TaxScriptions Rx

"A Prescription For Tax Relief"

ROSEN & ASSOCIATES, LLP
Certified Public Accountants and Financial Advisors

ADCPA
ACADEMY OF DENTAL CPAS

Featured Articles

Important Tax Dates & Deadlines:

October 15, 2009:

Individual:
Final deadline if an extension was requested (Form 1040)

Final deadline to fund retirement plan contributions for 2008 tax year for sole proprietors or single-member LLC

October 31, 2009:

Businesses:
3rd quarter payroll returns and payments due (Form

Comments from the Corner Office

We live in a world of change. In order to understand and be knowledgeable of the changes that affect your financial goals, you always need to be better informed. Communication becomes more and more important in everyone's day to day lives. As a result, Rosen & Associates LLP and its affiliates are pleased to announce the first printing of our newsletter entitled **TaxScriptions.** Our goal will be to inform you of tax law changes, new retirement plan alternatives, as well as stock market trends and analysis. We hope to give you a better understanding of new and existing rules that will help reduce your tax obligation and place more money in your pocket. Feel free to contact us with questions or further information on any areas of interest.

Read & Enjoy!

Larry A. Rosen

Managing Partner of Rosen & Associates, LLP

Is Dentistry Recession Proof? *By: Dennis O'Toole, CPA, MST, Partner of Rosen & Associates, LLP*

As our economic recession continues, unemployment has grown to 9.5% and seven out of ten employees are worried about loosing their jobs, I don't think that anyone has been able to totally escape the effects of the recession. Whether it be financially or physiologically, the recession impacts all of us one way or another and make no mistake the dental industry is not exempt.

Over the years, I have read many articles about the dental industry being recession proof and for the most part, I believe this has been true. For most of us, we have not seen a recession of this magnitude in our lifetimes and hopefully never will again. In reviewing our client's dental practices over the last year, I have seen the impact of the recession affecting practices differently, with the specialty practices being hit the hardest, especially Orthodontics and Endodontics. Amongst our general dental practices about 70% have been able to increase collections slightly or at least maintain their collection levels.

What makes these practices more recession proof than others? What are they doing differently than the other 30% that have declining revenues?

941)

December 31, 2009:

Individuals:
4th quarter state estimated tax payment due (if not subject to AMT)

January 15, 2010:

Individuals:
4th quarter estimated tax payments due for federal and state (if subject to AMT)

January 31, 2010:

Businesses:
4th quarter payroll returns due, and W-2s need to be distributed to employees

2009 Auto/Truck Depreciation Limits with Bonus Rules

Qualified Passenger Autos

Tax Year	Amount
1st Tax Year	$10,960
2nd Tax Year	$4,800
3rd Tax Year	$2,850
Thereafter	$1,775

Qualified Trucks and Vans

Tax Year	Amount
1st Tax Year	$11,060
2nd Tax Year	$5,100
3rd Tax Year	$3,050
Thereafter	$1,875

Tax Returns At Your Fingertips

By: Mark Rosen, CPA, CFP(R)
Partner of Rosen & Associates, LLP

In the world of iPhones, BlackBerrys® and

In evaluating what makes these practice a cut above the others, I found that it boils down to two major differences management and marketing. The first, and most crucial, is the attention and the focus on the management of the practice. To get started, you need to get active regarding the management of your own practice. Remember, a good economy can mask poor management. I strongly recommend that you take the time to evaluate yourself and your practice. Remember, no small business performs any better than the person who owns it.

Be honest with yourself and if you recognize that you do not have the management capabilities to improve your practice, then consider taking some management courses or hiring someone with these capabilities to assist you with the management. In the book "Good to Great" by Jim Collins, he addresses how to take a good company and make it great. It comes down to one major component, your employees and making sure they are all on the bus. Evaluate your staff and don't settle for mediocre staff members. You should have a business plan, set the practice goals, have daily meetings and allow your staff to be the main driving force for a great practice. Secondly, on the marketing side, while the economic recovery is slow and discretionary dollars being spent on dentistry decreases, it is easy to fall into the trap of blaming and putting pressure on your staff. You need to drop the negative attitude about the economy, as this is out of your control, and put your energy and efforts into being the emotional leader to improve yourself, your staff and ultimately your practice. No matter how much you are tempted to throw large amounts of money on external marketing, the best marketing is internal marketing. Patients that have had a great positive experience with you and your staff will be your best marketing vehicle. Making sure that you have happy patients is the best marketing dollars that you can spend. Hopefully, by focusing your efforts on the management and your patient's experience, you will be able to enhance your practice and emerge stronger as the economy recovers.

