



PETERSON · SLATER · OSBORNE

ACCOUNTANCY CORPORATION

Did you know?



If you received a big tax refund this year, you essentially gave the government an interest-free loan. You are better off adjusting your withholding in order to break even on next year's returns. Use the "extra" money to pay down debt or save for a rainy day -- in an interest-earning account, of course.

From the IRS Archives...



The world's most famous mob boss Al Capone, was not afraid to say he thought taxes were a joke. Unfortunately, for Capone the federal government brought charges of tax fraud against him in 1931 and not only levied an \$80,000 fine against him, but also sent him to prison for 11 years.

May 2010

Implications of Health Care & Education Reconciliation Act of 2010

Passage of the Health Care and Education Reconciliation Act of 2010 and the Patient Protection and Affordable Care Act of 2010 in March 2010 completes a massive overhaul of the nation's health insurance and health delivery systems. Combined, the two laws include more than \$400 billion in revenue raisers and new taxes on employers and individuals. Some of the provisions of these new laws will be effective over the next several years. However, there are some provisions that are effective immediately:

Small Business Credits - Offers tax credits to small businesses to make employee coverage more affordable. Tax credits of up to 35% of premiums will be immediately available to firms that choose to offer coverage. Beginning in 2014, the small business tax credits will cover 50% of the premiums.

Begins to close the Medicare Part D "Donut Hole" - Provides a \$250 rebate to Medicare beneficiaries who hit the "donut hole" in 2010. Beginning in 2011, it will institute a 50% discount on brand name drugs in the "donut hole." Also completely closes the "donut hole" by 2020.

No discrimination against children with pre-existing conditions - Prohibits health plans from denying coverage to children with pre-existing conditions. Beginning in 2014, this prohibition would apply to all persons.

Bans lifetime limits on coverage - Prohibits health plans from placing lifetime caps on coverage.

Extends coverage for young people up to 26th birthday through parents' insurance - Requires health plans to allow young people up to their 26th birthday to remain on their parents' insurance policy, at the parents' choice.



Our clients are our top priority all year round. Please contact us if you have any questions regarding the recent Health Care and Education Reconciliation Act or any other matters with tax implications for you, your business, and your family.

Peterson Slater & Osborne

(760) 777-9805