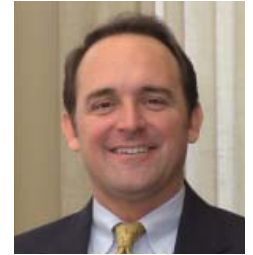


by *J. Ronald Bracewell, Jr., C.P.A., A.B.V.*

Nearly 50 years ago our firm was founded based upon the core values of integrity, honesty and hard work. Over the years, the firm has grown with new people and new services but the basic commitment to our clients hasn't changed.



We continue to strive for excellence in providing our services and identifying solutions to our clients' financial issues and challenges. The name, **BatesCarter**, is synonymous with quality and sophistication in all areas of accounting including audit and assurance, taxation, advisory services and small business services. This rich tradition has led us to redesign our brand and logo to better represent the firm and its mission.

We believe the new brand captures who we are and who we continually strive to be. The tagline "Exceeding Expectations. Always." embodies that desire. Every day, we seek to push through boundaries and obstacles, overcoming resistance and challenges, and providing solutions to our trusted and valued clients.

To celebrate, we will have a "garden party" on August 19th at our offices at 525 Candler Street from 5:00PM to 8:30PM. The **Varsity** will cater the event providing its famous chili dogs and burgers. Local band, **Mid Life Crisis**, will provide music and entertainment. We will have tents, fans, drinks, homemade ice-cream and door prizes. Parking will be available at our office, the mediation building next door and the surrounding community. You and your colleagues are invited. Come straight from work or come later. Just come and celebrate with us.

Please RSVP to openhouse@batescarter.com or call 770-532-9131 and indicate the number in your party.



CONGRATULATIONS!



Rachel Taylor & Lee Bemby were married May 1st at First Presbyterian Church of Gainesville. They spent their honeymoon in Puerto Plata, Dominican Republic. Rachel and Lee will reside in Gainesville.



Katie Hudgins & Zach Propes were married May 8th at Gainesville First United Methodist Church. They are graduates of North Georgia College and State

University. Katie graduated with a BS in Early Childhood Ed and Zach graduated with a BBA in accounting. The couple honeymooned in Hawaii at the Turtle Bay Resort. Katie and Zach will reside in Gainesville.



Captain **David Geer**, USN-Retired, participated in the 28th annual Patriotic Day at Myers Elementary School. The day is to help students learn more about the US, the state of Georgia and the sacrifices so many patriotic men and women have made. The theme this year was "Georgia on My Mind". He presented the school principal, Beth Hudgins, with a plaque & signed photograph of the naval submarine, the USS Georgia. He also made a presentation on the USS Georgia to the 4th and 5th grade classes.



Melissa Gramling joined Hopewell Baptist Church in Canton, GA on a mission trip to Safonovo, Russia. She assisted with vacation bible school at a small church in the city. During the day, she did crafts with the children and in the evening helped with activities for the youth. Melissa is shown with some of the young boys that attended the vacation bible school.

In 2007 **BatesCarter** endowed a major scholarship with the Educational Foundation of the Georgia Society of Certified Public Accountants, Inc. The mission of the Foundation is to encourage the best and the brightest individuals in Georgia to become CPAs. The Foundation annually awards over 20 scholarships to qualifying students as well as provides monetary assistance for programs that support accounting education.



+ **Melissa Gramling** is participating in the June 2010-May 2011 Leadership Hall County Program.

+ **Rachel Bemby, Lori Sayer, Kingsley Peeples, Zach Propes and Dena Bosten** are members of the United Way of Hall County Financial Review Committee (FRC). Rachel is the chair for the committee which provides volunteer services to United Way to review the financial position of the donor funded partner agencies. The review is used by the Community Investment Committee (CIC) to determine funding allocations for the upcoming year. The FRC analyze 6 and 12 month financial statements and report their findings to the CIC.

+ Several **BatesCarter** employees participated in the 5K Corporate Run-Walk, Stay Fit challenge this spring.

+ The **BatesCarter** Annual Blood Drive exceeded their goal of 20 pints by donating a total of 21 pints to the NE GA Chapter of the American Red Cross. Staff donated whole blood and platelets.



+ Upcoming Events include the American Heart Association Campaign and Heart Walk, and the Hall County United Way Campaign.



TIMELINE OF TAX CHANGES IN HEALTH CARE REFORM LEGISLATION

by Randy Jessup, CPA

Earlier this year, Congress passed and the President signed into law legislation that overhauls the U.S. health care system and affects nearly all taxpayers, many employers, and many elements of the health care industry. The massive overhaul contains a host of tax changes, many of which are both complex and novel. To compound the challenge, the tax changes go into effect over a number of years.

This article presents a timeline of the major tax changes related to health care legislation, and a concise summary of each new tax provision.

Tax Changes Taking Effect in 2010

Small employer health insurance credit. For tax years beginning after Dec. 31, 2009, an eligible small employer (ESE) is entitled to a tax credit for making nonelective contributions to buy health insurance for its employees. An ESE generally is an employer with no more than 25 full-time equivalent employees (FTEs) employed during its tax year, and whose employees have annual full-time equivalent wages that average no more than \$50,000.

Expanded dependent coverage in employer health plans. Effective on Mar. 30, 2010, the general exclusion for reimbursements for medical care expenses under an employer-provided accident or health plan is extended to any child of an employee who hasn't attained age 27 as of the end of the tax year.

Tax Changes Taking Effect in 2011

W-2 must include cost of employer-provided health insurance. Beginning in 2011, an employer must disclose on each employee's annual Form W-2 the value of the employee's health insurance coverage sponsored by the employer. This does NOT make this coverage taxable. It is for determining compliance with coverage rules that do not take effect until 2014.

