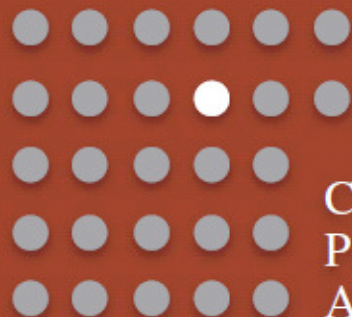


FALL 2010

Umble, Gayhart & Jacobsen, CPA's



UGJ

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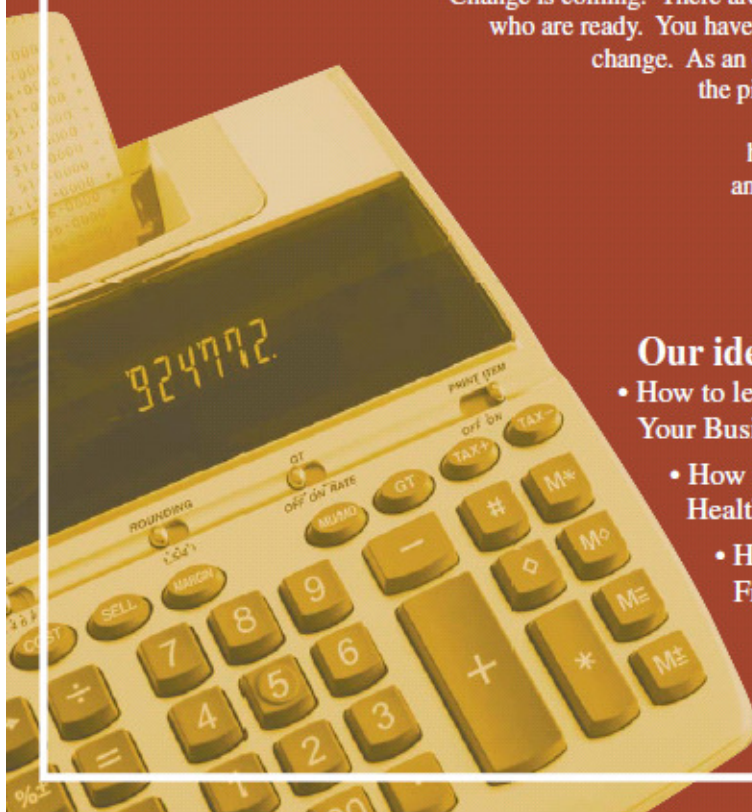
Yes We Can

Change is coming. There are opportunities out there to those who are ready. You have control of your own response to change. As an outside advisor we can often see the picture clearer and help you make the right decisions. We want to help you maximize opportunities and achieve your business dreams.

- Paul Williams

Our ideas in this newsletter:

- How to let the IRS Help You Finance Your Business
- How to Profit from the Health Care Reform Act
- How to Keep Tax Friendly Records
- How to Help You Network and Have Fun at Our Seventh Annual Pig Roast





Paul Williams

How to Let the IRS Help Your Finance Your Business

By using the best advice available, you can come up with some winning strategies. Tax rates are changing, and we don't know when. Congress still needs to act, but we know and can optimize the following:

We know that in 2010 rates are still historically low and that for some in the lowest tax bracket there is an opportunity for a 0% capital gains tax rate.

We know that rates are likely to go up in 2011 and beyond. Is it time to cash your stock options?

We know there will be tax credits up to 35% to certain small employers that offer health insurance starting in 2010.

We know that the IRS is aiming there guns at S-Corps and the self employment tax on owners.

We know that businesses will get the generous \$250,000 first-year depreciation write-off in 2010 on new equipment purchases.

We know there is an opportunity to convert regular IRAs to Roth IRAs in 2010 and pay the taxes on the conversion over 2011 and 2012.

We know that in 2013 there will be a 0.9% levy on earned income, covering wages and income from self-employment, over \$250,000 for couples and \$200,000 for singles.

We know the IRS needs to raise more cash, so more audits are likely, especially in the payroll area (employee versus independent contractor, etc.)

UGJ Wants to Help

In addition to our own Quick Book Pro Advisors, we have added a Peachtree Pro-Advisor to staff.

We are communicating and pulling resources together to help your business. We have excellent research and training.

We are experts in Valuation Calculations. These can be used for planning, selling, buying, or litigating with your business.