REMINDER -2009 Tax Planning - Invest in Your Practice and Your Future! *By: Craig Loomis, CPA*

It is that time of year again for tax planning and there are some great opportunities to maximize your tax savings. Are you looking to purchase a new piece of equipment? If the new purchase meets the IRS criteria, your practice may be able to deduct the full cost of the equipment to help reduce your 2009 tax liability.

For 2009, the maximum section 179 expense deduction you can elect for qualified property is **$250,000.** This property needs to be placed in service by the end of the year and can be either paid for or financed. Purchasing $100,000 of new equipment could save you up to $40,000 in federal and state taxes, depending on your tax situation.

Are you looking to purchase a **new** passenger automobile? In 2009, when purchasing a **qualified** passenger automobile or truck there is an **additional $8,000 1st year tax deduction.**

Caution: *Limits are reduced, if the business use is less than 100%.*

Let us know if you are considering purchasing new equipment and we can incorporate that decision into your 2009 tax planning!

Proposed Tax Legislation: Effective Date 20xx??

The Obama Administration released their "Green Book" titled "General Explanations of the Administration's Fiscal Year 2010 Proposals". The following are some key items contained in the proposed legislation:

- **Increasing Tax Rates:** Two new higher brackets will be put in place starting in 2011; the 36% bracket will apply at taxable income of about wireless internet, almost everything is right at your fingertips. Well, now you can add your tax return, financial statements or any important documents you choose to that long list. FTP (File Transfer Protocol) sites and Client Portals are the way of the future for document delivery and important document storage. An FTP site or Client Portal is a secure website which is hosted by a SAS 70 certified company in which documents can be securely transferred or stored for future viewing.

Are you refinancing and need a copy of your last three years tax returns? Are you purchasing a home and need to provide verification of income?

Just log into our FTP site using your secure login and retrieve any of these documents 24/7.

To get setup with your own secure FTP site, just click here and email us and we will be happy to connect you to the future.

Frequently Asked Questions?

What is the standard business mileage rate for 2009? 55 cents

What is the long-term capital gain rate for 2009? 15%

How much is the new First-Time Home Buyer

$231,000 on a joint return and approximately $190,000 on a single return. The Green Book does not peg the taxable income level for the 39.6% bracket; however, the current (2009) threshold for the top bracket (35%) is $372,950 (joint return). We suspect that figure indexed for inflation may be the likely answer.

- **Decreasing Personal Deductions:** This same group of taxpayers described above will also have the value of their itemized deductions (mortgage interest, real estate and sales taxes, charitable contributions, etc.) reduced. Under current law in 2009 there is a slight phase-out of itemized deductions and personal exemptions for "high-income" taxpayers and in 2010 there is no phase-out of deductions. This phase-out of deductions was previously three times the amount it is today and under the Proposal, it will be fully reinstated for those making above the income thresholds noted above. In addition, the remaining personal deductions will only be allowed to offset income tax at a maximum rate of 28%. Thus for those that will be in the 36% or 39.6% tax brackets, the value of itemized deductions is further reduced.

- **Capital Gain Rate Increased:** For this same group of taxpayers (those in the 36% and 39.6% brackets) the capital gains rate will be increased from 15% currently to 20% in 2011. The only good news here is that "qualified dividends" currently taxed at a maximum rate of 15% will still qualify for the capital gains tax rate of 20%. Albeit an increase, it is still quite favorable compared to "old" law when dividends were generally taxed at regular tax rates.

Investment Lessons Learned 8-31-09 *By: David Borden, Principle of CCR Wealth Management, LLC*

Spend any amount of time observing investors (measured in decades, not years), and you'll notice most investors need to re-learn "the basics" at least once every investment cycle-and perhaps more often. Ideally, greed and fear will balance themselves into a moderately allocated portfolio (moderately aggressive or conservative) that should enjoy much of the upside of a bull market-but won't participate, pound-for-pound, in the downside of the Bear.

Instead, given a long run-up, or a brutal and extended downturn, investors tend to stack their chips wherever the prevailing wind tells them they are favored. In today's wired world-one doesn't have to spend too long on CNBC.com, or even Google to find justification for a mind that's already made up, and responding (most likely) to either greed or fear. We make these observations while shifting to assess the current state of the capital markets; where they are vs. where they've been.

