



# GROCO WEEKLY

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## Weekly Wealth Building Tips

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### Five Tax Credits to Take



There is a common phrase that states, "Nothing in life is free." This may be true, but there are tax credits you can take to help save money when filing your tax return.

#### Credit #1-First Time Home Buyer Credit

The first time home buyer credit has been extended to cover homes purchased between January 1, 2009 and April 30, 2010. Taxpayers can receive a maximum credit of \$8000 if they purchased a home for the first time during this time period. The credit does not have to be paid back unless the home is no longer the tax payer's main residence within a three year period. The credit has now been extended to cover homes purchased until April 30, 2010. There are phase out levels dependent upon the adjusted gross income (AGI) of the taxpayer.

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### 2009 Earned Income Credit

Have you wondered if you qualify for Earned Income Credit? Use these tables to determine income ranges to receive the maximum amount of Earned Income Credit and what the maximum earnings are before Earned Income Credit is eliminated.



#### Part A Rules for Everyone

1. Your adjusted gross income (AGI) must be less than:
  - o \$43,279 (\$48,279 for married filing joint) if you have more than two qualifying children.
  - o \$40,295 (\$45,295 for married filing joint) if you have two qualifying children.
  - o \$35,463 (\$40,463 for married filing joint) if you have one qualifying child.
  - o \$13,440 (\$18,440 for married filing joint) if you do not have a qualifying child.
2. You must have a valid social security number.
3. Your filing status cannot be "married filing separate."

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### Debt Cancelled or Forgiven: Tax Consequences and Exceptions to Taxable Income



In these troubled economic times, many financially distressed borrowers may have had some or all of their debt cancelled or forgiven by their lender last year. While such relief was no doubt welcome to people who received it, what they may not have realized is that debt forgiveness may have tax consequences. Specifically, debt forgiven in 2009 may have to be included as income on your 2009 return. However, not all canceled debts trigger taxable income. And, even if there is no exception or exclusion in a particular case, that may not be the last word. The tax bite may be reduced or eliminated if you can show that the amount

reported by the lender is incorrect.

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### Why not a CPA as President?



*The following humorous social, political or professional antidotes, from a CPA's perspective, **are not** intended to be taken seriously. Contents **do not** represent the official views of GROCO, its management or employees.*

*By William Brightenti*

With the economy the most central issue, why not elect a CPA as President? A recent poll showed that 47% of our fellow citizens thought that the economy was the central issue of our country. So we elect lawyers to manage and direct our economy? Why not elect someone who can read a budget?

I love the scene in the movie, "Dave", when Dave Kovic, acting as President, calls in his buddy, a nerdy accountant named Murray Blum, played by Charles Grodin, to find \$650 million dollars in the budget to keep open shelters for the homeless. Do you recall what Murray says, reviewing the U.S. budget?

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### Upcoming Due Dates

[Upcoming Tax and Accounting Deadlines](#)

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