



PETERSON · SLATER · OSBORNE

ACCOUNTANCY CORPORATION

Supporting our Community



* **Lee M. Osborne, CPA** was recently named Chairman of the Board of Directors of the La Quinta Chamber of Commerce.

* **Pedro T. Rincon, CPA, CVA**, recently completed his third three-year term on the Carreon Foundation's Board of Directors. The foundation has awarded over \$1 million in college scholarships to local youth.

NEW California Homebuyer Credit

June 2010

Tax Ramifications of Health Care Reform

In last month's newsletter, we discussed some of the more immediate implications of the new health care acts. However, many of the changes are spread out over the next several years. The following is a timeline of when certain tax provisions become effective.

Health Care Reform Timeline

2010

- Tax credits for employee health insurance are available to small businesses and eligible tax-exempt employers
- Forgiveness of student loans for medical professionals in underserved areas is excluded from taxable income

2012

- New reporting requirements for businesses making payments of more than \$600 in a calendar year to corporations

2013

- Surtax of 0.9 % is added to the 1.45% hospital insurance payroll taxes paid by high-income earners
- Additional 3.8% tax on unearned income of high-income individuals

2014

- Penalties begin for taxpayers who are required to have health care coverage. The penalty increases from \$95 in 2014 to \$695 in 2016

2018

- High cost health insurance plans hit with 40% excise tax on amounts in excess of \$10,200 (individuals) and \$27,500 (families)

-- Pedro T. Rincón, CPA, CVA



These tax credits are available for taxpayers who purchase a qualified principal residence on or after May 1, 2010, and before January 1, 2011. These tax credits are limited to the lesser of 5 percent of the purchase price or \$10,000 for a qualified principal residence.

Taxpayers must apply the total tax credit in equal amounts over 3 successive tax years (maximum of \$3,333 per year) beginning with the tax year in which the home is purchased. The tax credits are nonrefundable and unused credits cannot be carried over.



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

Peterson Slater & Osborne

(760) 777-9805

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