



October 5, 2008

Volume 4, No. 7

New 2008 Emergency Tax Act-Small Firm Issues ONLY

Our 2008 1040 In-Depth Manual will include all of the changes of this bill, as well as all of the other 5 bills new for 2008. We will also discuss all of these changes in our live seminars so that you get complete coverage in the manual, by the speakers, and in our Power Point.

The 2008 Act was signed into law by President Bush on Friday, October 3, 2008.

Sec. 303 extends the effective date for the debt discharge for qualified principal residence exclusion to 12/31/2012.

Sec. 103 of the Energy Bill portion extends the business solar credit and geothermal credit through 12/31/2016 and allows it to be applied against AMT for years beginning after 10/02/2008.

Sec. 106 of the Energy Bill portion extends the residential energy tax credits through 12/31/2016 and in 106(b)(2) removes the limit of \$2,000 for solar electric property for years starting after 12/31/2008. It also allows a new 30% small wind energy credit for residential purposes, and increases the 30% geothermal heat pump credit to a \$2,000 maximum, all allowed against AMT.

Sec. 30D allows for a new plug-in electric vehicle credit calculated as the total of \$2,500 plus \$417 for each hour of traction battery capacity in excess of 4 KW hours. There is a phase-out of the credit beginning at totals US sales of 250,000 vehicles. Credits are limited by the weight of the vehicle:

Weight	Credit
≤ 10,000 pounds	\$7,500
10,000-14,000 pounds	\$10,000
14,000-26,000 pounds	\$12,500
>26,000 pounds	\$15,000

Sec. 211 allows an excludable fringe benefit of \$20 per month for years beginning after 12/31/2008 for employer payment or reimbursement of bicycle purchase and improvement costs, repairs and storage if the bicycle is used for commuting.

Sec. 403 requires brokers to report stock basis with transactions beginning in 2011.

The "Tax Extenders and Alternative Minimum Tax Relief Act of 2008" portion of the bill made these changes:

- Extension of AMT brackets through 12/31/2008
- Increase of AMT exemption amounts
- Increase of refundable amounts for AMT credits carried forward

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2008 Fall Live Business Seminar Schedule:

10/7-8 [Business Tax In Depth](#)
Cleveland, OH

10/16-17 [Business Tax In Depth](#)
 Fargo, ND

10/20-21 [Business Tax In-Depth](#)
Chicago, IL

Go to www.Taxspeaker.com for more information on these and our other seminars, as well as our full fall and winter schedule.

We will post the 1040 schedule in our mid-month newsletter

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- Underpayments of tax and related penalties and interest related to the treatment of incentive stock options are abated if outstanding on 10/2/2008 and related to ISO's before 1/1/2008.
 - Additionally the AMT refundable credit amount for the taxpayer's first 2 taxable years beginning after December 31, 2007, are each be increased by 50 percent of the aggregate amount of the interest and penalties which were paid by the taxpayer before the date of the enactment of this subsection and which would (but for such payment) have been abated.
- An AMT refundable credit amount is allowed for individuals of 50% of the long-term unused credit.

Sec. 201 extends the sales tax deduction through 12/31/2009.

Sec. 202 extends the tuition deduction through 12/31/2009.

Sec. 203 extends the \$250 teacher deduction through 12/31/2009.

Sec. 204 extends the brand new real property tax deduction through 12/31/2009.

Sec. 205 extends the tax-free IRA transfer to charity rule through 12/31/2009.

Sec. 301 and 302 extends the research credit and the new markets credit through 12/31/2009.

Sec. 305 extends the 15 year depreciation life for leasehold improvements and restaurant improvements through 12/31/2009 (but does not make it eligible for bonus depreciation).

Sec. 504 treats Exxon Valdez litigation settlement payments as payments to fishermen and therefore allows them for income averaging purposes.

1. It also allows contributions of the lesser of the settlement received or \$100,000 to qualified retirement plans to avoid taxation. The contribution must be made by the due date of the return for the year received and is treated as a qualified rollover.
2. It may also be rolled into a Roth IRA or Roth 401(k) but is considered taxable income in those situations.
3. No settlement payment is subject to SE tax.

Sec. 505 treats farm equipment purchased after 12/31/2008 and before 1/1/2010 as having a 5 year depreciation life.

Title 7, the "Heartland Disaster Tax Relief Act of 2008" applies Hurricane Katrina GO Zone tax treatment to the midwestern severe storms, tornados and flooding occurring on or after 5/20/2008 and before 8/1/2008 in Presidentially declared disaster areas of Arkansas, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska and Wisconsin. See our Greensburg Kansas disaster discussion for these rules. The bonus depreciation and Section 179 provisions of the Greensburg Kansas discussion do not apply to the Midwestern storms.



