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**Important Tax  
Dates & Deadlines:**

**October 31, 2009:**

**Businesses:**

3rd quarter payroll returns and payments due (Form 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

**Supplemental Issue of TaxScriptions:**

In order to help keep you up to date in our ever changing environment, we are sending this supplemental issue to keep you current on tax law changes or information that we feel is important.

Enjoy!

**Nonbusiness Energy Property Credit:**

Dear Friends & Colleagues,

Unlike past efforts by Congress to use taxes to spur energy efficiency by homeowners, provisions in the recently enacted "American Recovery and Reinvestment Act of 2009" (the Act) are substantial. These include an increased credit of 30% of the cost of residential energy-efficient improvements such as more efficient furnaces, heat pumps and air conditioners, as well as energy-tight windows and more insulation, and a tripling of the maximum credit for a household to \$1,500. Here are the details.

***Background.***

Individual taxpayers are allowed a personal tax credit, known as the nonbusiness energy property credit, for energy efficient improvements to a dwelling unit in the U.S. owned and used by the taxpayer as the taxpayer's principal residence. Under pre-Act law, this credit was equal to the sum of:

(1) 10% of the amount paid or incurred by the taxpayer for qualified energy efficiency improvements (i.e., building envelope components meeting certain requirements) installed during the tax year, and

(2) the amount of residential energy property expenditures (i.e., \$50 for each advanced main air circulating fan, \$150 for each qualified natural gas, propane, or oil furnace or hot water boiler, and \$300 for qualified energy efficient property, including heat pumps, water heaters, and central air conditioners) paid or incurred by the taxpayer during the tax year.

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

**When is the First-Time Home Buyer Credit good until?**  
December 1st, 2009

Under pre-Act law, the credit was subject to a lifetime cap. The total credit for all tax years couldn't exceed \$500, no more than \$200 of which could be for expenditures on windows.

The credit was also set to expire at the end of this year.

### ***New law.***

The new legislation modifies and extends the nonbusiness energy property credit in the following ways:

the 10% credit rate is increased to 30%; the dollar limitations on residential energy property expenditures have been eliminated; instead, all energy property that was previously eligible for the \$50, \$150, and \$300 credits is instead eligible for a 30% credit;

the \$500 lifetime cap (\$200 for windows) is eliminated and replaced with an aggregate \$1,500 cap for 2009 and 2010; and the credit is extended for one year, through December 31, 2010.

I hope this information is helpful. If you would like more details about this or any other aspect of the new law, please do not hesitate to call.

Very truly yours,

**Rosen &  
Associates, LLP**

***Rosen & Associates, LLP***

Phone: (508) 926-2400  
Fax: (508) 616-2914  
info@rosencpagroup.com

**CCR Wealth  
Management,  
LLC**

Phone: (508) 475-3880  
Fax: (508) 616-4431  
info@ccrwealth.com

**Retirement  
Planning Group,  
LLP**

Phone: (508) 926-2400  
Fax: (508) 616-2914

info@rpgllp.com