

# dollars&SENSE

NEWSLETTER

## Old Friend in Napa

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



**R**ecently, I attended the AICPA Business Valuation Conference in San Francisco. After enjoying an excellent conference and the San Francisco night life, Susan and I traveled north to the "Wine Country"; specifically Napa Valley.

We timed our trip perfectly. Since the hectic harvest season had ended a few weeks earlier, there were no crowds making our winery tours essentially private. The wine was great and the weather was absolutely perfect. The mix of evergreens, deciduous trees and arrayed vineyard rows laid over rolling terrain provided colors that reminded me of North Georgia.

Our "base of operations" was the Vintage Inn in Yountville. One morning, while having breakfast, I experienced one of those "small world" moments that we all have from time to time. Sitting two tables away were Briggs and Reta Perry, old friends from Atlanta. We'd not had any contact with them since moving to Gainesville in 1990. Nearly 20 years and we reunite some 2,000 miles from home!

Briggs is a labor attorney with Swift Currie LLP, and Reta is inside counsel for the Weather Channel. Reta and I share somewhat of a kinship. My mom acted as Reta's surrogate mom while Reta clerked with the late U.S. District Court Judge Duross Fitzpatrick, my mom's boss of over 35 years. So, here we were, 4 North Georgians getting reacquainted on the West Coast.

We caught up on one another's careers and families. We reminisced over shared memories and anticipated

the inevitable changes in life. Of course, Reta and I shared stories of "our" mom. With our tasting appointments pressing, we parted with promises to keep in touch.

A few months ago, I joined LinkedIn, an internet based network of business connections. I describe it as Facebook for business men and women. This site is a great way to make new business connections and, I've learned, reconnect with old ones.

While on this West Coast trip, I became a contact of Corky Crozier, a financial services executive in Washington, D.C. and Eddie Ausband, a financial services consultant in Atlanta. Corky and Eddie are fraternity brothers of mine from our UGA days. Having not seen either one of them since the early 1980's, it was great to reconnect.

These episodes reminded me of the importance and value of relationships. I thought of Bates, Carter & Co. and its rich 47 year history of providing services to our clients; our relationships. While our services have grown over the years, our relationship model has not changed. We continue to strive to be a trusted business advisor to our clients.

You may find this holiday season a reason to renew your commitment to your client/customer relationships or maybe just reconnect with old acquaintances.

We at Bates Carter & Co. sincerely thank you for your patronage and the trust you place in us. We accept, with humility, that responsibility and look forward to continuing to provide excellent services to our relationships – new and old.

A handwritten signature in black ink, appearing to read "Ron".



CONGRATULATIONS!

CPA Certifications

**Rebekah (Becky) Galyean** and **Kingsley Peeples** have received their certified public accountant certification.

**Becky** joined the staff of BCC in June, 2007. In 2002, she earned her bachelor of science degree with a major in criminal justice and minor in computer science from Georgia College and State University in Milledgeville. She received an MBA in accounting from Brenau University in May 2008, and was a member of the Honor Society of Phi Kappa Phi.



**Kingsley** joined the staff of BCC in May, 2006 as a staff accountant in the commercial audit department where she focuses on commercial audits and audits of employee benefit plans. In 2005, she earned her Bachelor of Business Administration with a major in Accounting and a minor in Finance from Auburn University, Cum Laude.



**Barbara Gilbert** retires - Barbara officially retired on October 22, 2009, after eight years of service with Bates, Carter & Co. Prior to joining BCC, Barbara worked for Gainesville Family Medicine. She has been married to Paul Gilbert for 40 years. Paul retired from the Gainesville City School system in 2008. Barbara & Paul have two children, David who is a musician living in Atlanta, and Kyle, a Navy Fighter Jet Navigator Instructor living in Pensacola, FL. Kyle is married with two children, Gavin, age 5 and Landon, age 2. Her plans for retirement include painting again, hiking, biking, tennis, golf, boating and swimming, singing and playing piano, traveling, and, of course, visiting her grandchildren often.