Harry Wagner

How to Profit from the Health Care Act

There has been a lot of negativity surrounding the recent health care legislation. Small businesses are concerned with cost, legal liability, and mandates. There are ways that you can profit from the new Health Care Reform Act:

- **You may get a credit**
This year, the health care reform package provides a temporary sliding-scale small employer tax

credit to help offset the cost of employer-provided coverage. Generally, a qualified small employer is one with no more than 25 employees and average annual wages of no more than \$50,000. The devil is in the details. Call us and we can see if you get a credit or not.

- **It may not apply to you**
In 2014, large employers will be required to "pay or play" and will be penalized for non-compliance. The good news is that businesses with fewer than 50 employees would be exempt. Also if you are a large employer, the penalty would be reduced by subtracting the first 30 workers from the payment calculation.
- **You may get better coverage**
The whole purpose of the legislation was to improve coverage. Look at the positives of the plan rather than the mandates.



Robert Flowers

How to Go Green and Get Energy

How to Keep Tax Friendly Records

Are you using your accounting software correctly to keep good records? The most common errors we see are:

What Can Go Wrong?

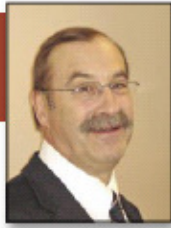
- Systems failure
- No paper copy
- No closing entries or adjustment entries
- No checks and balances
- No recording of debit and credit memos from bank
- No reconciliation with cash or loan balances

What IRS Wants

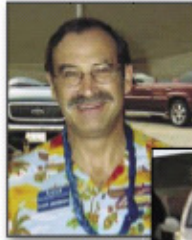
The IRS wants to be able to reconcile to an independent third party source such as the bank. The IRS will accept reasonable estimates if you have support for mileage, expense versus capitalization for depreciation, meals and entertainment, etc.

How We Can Help

Our job at UGJ is to give you the best job of winning an audit with the IRS. We will help you make reasonable entries and estimates. We have added an expert in Quickbooks and Peachtree to staff to help you maintain the records you need.



Kurt Jacobsen



How to Help You Network and Have Fun at Our Seventh Annual Pig Roast

Every year we like to say thank you to our clients and to invite new friends in the community to our annual Pig Roast. This is our seventh annual Roast, and we have become known for throwing a fun event. The local chambers are invited and we provide the rest with some libations and roast pig. Please come.

**Come To UGJ CPAs 7th Annual Pig Roast
Thursday, September 30, 2010**

5:00-7:00 pm
7419 Kingsgate Way
West Chester, OH



Please RSVP to 777-4533

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SET AN APPOINTMENT FOR YEAR END TAX PLANNING

Please call me

Name: _____

Phone: _____ cell _____

Tax issue: _____

REFER A FRIEND

P.S. New clients receive a free hour of consultation!!

Name: _____

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Phone: _____ cell _____

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2009 Individual Tax Rate Schedules

Brackets	Rate (%)	Taxable Income (\$) Estimated 2010
Married*	10	0 - 16,750
	15	16,751 - 68,000
	25	68,001 - 137,300
	28	137,301 - 209,250
	33	209,251 - 373,650
35	373,651 And Over	

*Filing Jointly (and Surviving Spouses)

Brackets	Rate (%)	Taxable Income (\$) Estimated 2010
Single	10	0 - 8,375
	15	8,376 - 34,000
	25	34,001 - 82,400
	28	82,401 - 171,850
	33	171,851 - 373,650
35	373,651 And Over	

Max. Earnings Without Benefits Reduction

Under Retirement Age	\$14,160
Year of Full Retirement Age	\$17,680
Over Full Retirement Age	No limit

2010 Social Security Facts

Social Security Tax Base	\$106,800*
Employee Tax Rate	7.65%
Employer Tax Rate	7.65%
Self Employment Tax Rate	15.30%**

*The Medicare portion (1.45%) will continue to be deducted for incomes over \$106,800
**One-half will be deductible

Section 179 Business Investment Deduction

The maximum Section 179 deduction for 2009 is \$250,000. This deduction gets phased out if the total cost of the assets exceeds \$800,000. Call us for details.

2010 Standard Mileage Rates

Business	.55/mile
Charitable	.14/mile
Medical/Moving	.24/mile

Taxability of Social Security Benefits

Social Security recipients with total incomes over \$34,000 for singles or \$44,000 for married couples, will have up to 85% of their benefits taxed by the federal government in 2010

2009 Itemized Deduction Phase-Out

MFJ, Single, HH	N/A
MFJ	N/A

Tax Deductible & ROTH IRA Limits

Under Age 50	Age 50 & Over	Year
\$5,000	\$6,000	2009
\$5,000	\$6,000	2010