

IRS Tax Trivia

Back in 1913 tax rates ranged from one to seven percent on incomes above \$3,000. This tax rate doesn't sound like much until you consider the average annual income for the time.

Test your trivia knowledge by answering the following question:

The average annual income in 1913 was

- A. \$5,000
- B. \$200
- C. \$1,200
- D. \$800

Email us your answer by July 30 and we'll enter your name in a drawing to win a \$100 gift card to Armando's Bar & Grill, Chop House, or Jackalope Ranch.

Good luck!

[Email Your Answer](#)

Enterprise Zone Sales and Use Tax Credit

The employer hiring credit is not the only benefit of the Enterprise Zone. If your business is located in the Zone, you may be able to benefit from the Sales and Use Tax Credit. For qualified property that you buy, you may be eligible for a credit equal to the sales tax that you're paying.

-- Jennifer J. Gomez, CPA

July 2010

Summertime is Perfect for Tax Planning

There are numerous tax laws that return to prior rules as of January 2011, and the time to plan is now. Although any changes are subject to our dysfunctional folks in Washington, the following is an overview of some of the changes in the tax law we can expect later this year.

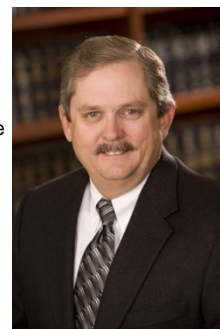
Upcoming Tax Law Changes

Some of the tax laws that will be changing as of January 2011 will first be the increase in the tax rates themselves. The lowest tax rate of 10% will increase to 15% and the highest tax rate of 35% will increase to 39.6%. The maximum capital gains tax rate will increase from 15% to 20%. The biggest increase will be the qualifying dividend tax rate, currently at 15% will change to your ordinary tax rate or as high as 39.6%. Along with the higher tax rates, the tax laws will revert back to the limitations of deductions that President Clinton had put into place many years ago. So in effect you will be paying a higher tax rate and be allowed fewer deductions.

With these higher tax rates and lower available deductions, it is more important than ever to meet with your CPA to discuss proper planning for the remainder of this year. Unfortunately, trying to plan for 2011 and further is extremely difficult and some of the current laws that will take place as of January 2011 are sure to change.

All of this to say, you must work closer with you CPA's in order to comply with the growing complexity of the tax laws and to properly plan for the future.

-- Lee M. Osborne, CPA



Our clients are our top priority all year round. Please contact us if you have any questions regarding upcoming tax law changes or any other matters with tax implications for you, your business, and your family.

Peterson Slater & Osborne

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We hope you are enjoying a fun, safe and healthy Summer. Wherever your travels take you, don't forget we are only a phone call or email away.