

MARCH 2008

## LETTERS FROM THE IRS

A letter from the IRS with good news... Over 130 million American households will be receiving a letter from the IRS reminding them to file a 2007 tax return in order to obtain a tax rebate. All eligible individuals are entitled to a tax rebate per recent enactment of the Economic Stimulus Act of 2008. The Act provides rebates intended to jumpstart the economy.

## FIRM HAPPENINGS

The Firm is happy to announce the promotion of Bruce Berry, Accounting Manager, and Patrick McClary, Tax Manager, to Associate Directors of Whalen & Company, CPAs. Associate Directors work very close with the partners on the Firm's strategic plan and long-term vision.


Additionally, Karen Botti has been promoted to Tax Staff Manager. Karen spends a great deal of time training staff, implementing procedures, and assisting both Richard and Patrick in the smooth running of our Tax Department.


## EXTENDED HOURS

*From April 1st – April 14th our office will be opened an additional hour until 6:00 p.m. to accommodate our clients.*

## ECONOMIC STIMULUS ACT OF 2008 Business Incentives

The passing of the economic growth package is designed to put money back into the hands of American workers and businesses. For businesses, the goal is to encourage the purchase of equipment, software, and tangible property this year which may substantially lower their taxes.

 Businesses that place less than \$800,000 of equipment into service this year would be able to expense up to \$250,000 of its investment – up from \$128,000.

 Through a temporary change in the tax code, American businesses that purchase new equipment in 2008 may depreciate an additional 50 percent of the cost of their investment.

Autos and trucks qualify for bonus depreciation but business use must exceed 50% of total use. Normally, the purchase of heavy sport utility vehicles (SUVs) for business use would benefit from this first-year allowance; however, the proposed Renewable Energy and Energy Conservation Tax Act of 2008 may deflate the expected tax savings. In the past, legislators were reluctant to do anything to hurt the sales of these heavy SUVs because they didn't want to harm the U.S. auto industry. This year they are faced with the competing interests of stimulating the economy and encouraging energy savings.

## SPECIAL COUPON ISSUED BY U.S. GOVERNMENT

The U.S. Government is offering up to two "Television Converter Box Coupons" to each household. These coupons, each worth \$40.00, are to defray the cost of a converter box. Come February 17, 2009 all television broadcasting in the U.S. will be transmitted by a digital signal. Televisions with a cable or satellite hookup will be able to continue to receive programming. The converter box will be necessary in order for an analog television to receive programming. For each converter box purchased, one \$40.00 coupon may be used.

The Ohio Department of Taxation has issued an information release regarding Ohio sales tax treatment of the coupon. The coupon cannot be used to pay the sales tax that applies to the price of the converter box. The consumer will be responsible for the remaining balance due on the price of the converter box, if any, and the sales tax computed on the original selling price of the box.