Today, the Dow Jones Industrial Average and the S&P 500 stand roughly 10% & 8% below the half-way point from their 2007 highs, and their March 9, 2009 lows, respectively. Turning our attention to the most recent economic report, August Non-Farm Payrolls, we make the following observations:

U.S. Unemployment rose to 9.70% in August, with an officially recorded decline of 216,000 jobs for the month. Splashy headlines and media hyperbole aside, while the unemployment count in America approaches 15 million, only about 7.4 is attributable to this recession (we were never a fully employed nation).

The GOOD news; the velocity of job-loss has slowed considerably (this was the smallest decline in payrolls in a year).

The BAD news; the real unemployment picture is likely higher-but not measurable-as discouraged workers who have been out of a job for a year have likely stopped looking for work (subsequently falling off the "radar").

What are the economic and thus, investment implications of these statistics? In our view we finally believe the glass to be half-full, provided investors apply the lessons they should have taken away from the past year's market gyrations regarding asset allocation.

- Yes, 9.70% unemployment is high, a 26 year high, in fact. Real unemployment is likely 10% or higher, and the "official" rate will possibly

Credit for 2009 and what is the income limit? $8,000 credit and $75,000 (S) or $150,000 (MFJ)

Quick Links

Latest News & Events at Rosen & Associates, LLP

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Massachusetts Dept. of Revenue

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Academy of Dental CPAs

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breach 10% in the months ahead (and possibly plateau there well into 2010). But economically, we think we're seeing a "troughing" process, as the rate of decline slows.

- We've frequently alluded to the fact that the equity markets are forward-looking mechanisms over the past year. In this vein, the current employment news was reflected in the March 2009 market levels. Even a correction from current levels still bodes well for future economic improvement, and reasons for optimism.
- While the NBER (National Bureau of Economic Research) officially views the Non-Farm Payroll Report as a "coincident" indicator, in reality employment did not rise for one full year since the NBER declared the last recession (2001) over, which makes fretting about current rates unhelpful in recognizing value in the markets today.
- The velocity of the market's rebound from March strongly suggests to us that corrections lie ahead.

If you would like to discuss how these and other market and economic forces impact your portfolio, or for consultation regarding your investment and financial goals, please contact CCR Wealth Management.

The views are those of CCR Wealth Management LLC and should not be construed as specific investment advice. Investments in securities do not offer a fixed rate of return. Principal, yield and/or share price will fluctuate with changes in market conditions and, when sold or redeemed, you may receive more or less than originally invested. All information is believed to be from reliable sources; however, we make no representation as to its completeness or accuracy. Investors cannot directly invest in indices. Past performance does not guarantee future results. Securities offered through Multi-Financial Securities Corporation. Registered Broker/Dealer, Member FINRA/SIPC. Investment Advisor Representative, CCR Wealth Management, LLC. Registered Investment Advisor. Multi-Financial Securities Corporation and CCR Wealth Management , LLC are not affiliated companies.

Is a Cash Balance Plan Right For Your Business? *By Al Schwartz, Retirement Planning Group, LLP*

A Cash Balance Plan is a special type of Defined Benefit Plan that operates like a 401(k) plan, but allows the employer to contribute a greater percentage of the retirement contribution to themselves, or another targeted individual. This is done by using a series of non discrimination rules in which contributions are then credited with a specified interest rate. Cash Balance plans are similar to 401(k) plans because each participant receives an annual statement showing their beginning balances, earnings credited, employer contributions allocated and ending balances. However, they differ from 401(k) plans because the investment risk remains with the employer and the participants do not get to make any investment decisions. If an employer is looking to have the ease of understanding of a 401(k) plan, but the higher contribution limits of a Defined Benefit plan, they should consider a Cash Balance program.

Type of Plan	2009 Contribution Limits
401(k) Plan	$16,500 (plus $5,500 catch-up >50 yrs old)
Defined Contribution PS Plan	$49,000
Defined Benefit Plan	$195,000
Cash Balance Plan	$195,000
SIMPLE Plan	$11,500 (plus $2,500 catch-up >50 yrs old)
Traditional & Roth IRA	$5,000 (plus $1,000 catch-up > 50 yrs old)

Retirement Planning Group, LLP is a Third Party Administrator (TPA), with 35 years experience, specializing in the design and maintenance of retirement plans, including 401(k), Profit Sharing, traditional Defined Benefit and Cash Balance programs.