New [Tax Forum](#)

We have added a new electronic [tax forum](#) to the Taxspeaker website.

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MORE LIVE STREAMING VIDEO COURSES COMING!

A live streaming video is a TV-like live presentation beamed to your computer via your high speed internet connection and your computer's speakers.

With gas costs continuing to skyrocket we are rapidly expanding our offerings of live streaming videos for this fall.

With our new Quickbooks expert speaker, Amy Vetter now on board we also plan on adding several 2-hour Quickbooks classes late in the year on marketing, the new Enterprise Version, Preparing Financial Statements, etc.

Upcoming Streaming courses:

[S & C Corporations on
10/22](#)

[LLC's on 10/22](#)

[1040 In Depth on
11/11-12](#)

[Federal Tax Update on
11/26](#)

[COD & Home
Foreclosures on 12/10](#)

[1040 In Depth on](#)

You can go here and read the questions others have posted and, if you are a member, you can also post your own questions. We will monitor the bulletin board and answer (and ask) as many questions as we can ourselves.

The purpose of the bulletin board is to help tax professionals throughout the company talk about those unusual tax items, problem areas, practice issues and similar topics that we need help with.

We will of course request that you keep it clean, non-inflammatory, and fun! Click [HERE](#) to go to the forum.

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New COD & Home Foreclosure Class

We hate to admit it, but the home foreclosure phenomenon has spread throughout the country, even here in the Midwest. This year's 1040 seminars will include substantial coverage of the COD income and other aspects of debt forgiveness on home foreclosures, credit card debt forgiveness and similar situations. One of our spekaers, Joel Dinsfriend, is from los Angeles, and has spoken on COD income and debt forgiveness for several years before the problem became nationwide. Joel will be taking our new chapter, along with a stornq Power Point presentation, and providing this information in a special streaming video class just for this purpose.

Because of the nationwide problem, we have added a new streaming video just to address home re-possession and COD income. Our resident Californian speaker and COD expert Joel Dinsfriend will be presenting a 2-hour streaming video on December 10 from Noon-2 (EST) going through the rules, the forms and dozens of examples, and yes you can ask questions. Click [HERE](#) to register.

Technology Firsts for Jennings Seminars in 2008

On September 4, 2008 we live-streamed our Technology seminar from the seminar location in South Bend, Indiana to the world. This seminar has received notice from Technology experts and tax professionals alike because it was the world's first 8-hour live streaming Technology class that qualified for CPE, and it was the world's first 8 hour live streaming class broadcast without a wired or wireless internet connection. How was it done? We broadcast it using the Verizon BroadBand card over the Verizon high speed cellular phone system! Participants from Alaska to Massachusetts enjoyed the class, asked dozens of questions, and received their 8 hours of CPE at the end of the day.

On September 16 & 17th we broadcast the nation's first 2-day, 16 hour live CPE class on Business Tax-In Depth from our Indianapolis, Indiana live seminar class.

And finally, new ground will be broken with our friends at the North Dakota Society of Accountants in Fargo when, on November 11 & 12, 2008 we will broadcast the nation's first 2-day, 16 hour 1040 In Depth CPE-approved class from our live Fargo seminar. [Join us in Fargo](#) for this historic event! Fargo's seminars are held in one of the best hotels in the country, the Ramada Plaza, the airport is 5 minutes away, the shopping and restaurant locations within 1 block are great, and the audience is as friendly as only people from North Dakota can be!

[12/17-18](#)

[1040 In Depth for Procrastinators on 12/29-30](#)

[Compilation & Review for Procrastinators and Non-Partiers on 12/31/2008](#)

2008 DVD's Now Shipping:

[Technology](#)

[Farm & Ranch](#)

[Estates & Trusts](#)

[Compilations](#)

[Pensions & IRAs](#)

[Reducing Health Care Costs](#)

[Clergy Tax](#)

[EA Ethics](#)

[Oil & Gas Tax](#)

[Business Tax In Depth](#) NOW SHIPPING

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OTHER UPCOMING EVENTS

Fall course taping and tentative shipping dates:

[1040 In Depth Taped 11/11-13, Shipping November 28](#)

[Federal Tax Update](#)

**Taped 11/26 Shipping
December 5**

**NEW SPECIALTY
MANUALS**

We now have 2 new specialty manuals available, written by our speakers with substantial expertise in those areas:

[The Oil & Gas Taxes](#) for 1040's manual

AND

[The 1040 NR Manual](#)

We have also just finished our 2008 [Reducing Health Care Costs](#) manual and live recorded DVD and our [Pension Plans & IRAs](#) Manual and Live Recorded DVD which has been substantially expanded far beyond our other manuals.

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