Restricted definition of medicine for health plan reimbursements. The cost of over-the-counter medicines can't be reimbursed with excludible income through a health flexible spending arrangement (FSA), health reimbursement account (HRA), health savings account (HSA), or Archer MSA, unless the medicine is prescribed by a doctor.

Boosted tax on nonqualifying HSA distributions. For tax years starting after Dec. 31, 2010, the additional tax on distributions from an HSA that are not used for qualified medical expenses is increased from 10% to 20% of the disbursed amount.

Tax Change Taking Effect in 2012

Information reporting required for payments to corporations. For payments made after Dec. 31, 2011, businesses that pay any amount greater than \$600 during the year to non-tax-exempt corporate providers of property and services will have to file an information report with each provider and with IRS.

Tax Changes Taking Effect in 2013

Increased HI tax for high-earning workers and self-employed taxpayers. For tax years beginning after 2012, an additional 0.9% hospital insurance (HI) tax applies to wages received with respect to employment in excess of: \$250,000 for joint returns; \$125,000 for married taxpayers filing a separate return; and \$200,000 in all other cases.

Surtax on unearned income of higher-income individuals. For tax years beginning after Dec. 31, 2012, an unearned income Medicare contribution tax is imposed on individuals, estates, and trusts. For an individual, the tax is 3.8% of the lesser of either (1) net investment income or (2) the excess of modified adjusted gross income over the threshold amount (\$250,000 for a joint return or surviving spouse, \$125,000 for a married individual filing a separate return, and \$200,000 for all others).

(continued on page 4)

MILESTONES TO RECOGNIZE!

30 YEARS



Duane & Sherry Schlereth celebrated their 30 year wedding anniversary with a trip to the Emerald Isle. They visited Wexford, a town founded by the Vikings on the southeast coast of Ireland. The photograph above was taken at the Cliffs of Moher on the west coast. Home to many sea birds that roost on the cliffs.



This photograph was taken at Kylemore Abby. A place built by a gentleman for his bride in the mid to late 1800's. It is now occupied by a group of nuns.

FROM OUR FAMILY TO YOURS

(cont. from page 3)

Higher threshold for deducting medical expenses. For tax years beginning after Dec. 31, 2012, unreimbursed medical expenses will be deductible by taxpayers under age 65 only to the extent they exceed 10% of adjusted gross income (AGI) for the tax year.

Dollar cap on contributions to health FSAs. For tax years beginning after Dec. 31, 2012, for a health FSA to be a qualified benefit under a cafeteria plan, the maximum amount available for reimbursement of incurred medical expenses of an employee (and dependents and other eligible beneficiaries) under the health FSA for a plan year (or other 12-month coverage period) can't exceed \$2,500.

Tax Changes Taking Effect in 2014

Larger employers not offering affordable health insurance coverage must pay penalty. A large employer (generally, one with at least 50 full-time employees) that (1) doesn't offer health care coverage for all its full-time employees, (2) offers minimum essential coverage that is unaffordable, or (3) offers minimum essential coverage must pay a penalty.

Individuals not carrying health insurance face a penalty. For tax years beginning after Dec. 31, 2013, nonexempt U.S. citizens and legal residents must pay a penalty if they do not maintain minimum essential coverage, which includes government sponsored programs (e.g., Medicare, Medicaid, Children's Health Insurance Program), eligible employer-sponsored plans, plans in the individual market, certain grandfathered group health plans and other coverage as recognized by HHS in coordination with IRS.

TAKE A BREAK

Two elderly ladies have played bridge together



for many years, and naturally they have gotten to know each other pretty well. One day, during a game of cards, one lady suddenly looks up at the other and says, "I realize we've known each other for many years, but for the life of me, I just can't bring it to mind... would you please tell me your name again, dear?" There is dead silence for a couple of minutes, then the other lady responds, "How soon do you need to know?"

A businessman on his deathbed called his friend and said, "Bill, I want you to promise me that when I die you will have my remains cremated."

"And what," his friend asked, "do you want me to do with your ashes?"

The businessman said, "Just put them in an envelope and mail them to the IRS. Write on the envelope, "Now, you have everything."



PEACH AND BLUEBERRY CRISP

Crisp Topping

- 1 cup flour
- 1/3 cup light brown sugar, firmly packed
- 1/3 cup sugar
- 1 tsp cinnamon
- 1 cup crushed almond biscotti, coarsely crushed
- 3/4 cup sliced almonds
- 1/2 cup butter, cut into 1/2" slices

Filling

- 3 Tbsp sugar
- 2 Tbsp flour
- 2 Tbsp fresh lemon juice
- 3 lbs fresh peaches, pitted and sliced into thick wedges
- 1 pint fresh blueberries
- vanilla ice cream (for serving)

Contributed by Nora Roe



TO MAKE THE TOPPING

Stir the flour and sugars with the cinnamon in a bowl to blend. Add the almonds and the crumbled biscotti and mix well. Cut in the butter until clumps form. Set aside.

Preheat oven to 350°. Butter a 13"x9" baking dish.

TO MAKE THE FILLING

Stir the sugar and flour together in a large bowl. Add the sliced peaches and blueberries and sprinkle with the lemon juice. Toss to combine. Spoon the fruit mixture into the pan. Sprinkle the crisp over top of the fruit.

Bake for about 45 minutes until the topping is golden and crispy. Cool for about 10 minutes before serving. Top with vanilla ice cream.



BatesCarter

Exceeding expectations. Always.

BUSINESS ADVISORS AND CPAS

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