form 1098-T or 1098-E, an account statement from the college, and any related details to your tax appointment.
- **Section 529 Plans Expanded**—In 2009 and 2010, computers equipment, internet access, and related services may qualify as 529 plan expenses. If you took any distributions from a 529 or other qualifying tuition plan in 2009, remember to provide your tax preparer with information on the distribution and how it was spent.
- **Energy Efficient Credits**—Remember to provide your preparer with your certificate and related paperwork to support any Residential Energy or Alternative Motor Vehicle credits.
- **Making Work Pay Tax Credit**—The IRS has instructed employers to reduce tax withholding to reflect the Credit. This may cause you to owe tax unnecessarily. Contact your tax advisor or payroll administrator to review your withholding to avoid tax problems.



Clifford & Associates, LLC now offers individual and group health plans through SummaCare. Call today for a free quote.



Now is the time to review your pay package for 2010. You may need to make adjustments to avoid paying unnecessary taxes.



Remember to check your W-2 form and other tax forms to ensure that your name and Social Security number are correct.



December is the best time to review your investments and their tax consequences. It may be too late if you wait until tax time!

Free Medicare Supplement Plans Information

Are you overwhelmed and confused with all the Medicare information that bombards you almost daily?

Allow us to help you navigate through all the paperwork. November 15th starts the open enrollment period for Medicare supplement plans. We can educate you about the different Medi-

care plans available to you and help you choose the plan that is best for you.

There are many myths regarding Medicare plans, especially in the following areas:

- How long you are locked into your plan
- Why one company's plan is better than

another

- Why premiums increase

We offer free, no-obligation appointments to provide you with the information you need to make informed decisions and to address your concerns. You are welcome to bring family members and guests to your appointment. Call today!

Nancy's Clergy W-2 Tips

If you received only housing allowance, you may receive a W-2. If you do not receive a W-2, you need a letter from the church listing the amount received and stating that the full amount was designated as housing allowance.

If you receive a W-2, housing and/or furnishing allowance should be listed in box 14 of your W-2. Amounts

designated as housing or furnishing allowance should never be included in any other box on your W-2.

Clergy W-2s should never have anything listed in boxes 3, 4, 5, 6, 7, or 8 because clergy are not subject to FICA withholding.

Clergy pay Self-Employment Tax on their individual tax returns.

You can prepare a sample W-2 by using the tool on our website. Visit <http://www.sharetheharvest.com/php/w2former.htm>

Remember, if you live in a parsonage, your tax preparer will need to know the fair rental value of the parsonage and the amount of any utilities paid by the church in order to prepare your tax return.

Now Available: Internal Audit Training For Churches

Our on-site workshop teaches a do-it-yourself approach to conducting your church's annual inspection of financial records and includes a workbook with reproducible worksheets. Call now to schedule your date!

Links to Note

Steve Clifford's detailed investment review and outlook is available for download at: <http://www.sharetheharvest.com/download/news/sdc1009.pdf>

The S.D. Clifford Advisors, LLC, Investment Advisory Brochure is available for download at: <http://www.sharetheharvest.com/download/Invbro09.pdf> Call 1-800-456-1803 if you would prefer to have a copy of the brochure mailed to you.

Visit the Tools section of our website for useful worksheets, calculators, handouts, and other resources: <http://www.sharetheharvest.com/tools.htm>