



On The Inside

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New Breaks for Small Businesses

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The 2010 Small Business Jobs Act, enacted September 27, 2010, and the Tax Reform Act of 2010, signed into law December 17, 2010, include an assortment of incentives and tax breaks for small businesses. The following is a brief overview of some of the key provisions included in these new laws.

- **Cell Phones No Longer Listed Property** - This means that cell phones can be deducted or depreciated like other business property, without the complicated recordkeeping required for listed property. This is effective for tax years beginning after Dec 31, 2009.
- **Business Owners' Health Insurance Deduction Reduces Self-Employment Tax** - The new law allows business owners to deduct the cost of health insurance incurred in 2010 for themselves and their family members in calculating their 2010 self-employment tax. Previously the deduction could only be used as an above-the-line deduction from gross income on the self-employed individual's income tax return.
- **Boosted Deduction for Start-Up Expenditures** - For 2010, businesses can deduct up to \$10,000 (was previously \$5,000) in trade or business start-up expenditures. However, the \$10,000 limit is reduced by the amount by which start-up expenditures exceed \$60,000 (was previously \$50,000). The \$5,000/\$50,000 amounts return for tax years beginning in 2011.
- **Increased Small Business Section 179 Expensing** - Small business taxpayers can elect to write off the cost of certain capital expenses in the year of acquisition in lieu of recovering these costs over a period of years through depreciation.

For tax years beginning in 2010 and 2011, a taxpayer is allowed to expense (under Section 179) up to \$500,000 (up from \$250,000 under prior law) of the cost of qualifying business property, which includes machinery, equipment and certain software placed in service during the year. For 2010 and 2011, the annual expensing limit is reduced by the cost of qualifying property that is placed into service during the year exceeding the \$2 million (was \$800,000) investment limit. The

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Here we *grow* again...

News, Events, and Happenings

Washington Institute Announces *New Tax Research Library!*

Washington Institute for Graduate Studies is thrilled to announce that the school has partnered with Thompson Reuters to offer our students the **fully expanded** RIA Checkpoint Tax Research Library!

For more information, please contact the school at: 858-546-2838 or info@wsltax.org

Event Calendar

Washington Institute for Graduate Studies hopes to see you at:

- NAEA National Conference Aug 7-9, 2011
Las Vegas, NV
- NATP National Conference & Expo Aug 15-18, 2011
St. Louis, MO
- AICPA National Conference Nov 7-8, 2011
Washington D.C.

Course Updates

Courses scheduled to film in July include:

- 601 - Taxation of Individuals Richard Edmunds
- 609 - **NEW** Intro to US Taxation James Blaylock



Don't forget to 'Like' us on [Facebook](#) and check our page often for more information on exciting news about the school, upcoming events, course update information, contests, awards, and more!

Washington Institute for Graduate Studies

Mission Statement

Designed for attorneys, certified public accountants, and financial advisors working in the field of taxation, our mission is to provide a quality distance learning experience that is relevant, convenient and affordable.

Tax News Headlines

IRS News – To Read Articles, please visit
www.irs.gov/newsroom/index.html

[-National Taxpayer Advocate Submits Mid-Year Report to Congress; Identifies Priority Challenges and Issues for Upcoming Year](#)

[-IRS Increases Mileage Rate to 55.5 Cents per Mile](#)

Global News - For more information and to read full articles visit
www.tax-news.com

UK To Simplify Pension and Share Schemes Taxes,

by Robert Lee, Tax-News.com, London
Wednesday, June 29, 2011

The UK's Office of Tax Simplification is to turn its attention to the issues involved with pensioners' taxation and share schemes, as part of its ongoing work to identify parts of the tax system that are particularly complex.

French Eco Tax Back On Track

by Ulrika Lomas, Tax-News.com, Brussels
Wednesday, June 29, 2011

Ending months of uncertainty, France's State Council has recently ruled in favor of the government's decision to award its thirteen-year heavy goods tax contract to an Italian firm. Conclusion of the deal puts the government's eco tax back on track.

Spotlight...

Washington Institute for Graduate Studies' spotlights some of our amazing students, staff members or faculty. It's a great way to get to know the people who make this institution the success that it is.



Dedicated. Professional. Reliable. Consistent. Highly Disciplined. Thorough. These are five expressions that describe Cecil Buxo extraordinarily well. As a student, and alumnus of Washington Institute for

Graduate Studies, he has exhibited these qualities consistently and without fail. However, these qualities have been exhibited throughout his life, and continue to push him towards further success and greatness.

Cecil grew up on the beautiful Caribbean island of Grenada where he played professional soccer before immigrating to Canada in 1978 to attend school in Quebec. Cecil moved to the United States shortly thereafter.

While working as a technical analyst at Xerox Corporation for 11 years, Cecil decided that he wanted a career that would be more personally challenging. He found inspiration in his father, who worked as an accountant for the Grenadian government for over 36 years, as well as a friend on the island who worked in the field of taxation.

Cecil graduated from Brooklyn College (N.Y.) in 1999 with a BS in Business Management, and a BS in Finance and Accounting. Cecil's friend in the tax field influenced him to prepare for the

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maximum Sec. 179 deduction and investment cap amounts for 2012 are \$125,000 and \$500,000, respectively, and both amounts will be indexed for inflation.

