



2432 W. Peoria Avenue Suite 1168 Phoenix AZ 85029 602/995-2100 fax: 602/944-1317

NEWS YOU CAN USE-2008 AND 2009 TAX FACTS

EXTENSION OF ENERGY EFFICIENT PROPERTY IMPROVEMENTS placed in service in 2008 includes:

- Solar Electric Property
- Solar Water Heating Property
- Qualified Fuel Cell Property

NOTE: THE CREDIT IS LIMITED TO \$2000.00 FOR THE FIRST TWO ITEMS AND \$3000.00 FOR THE QUALIFIED FUEL CELL PROPERTY FOR TAX YEAR 2008

LOOKING FORWARD TO 2009, energy efficient improvements includes skylights,

windows, outer doors, high energy water heaters, central air conditioners, and biomass stoves. NOTE; THE MAXIMUM CREDIT IS \$500, OF WHICH NO MORE THAN \$150 CAN BE CLAIMED FOR A FURNACE AND WATER HEATER, \$200 FOR WINDOWS, AND \$300 FOR BIOMASS STOVES. QUALIFYING PROPERTY IS WELL DEFINED: IT MUST HAVE AN ENERGY STAR CERTIFICATION AS POSTED BY THE MANUFACTURER OF THE PROPERTY.

NEW MILEAGE RATES FOR 2008:

BUSINESS:

- 1/1/08 TO 6/30/08: 50.5 cents/Mile
- 7/1/08 TO 12/31/08: 58.5 cents/Mile

MEDICAL/MOVING:

- 1/1/08 TP 6/30/08: 19 cents/Mile
- 7/1/08 TO 12/31/08: 27 cents/Mile

CHARITABLE:

- 1/1/08 TO 12/31/08: 14 cents/Mile

NON ITEMIZERS GET AN ABOVE THE LINE DEDUCTION OF UP TO \$1000 FOR REAL ESTATE PROPERTY TAXES PAID ON THEIR PRINCIPAL RESIDENCE STARTING IN 2008

RECOVERY REBATES NOT RECEIVED IN THE SUMMER OF 2008 ARE STILL ELIGIBLE TO BE RECOGNIZED AND TAKEN ON YOUR 2008 TAX RETURN.

50% BONUS DEPRECIATION IS BACK FOR ASSETS PLACED IN SERVICE IN 2008

LUXURY AUTOMOBILE LIMITATIONS HAVE BEEN RAISED UP TO \$8000 ON A NEW PASSENGER AUTOMOBILE.

FIRST TIME HOME BUYER TAX CREDIT

UP TO \$7500 OF CREDIT IS ALLOWED; DEPENDING ON MARITAL STATUS IF A FIRST TIME HOME BUYER PURCHASES A HOME BETWEEN APRIL 8, 2008 AND JULY 1, 2009. CAUTION: THE BUYER OR SPOUSE CANNOT HAVE OWNED A HOME WITHIN THE THREE-YEAR PERIOD BEFORE THE NEW HOME IS PURCHASED. THERE ARE INCOME LIMITATIONS AND OTHER RESTRICTIONS. AND THE CREDIT IS IN ESSENCE A LOAN THAT MUST BE PAID BACK STARTING TWO YEARS AFTER THE CREDIT IS TAKEN.



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OTHER ISSUES: ABOVE THE LINE DEDUCTION OF EDUCATOR'S CLASSROOM EXPENSES HAS BEEN REINSTATED. ALSO TAXPAYERS CAN ELECT TO WRITE OFF GENERAL SALES TAX OR INCOME TAX, WHICHEVER IS HIGHER, ON SCHEDULE A

2009 BASIC STANDARD DEDUCTIONS:

MFJ/SURVIVING SPOUSE:	\$11,400	HEAD OF HOUSEHOLD:	\$8,350
SINGLE:	\$5,700	MFS:	\$5,700

2009 PERSONAL EXEMPTION AMOUNT: \$3650

BASIC TAX BRACKET AMOUNTS-2009

MFJ AND SURVIVING SPOUSES				SINGLE			
-0-	-	\$16,700	10%	-0-	-	\$8,350	10%
\$16,701	-	\$67,900	15%	\$8,351	-	\$33,950	15%
\$67,901	-	\$137,050	25%	\$33,951	-	\$82,250	25%
\$137,051	-	\$208,850	28%	\$82,251	-	\$171,550	28%
\$208,851	-	\$372,950	33%	\$171,551	-	\$372,950	33%
OVER \$372,951			35%	OVER \$371,951			35%
HEAD OF HOUSEHOLD				MARRIED FILING SEPARATELY			
-0-	-	\$11,950	10%	-0-	-	\$8,350	10%
\$11,951	-	\$45,500	15%	\$8,351	-	\$33,950	15%
\$45,501	-	\$117,450	25%	\$33,951	-	\$68,525	25%
\$117,451	-	\$190,200	28%	\$68,526	-	\$104,425	28%
\$191,201	-	\$372,950	33%	\$104,426	-	\$186,475	33%
OVER 372,950			35%	OVER \$186,475			35%

STATE OF ARIZONA ISSUES: 2008

Starting in 2008 Parents can deduct up to \$1500 for contributions made to a qualified section 529 plan on behalf of a child. Single folks can deduct up to \$750.00. This is a brand new deduction.

Extra curricular tuition credits, as well as credits for Private Education Tuition amounts are still available. The dollar values are \$200/\$400 for the extra curricular credit, depending on filing status, and \$500/\$1000 for the private education tuition credit, depending on filing status. DONATION MUST BE MADE PRIOR TO DECEMBER 31ST.

2009 RETIREMENT PLAN CHANGES:

Maximum 401(k) contribution increases to \$16,500. Individuals born before 1960 can contribute an additional \$5,500 for a total of \$22,000. SIMPLE Plan contributions increased to \$11,500. If a participant is age 50 or older, then an additional \$2,500 can be contributed.

THE ANNUAL GIFT TAX EXEMPTION AMOUNT IS INCREASED TO \$13,000 AS OF 2009