

Welcome New Members



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Southampton, PA

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FORM 7004—MULTIPLE EXTENSIONS FILED

We have discovered that taxpayers who are submitting a Form 7004 for extensions on multiple tax returns, such as "Type of Return Code" 31 for the Form 8804 and a "Type of Return Code" 09 for the Form 1065, receive rejections for duplicate conditions. We are working on resolving this issue. Until we do so, taxpayers filing extensions for multiple tax returns, should submit only one extension electronically and submit additional extensions via paper.

If you have any questions, please do not hesitate to contact us at 1120@irs.gov

Special 50-Percent Depreciation Allowance

[IR-2008-58](#) The IRS will issue guidance for businesses on how the special 50 percent depreciation allowance that was included in the Economic Stimulus Act of 2008 can be used to make capital investments this year. Until the guidance is issued, businesses may rely on the regulations previously issued regarding bonus depreciation.

The Economic Stimulus Act of 2008 provided a significant tax incentive for businesses to make capital investments by adding a special 50 percent depreciation allowance for qualifying purchases. This special "bonus depreciation" allowance is available to all businesses and applies to most types of tangible personal property and computer software acquired and placed in service in 2008. It allows taxpayers to deduct 50 percent of the cost of qualifying property in addition to the regular depreciation allowance that is normally available.

The upcoming guidance will also cover the new increased limits that businesses can expense under the Economic Stimulus Act of 2008. Generally, the new law set a limit of \$250,000 that a business can expense during 2008, up from the limit previously set for 2008 of \$128,000.

[Report bonus depreciation on Line 14 of Form 4562-FY](#)

Relief for Stimulus Payments Withdrawn from IRAs and Tax-Favored Accounts

IR 2008-68 Economic stimulus payments directly deposited into IRAs and other tax-favored accounts may be withdrawn tax-free and penalty-free.

This relief is designed to help taxpayers who may have been unaware that by choosing direct deposit for their entire regular tax refund, they were also choosing to have their stimulus payment directly deposited as well. If a taxpayer elected a split refund, however, their stimulus payment will be paid by a paper check.

This relief is available for amounts withdrawn from these tax-favored accounts that are less than or equal to a taxpayer's directly deposited stimulus payment.

To qualify for this relief, funds must be taken out by April 15, 2009, in most cases. Without this relief, taxes, penalties and other special rules would apply to amounts removed from these accounts. Regular refunds are not eligible for this relief. Eligible tax-favored accounts include traditional and Roth IRAs, health savings accounts (HSAs), Archer MSAs, Coverdell education savings accounts (ESAs) and qualified tuition programs, also known as QTPs or 529 plans. Thus, for example, a taxpayer whose \$1,200 stimulus payment is directly deposited into his or her IRA can take out anywhere up to \$1,200 from the IRA, tax-free and penalty-free. In general, the deadline for these withdrawals is the due date or extended due date for filing a 2008 return. This means April 15, 2009, for most taxpayers, or Oct. 15, 2009, for those who obtain tax-filing extensions.

Details on reporting these withdrawals and claiming relief will be included in tax forms and instructions for 2008. Other details are in [Announcement 2008-44](#) on this Web site.

S Corps' Appreciated Property

Rev. Rul. 2008-16, if an S corporation makes a charitable contribution of appreciated property during a taxable year beginning after December 31, 2005, and before January 1, 2008, the amount of the charitable contribution deduction the shareholder may claim may not exceed the sum of (i) the shareholder's pro rata share of the fair market value of the contributed property over the contributed property's adjusted tax basis, and (ii) the amount of the Section 1366(d) loss limitation amount allocable to the contributed property's adjusted basis under Reg. 1.1366-2(a)(4). Any disallowed portion of the charitable contribution retains its character, and is treated as incurred by the corporation in the corporation's first succeeding taxable year, and subsequent taxable years, with respect to the shareholder.

Corporate Bond

Notice 2008-45 Weighted average interest rate update; corporate bond indices; 30-year Treasury securities; segment rates. This notice contains updates for the corporate bond weighted average interest rate for plan years beginning in April 2008; the 24-month average segment rates; the funding transitional segment rates applicable for April 2008; and the minimum present value transitional rates for March 2008.

Small Non-Profit to file by May 15

IR-2008-60

Redesigned Form 990 for tax year 2008.

Those whose annual gross receipts are normally \$25,000 or less - have never been required to file a tax return. Beginning in 2008, however, most small tax-exempt organizations will now be required to file the new Form 990-N.

Also known as the e-Postcard, Form 990-N must be electronically submitted. The form is accessible from the [IRS web page](#) or by clicking [here](#). It is an information form asking for the name, address, and EIN of the organization, the name and address of a principal officer, and confirmation that the organization's annual gross receipts are normally \$25,000 or less.

The e-Postcard is due every year by the 15th day of the 5th month after the close of the tax year. Thus for calendar year non-profits, the e-Postcard for tax year 2007 is due May 15, 2008!

Churches and organizations that are included in a group return are exempt from this filing requirement.

