

November 12, 2009

Dear Clients and Friends of Our Firm:

I want to personally thank you for your business and support during 2009 and I hope that you have an enjoyable thanksgiving.

As 2009 draws to a close, we have designed this year's tax planning letter to address tax savings created by the American Recovery and Reinvestment Act of 2009.

I would be happy to meet with you to discuss other specific strategies as they pertain to your particular individual tax situation.

INDIVIDUALS AND FAMILY TAX RELIEF:

- Making work pay credit is available for qualified taxpayers for lesser of 6.2% of an individuals earned income or \$400 (\$800 in the case of joint return)
- Increase in the Earned Income Tax Credit for qualified families with 3 or more children for 45% of earnings up to \$12,570
- Increase in refundable portion of child credit to apply to 15% of earned income in excess of \$3,000
- Hope credit has been replaced for up to \$2,500 per student per year
- Computer technology and equipment now qualifies as higher education expenses for qualified tuition programs under section 529
- First time homebuyer credit of up to \$8,500 for houses purchased by April 30, 2010 with the addition of up to \$6,500 credit for current home owners looking to "move-up"
- Unemployment compensation benefits up to \$2,400 in excluded from gross income of recipient
- Additional standard deduction for state sales and excise taxes on the purchase of qualified motor vehicles
- AMT relief for individuals with the possibility of offsetting the entire liability with non-refundable credits

BUSINESS TAX RELIEF:

- Special depreciation allowance for certain property acquired in 2009
- Increase in section 179 deduction limit to \$250,000 with a phase-out in excess of \$800,000
- Five year carry back of operating losses for eligible business

- Modification of work opportunity tax credit
- Deferral of certain income from the discharge of indebtedness

Please feel free to contact me with any questions and if you need to discuss these strategies and other strategies as they relate to your particular tax situation.

Your 2009 client organizer will be mailed out in early January to assist you in gathering your important tax information.

Thank you again for your business and support and we look forward to hearing from you soon.

Sincerely,

Bambo Sonaike CPA, LLC