



# Client Alert

A Murrill, Eakes & Co. Publication

## Tax Planning for 2010

**Several important tax changes are scheduled to take effect on January 1, 2010.** Each exemption has increased for your federal tax and will go up to **\$3,650 for the 2009** tax year. Exemptions for California are also higher this year.

**New Standard deduction** for your 2009 IRS returns are \$11,400 for married couples filing a joint return (up \$500) \$5,700 for singles and married filing separately (up \$250) and \$ 8,350 for heads of household (up \$350)

- ◆ For 2009 – 2010 tax years the maximum **Hope credit** for the postsecondary education has increased to \$2,400 (up \$600)

**Another important change in 2010 is that the Standard Mileage Rates**

- ◆ **Business miles** - The standard mileage rate for the cost of operating your car decreased to **50 cents** per mile for all business miles driven in **2010**.
- ◆ **Another decrease for 2010 to 16.5 cents** for Medical and Moving expenses.
- ◆ **Charitable** organization mileage remains the same at **14 cents per mile** driven in 2010
- ◆ **Mandatory E-Pay** - some individuals are required to make estimated tax payments electronically. This is true if you are making a payment over \$20,000 or if you had a tax liability of over \$80,000 on your CA tax return

- ◆ Please see our **Website** for our **2010 Tax Calendar** of important Tax Due Dates at [www.murrilleakes.com](http://www.murrilleakes.com).

- ◆ **American Recovery & Reinvestment Act—**
  - **Home Residential Energy Tax credit of up to \$1,500** is available for combined 2009 – 2010 tax years total for qualified improvements and appliances (see form 5695)

- **The First-Time Homebuyer** credit has been increased to \$8,000 and extended through April 30, 2010. and is no longer considered a loan. Some Current homeowner's qualify too.

- **2009 Sales and Excise Tax Deduction** for new automobiles bought between 2/16/2009-1/01/2010. (ask your CPA)

- ◆ Buying Savings Bonds – for the first time a taxpayer can request a portion of his refund be used to buy up to \$5,000 in low-risk, liquid Treasury I Bonds, which earn interest and protect owners against inflation. (form 8888)

- ◆ Also, you can deposit your refund in many **IRA's already established.**

- ◆ **Adoption Benefit Credits for 2009 have increased** some to \$12,150 for those with an AGI modified income below \$222,180.

- ◆ **Traditional IRAs limits & Roth IRAs** limits have remained at \$5,000 in 2010 if deposited prior to April 15th and for those over age 50 and over before 2010, it will be \$6,000 catch up contribution limit available and can be applied to your 2009 tax return.

Please call to schedule an appointment if you would like to review your tax planning for 2010

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It is intended for general information only. For more detailed information or professional assistance call, Murrill, Eakes & Co., 9171 Towne Centre Drive, Ste. 250, San Diego, CA 92122-1236 Tel. (858) 455-5400, Fax (858) 452-9560 or visit us on the web at [www.murrilleakes.com](http://www.murrilleakes.com)