Like-Kind Exchange

Rev. Proc. 2008-16 provides a safe harbor under which IRS will not challenge whether a dwelling unit qualifies as property held for productive use in a trade or business or for investment for Section 1031.

Rev. Proc. 2008-16 is effective for exchanges of dwelling units occurring on or after March 10, 2008. No inference is made as to the treatment of exchanges of units occurring prior to the effective date.

Deduction for Energy Efficient Commercial Buildings

Notice 2008-40 This notice sets forth additional guidance relating to the deduction for energy efficient commercial buildings under section 179D of the Code and is intended to be used with Notice 2006-52. Several aspects of the deduction for energy efficient commercial buildings were not addressed in Notice 2006-52. This notice addresses some of these items including the allocation of the section 179D deduction to designers of government owned buildings, certification requirements for the interim lighting rule, and the application of the interim lighting rule to unconditioned garage space.

Retirees, Disabled Vets Still Can File for 2008 Stimulus Payments

Even though April 15 has passed, retirees, disabled veterans and others who normally do not file a tax return that there is still time to submit a 2007 form to receive an economic stimulus payment. People who have no tax filing requirement but have at least \$3,000 in qualifying income should file a simple Form 1040A.

Qualifying income includes any combination of earned income, nontaxable combat pay as well as certain payments from Social Security, Veterans Affairs and Railroad Retirement.

People must file a return by October 15 to receive an economic stimulus payment this year.

Officer Nominations to be held at the June Business Meeting

Nomination and Election of officers for the 2008-2009 fiscal year will be held immediately following the June 24th CPE Program. Nominations may be made from the floor by any Active member in good standing once the Nominating Committee submits its slate to the membership. Only Active and Life members in good standing are entitled to vote or hold office. The Nominating Committee has recommended the following slate of candidates:

President
Frank L. Corso, CPA
1st Vice President
Barbara M. Thomas, CPA
2nd Vice President
Clare Shaw, CPA
Secretary
Albert E. Schilling
Treasurer
Ruth Ann Bryner, CPA

The Chapter's success is due in large part to the many dedicated volunteers who served this organization throughout the years. We salute all those past, present and future officers of the Buxmont Chapter for their dedication.

Buxmont Chapter Officers, Committees and Directors

President

Lamont B. Anderson, PA
215-957-9608 x-201

First Vice President

Frank L. Corso, CPA
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Second Vice President

President

Barbara M. Thomas, CPA
215-579-6250

Treasurer

Ruth Ann Bryner, CPA
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215-628-2328

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215-672-9949

Scholarship Committee

Howard R. Matter, PA
215-675-0262

Sunshine Committee

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215-860-1199

Web Site

Richard Brasch Jr., CPA
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Serving the Public Accounting Profession for over 50 years

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"Registration forms for all seminars can be printed directly from our web page"

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Chapter Profile:

The Buxmont Chapter is the PA Society of Public Accountants' largest chapter, representing over four hundred Certified Public Accountants, Public Accountants, Enrolled Agents and tax practitioners in the Bucks and Montgomery Counties of Southeastern PA. If you are a small practitioner in search of an organization interested in your needs, you'll want to consider the Pennsylvania Society of Public. Accountants.

Chapter Meetings:

Meetings are generally held on the fourth Tuesday of the month at Williamson's Restaurant, Route 611 & Blair Mill Rd, in Willow Grove, PA (unless otherwise noted)

Dinner & Meeting:(2 Hr.)	Member \$25.00	Non-member: \$49.00
Dinner & Meeting:(4 Hr.)	Member \$35.00	Non-member: \$59.00
Meeting Only: (2 Hr.)	Member \$15.00	Non-member: \$39.00
Meeting Only: (4 Hr.)	Member \$25.00	Non-member: \$49.00

2008 Gear-UP Seminar Programs

Seminars are held at the Radisson Hotel located at 2400 Old Lincoln Highway, Trevose, PA (1/4 mile south of PA Turnpike Interchange 351)

- ◆ Accounting—8 CPE Hours A & A
Friday, September 19, 2008
- ◆ Business Entities—16 CPE Hours Tax
Monday & Tuesday, October 20-21, 2008
- ◆ 1040—16 CPE Hours Tax
Thursday & Friday, December 4 & 5, 2008



2008 Chapter Program Schedule

- ◆ Practice Succession & Continuation Planning for small accounting firms
Clifford Reiter, Professional Accounting Sales - 2 HR CPE
Tuesday, May 28, 2008
- ◆ QuickBooks Update - 2 HR CPE
Gita Faust, Buxmont Chapter Member
Advanced Certified QuickBooks ProAdvisor
Tuesday, June 24, 2008
- ◆ Fundamentals of Annuities & Life Insurance Planning - 2 HR CPE
Stephen Peterson, Brokers International
Tuesday, September 23, 2008
- ◆ Local Tax Panel - 2 HR CPE
Tuesday, October 28, 2008
- ◆ Annual Ethics and IRS Update - 4 HR CPE
Richard Furlong
Tuesday, November 25, 2008