- **Certain Real Property Can Be Expensed** – The new law also makes certain real property eligible for Sec 179 expensing. For property placed in service in any tax year beginning in 2010 or 2011, the up-to-\$500,000 deduction of property expensed can include up to \$250,000 of qualified real property (qualified leasehold improvement property, qualified restaurant property, and qualified retail improvement property).
- **Bonus First-Year Depreciation Extended and Expanded** - Businesses normally can only deduct the cost of capital expenditures over time through depreciation—most commonly at the rate of about 14% or 20% of the cost of machinery or equipment for the first year. For 2008 and 2009, businesses were permitted to write off 50% of the cost of new machinery and equipment placed in service during those years. In the new law, Congress extends the 50% rate for qualifying property purchased through September 8, 2010, and doubles the first-year bonus rate to 100% for qualifying property placed in service after September 8, 2010 and before January 1, 2012 (before Jan. 1, 2013 for certain property). The bonus rate for 2012 (through 2013 for certain property) will again be 50%.
- **Lower SE Tax Rate** - The Making Work Pay credit, which provided a credit in years 2009 and 2010 of up to \$400 (\$800 for married couples filing jointly), subject to income limitations, was available for both employees and self-employed taxpayers. The credit expired after 2010 and has been replaced for one year only (2011) with a 2 percentage point reduction in the employee's portion of the payroll tax (OASDI) and a corresponding reduction in the SE Tax for self-employed individuals. Thus the overall SE tax rate will drop from 15.3% to 13.3% for 2011.
- **Research Credit** - The research tax credit expired at the end of 2009. As part of the 2010 Tax Relief Act Congress has reinstated the credit for 2010 and extended it through 2011.
- **General Business Credits for 2010 Can Be Carried Back 5 Years** – Under the new law, for the first tax year beginning in 2010 (2010 for calendar year taxpayers), eligible small businesses (ESB) (generally one with \$50 million or less in average annual gross receipts for the prior three years) can carry back unused general business credits for five years. ESBs include sole proprietorships, partnerships and non-publicly traded corporations.
- **General Business Credits of Eligible Small Businesses in 2010 Aren't Subject to AMT** - Under the Alternative Minimum Tax (AMT) rules, taxpayers can generally only claim allowable general business credits against their regular tax liability, and only to the extent that their regular tax liability exceeds their AMT liability. A few credits, such as the credit for small business employee health insurance expenses, can be used to offset AMT liability. A few credits, such as the credit for small

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Special Enrollment Exam (SEE). "I view an Enrolled Agent as a tax technician and tactician...who can diagnose a client's tax problem, disassemble and repair, then reassemble... using the complex IRC Code and Internal Revenue Manual in order to provide a comprehensive solution."

Cecil sought additional education and searched extensively for an online graduate tax school. "I chose WSL because of the unique profile and its staff of professional personnel. The school gave me the opportunity to further my studies in taxation [that] I couldn't accommodate while holding down a regular and demanding job with Xerox Corporation. I am proud to say that I was able to graduate with honors. Thanks to WSL and its wonderful staff!!"

If, however, taxes were not his cup of tea, Cecil says he would venture in to the construction business as an architect. He's an avid tennis player and enjoys contemporary jazz, R&B, and old reggae songs like those of Bob Marley. Cecil also enjoys reading non-fiction, and business news. In particular, he has enjoyed Peter Benchley's novels (i.e. Jaws, The Deep, Shark Trouble, etc) and books by Jacques Cousteau. He loves the ocean and its mysteries and has always had a fascination for sharks. "I'm a good swimmer and diver for sure. After all, I grew up on an island."

Cecil has been in "a wonderful relationship" for over 10 years, and has a 30 year old son and a 19 year old daughter.

His next goal is to add two more tax offices in the New York area and one office in Pennsylvania. He also intends to add a Certified Financial Planner certificate to his credentials to provide an even more broad spectrum of services to his clients.

Dedicated. Professional. Reliable. Consistent. Highly Disciplined. Thorough. Five expressions that describe Cecil Buxo extraordinarily well.

business employee health insurance expenses, can be used to offset AMT liability. The new law allows eligible small businesses, as defined above, to use all types of general business credits to offset their AMT in tax years beginning in 2010.

- **Other Provisions With Limited Application** – Calculations of the built-in gains tax on C-Corporations converted to S-Corporations, special rules for long term contract accounting, extension of certain business energy credits, and limitation on the penalty for failure to disclose certain reportable transactions (including listed transactions) on a return.

Over Taxed...

When the Only Thing Left to do is Laugh

"There's nothing wrong with the younger generation that becoming taxpayers won't cure."

-- Dan Bennett

"The wages of sin are death, but by the time taxes are taken out, it's just sort of a tired feeling."

-- Paula Poundstone, Comedienne

"On my income tax [Form] 1040 it says "Check this box if you are blind." I wanted to put a check mark about three inches away."

-- Tom Lehrer

"Tax day is the day that ordinary Americans send their money to Washington, D.C., and wealthy Americans send their money to the Cayman Islands."

-- Jimmy Kimmel

"Because of a holiday, the deadline for taxes is April 18, so you have three extra days to dig through restaurant dumpsters for receipts."

--Jimmy Kimmel



Happy Birthday!!

Michael Potter	01	Selso Ruiz	14
Uttam Paudel	04	Kristi Lenderman	14
Pamela Pickett	05	Vichellyn Brown	14
Thomas Keuler	05	Barbara Thompson	16
Bernard Bunning	05	Rocco Garro	17
Cathleen Lloyd	06	Editha Armamento	19
George Matthews	07	Stephanie Wesselowski	25
Don Harrison	08	Gerald Wolfe	27
Dale Schuler	08	Jan Slager	28
Jack Tinari	08	Phyllis Speed	29
Tracy Wang	09	Luis Diaz	29
William Cavanaugh	10	Erika Corbin	29
James Anabwani	11	Jennifer Menniti	29
Ryan Thomas	11	Kaitzev Wei	31
George Edwards	11	Scott Patterson	31
Albert Startt Jr.	13		

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