MAKING A DIFFERENCE!



United Way Campaign - With 100% participation, BCC raised more the \$10,000 for the United Way of Hall County for 2010.



BCC employees donated 16 pints of blood to the American Red Cross during the 2009 staff blood drive.



To raise funds for the American Heart Association, BCC employees participated in a variety of activities including the Heart Walk and summer side dish cook off. Their efforts raised more than \$1,100.



Several BCC employees are involved in the Gainesville Hall County Junior League. **Kingsley Peeples** volunteers through this organization for the Gainesville Meals on Wheels program.



BCC employees collected toys for the Toys for Tots drive again this year. Leadership Hall County supplied boxes throughout the county helping to supply gifts to more than 600 children in our area.



## 2009 TAX PLANNING

by Randy Jessup, C.P.A.

Once again it's time for year-end tax planning. Over the past year, Congress, the IRS and the courts have flooded us with significant tax developments. The White House has also warned of imminent tax increases, particularly for higher income taxpayers. Collectively, these changes make year-end tax planning for 2009 more important than for any year in recent history! As expected, many taxpayers have been scrambling to keep up with all of these important, and often temporary, tax changes. This article will navigate you through some of the many *new* tax planning opportunities available to individuals and businesses under these new provisions.

## NEW TAX LAW FOR INDIVIDUALS FOR 2009

**Waiver of Required Minimum Distributions (For 2009 Only!)**

During the last weeks of 2008, Congress passed a law waiving required payments (called "required minimum distributions" or RMDs) from employer-sponsored retirement plans and IRAs for calendar year 2009 only. Thus, if you have reached age 70 1/2, you will generally not be required to take a distribution otherwise due in 2009.

**Expanded Tax Credits for Making Energy-Efficient Improvements to Your Home**

Starting in 2005, Congress gave us several unrefundable credits for making certain energy-efficient improvements to our homes. Starting in 2009, the 2009 Act dramatically enhanced these credits, allowing a 30% credit for "qualified energy-efficient home improvements" to your principal residence and placed in service in 2009 and 2010, with a \$1,500 maximum cumulative credit for the 2009 and 2010 tax years.

**IRS Provides Tax Relief to Investors in Ponzi and Other Similar Schemes**

Ponzi and similar scams have victimized taxpayers for years. In response to the significant investor losses caused by Bernard Madoff's fraudulent activities, the IRS issued comprehensive guidance that applies to investors caught in Ponzi-style fraud whether perpetrated by Madoff or someone else. Overall, the guidance takes a generous, pro-taxpayer position. Among other things, IRS allows the losses to be claimed as ordinary losses rather than capital losses. The IRS guidance also establishes safe-harbors for qualifying taxpayers that provide more certainty regarding: 1) the year that the theft loss may be deducted, and 2) the amount of the theft loss.

**Home Buyer Tax Credit Extended**

The Worker, Homeownership, and Business Assistance Act of 2009 has extended the tax credit of up to \$8,000 for qualified first-time home buyers purchasing a principal residence. The tax credit now applies to sales occurring on or after January 1, 2009, and, on or before April 30, 2010. However, in cases where a binding sales contract is signed by April 30, 2010, a home purchase completed by June 30, 2010 will qualify. The law defines "first-time home buyer" as a buyer who has not owned a principal residence during the three-year period prior to the purchase.

The new law also provides a "long-time resident" credit of up to \$6,500. To qualify this way, a buyer must have owned and used the same home as a principal or primary residence for at least five consecutive years of the eight-year period ending on the date of purchase of a new home as a primary residence.

The new law raises the income limits for people who purchase a home after November 6, 2009. The full credit will be available to taxpayers with modified adjusted gross incomes (MAGI) up to \$125,000, or \$225,000 for joint filers. Those with MAGI between \$125,000 and \$145,000, or \$225,000 and \$245,000 for joint filers, are eligible for reduced credit. Those with higher incomes do not qualify.

2009 Tax Planning (continued on page 4)

## CONGRATULATIONS!

## New team member



**Ryan Doss** joined the staff of BCC in July, 2009 as a staff accountant in the commercial audit department. He graduated in May

2009 with a BBA in accounting from the J.M. Tull School of Accounting of the University of Georgia. He will pursue a master's in business administration beginning in January 2010 and plans to pursue a CPA certification. Ryan and Dana VanNus were married in October, 2009.

## Promotions

**Becky Galyean** has been promoted to Audit Senior in the Government Audit Department. She joined BCC in June 2007 as a staff accountant in the Government Audit Department.

**Melissa Gramling**

has been promoted to Technical Tax Director. Melissa joined BCC in July 2002 as a staff



accountant in the tax department. In 2000, she earned her Bachelor of Business Administration with a double major in Accounting and Marketing from Mercer University in Macon, GA, Summa Cum Laude. In May 2002, she earned her Master of Accountancy from the University of Georgia. She received her CPA certification in August 2004.

## FROM OUR FAMILY TO YOURS

(continued from page 3)

### NEW TAX LAW FOR BUSINESSES FOR 2009

#### Increased \$250,000 Section 179 Deduction Extended Through 2009

Last year Congress increased the maximum § 179 for the cost of qualifying new or used depreciable business property (e.g., machinery and equipment) from \$128,000 to \$250,000 for property placed-in-service in tax years beginning in 2008. The 2009 Act has now extended this \$250,000 cap for an additional year, to property placed-in-service in tax years beginning in 2009.

#### The 50% Bonus Depreciation Also Extended Through 2009

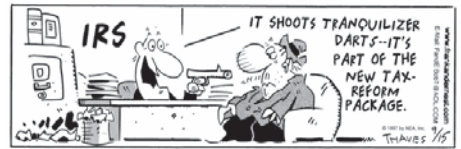
Last year Congress reinstated the 50% bonus depreciation deduction for calendar-year 2008 property acquisitions. The 2009 Act extends the 50% bonus depreciation for one more year. Therefore, the 50% bonus depreciation deduction is available for new “qualifying property” acquired and placed-in-service during calendar years 2008 and 2009.

#### Deferral of Income Recognition From Cancellation of Business Debt in 2009 or 2010

Generally, a business has cancellation of debt (COD) income where the debt of the business is cancelled or where the business reacquires its debt for an amount less than its face amount. However, under the 2009 Act, a business may elect to defer its COD income resulting from the cancellation or the reacquisition of a debt instrument that was issued by the business if the forgiveness or reacquisition takes place in 2009 or 2010.

Please call us if you have any questions regarding any of these tax topics, or a tax topic that was not listed. Our firm closely monitors these changes and we will gladly discuss any current tax developments and planning ideas with you.

My cousin always “borrows” money from her older brother’s piggy bank, which drives him crazy. One day, she found the piggy in, of all places, the refrigerator. Inside was this note: “Dear sister, I hope you’ll understand, but my capital has been frozen.”



## Pan Fried Tilapia

Contributed by Jessica Bohm; Courtesy of Sandra Lee 2009  
Yields 4 servings; Prep Time: 5 minutes; Cook Time: 8 minutes



- ¼ cup all-purpose flour
- 2 tsp seafood seasoning
- 1 tsp salt
- ½ tsp fresh ground black pepper
- 1 ½ pounds fresh Tilapia fillets
- 2 tbsp canola oil
- 2 tbsp butter
- 1 tsp chopped garlic
- 2 tbsp lemon juice
- 2 tbsp freshly chopped parsley

Heat oven to 300° F. In a shallow baking dish combine first four ingredients. Add the Tilapia and lightly coat each side. Heat oil in skillet over med-high heat. Shake off any excess flour & seasoning and place in skillet. Brown on both sides, 2-3 minutes per side. Remove from pan and keep warm while preparing sauce. SAUCE: Turn down the heat to the pan the Tilapia was cooked in to low and add the butter. Once butter is melted, add the garlic, lemon juice & parsley and saute for 2 minutes. Place the fillets on serving plates or platter, top with the sauce and serve.



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