

## EFTPS: The Electronic Federal Tax Payment System

Starting January 1<sup>st</sup> 2011 all employers will have to use the EFTPS system, call our office to set up yours today (734) 284-8833

We are offering a 1099 Misc. service for those who need 1099's for Interest, Rent paid, Lawyers paid, Non-employee compensation, etc. Contact Jason Jacob in early January to set up an appointment with him to prepare. These forms are due out by January 31st, 2011.



You may qualify for the new REJ's Drop off service, Prices began at a low \$50.00 and are capped at \$100.00 this includes, e-filing, federal, one state and up to one city return.

No appointment and your taxes will be done within a week of being dropped off. Times will vary if additional, information is needed.

### New REJ's Drop Off Service

REJ's is continuously striving to provide professional and affordable tax preparation to its valued clientele. You may be selected due to your previous returns basic characteristics, to qualify for our new "Drop Off Service". If interested please contact our office and a "Drop Off" package will be made available to you. (you can pick it up at our office or for a small charge we can mail the package out to you.)

The package will have your basic information already filled out, you will be responsible to check it, or update it if any changes need to be made. On reviewing the packet our tax professionals will prepare your return, they may contact you during that period with any additional questions they may have, so be sure to give us good phone numbers and times that you will be available to answer any questions. After your return is completed you will be contacted for pick up, signing and payment. We accept all major credit cards and you can have your payment taken from you refund if you prefer. (There is a charge by the bank, we do not charge extra for this.)

If you know now that you would like this service, give us a call and we can have your package available for early in our tax season. If you believe you may want to continue this service for the following years, let our receptionists know so we can continue preparing your drop off worksheets.

Prices range as follows .....1040EZ.....\$50  
1040A....1 schedule.....\$75  
1040 no schedules.....\$100

If you are a senior (over 65 years of age, you or your spouse), you may have additional schedules at a cap of \$100 if you are receiving this letter. This incorporates our senior discounts in that cap price.

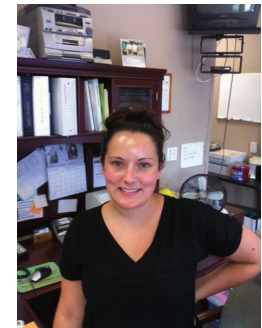
Jan 2011	February	March	April	May	June	R. Accounting & Tax Service	July	August	September	October	November	December
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Above is a picture of your new appointment Calendar. We have filled out the space for you with your tax advisor's name along with the date and time of your tax appointment.

We have added to our website the ability to confirm your appointment on-line, or if you need to change it, a form to highlight the next best three dates and times that you would like us to

attempt to book you in for. Melissa Beard is in charge of client appointment times. She can be reached during the day hours, other staff members are available to assist you during the evenings and weekends regarding your appointment. Melissa's email address is:

Melissa has control over all the calendars of our staff.



(734) 284-8833  
mbeard@rejaccounting.com

Above Melissa getting your appointment ready.

Melissa is also our Public Relations & Communications Manager.

### Special points of interest:

- New tax appointment Calendar to remind you. Call or email Melissa for changes.
- Tax Law changes pg 7
- New REJ's Drop Service, for clients under \$100 cost

### President Obama signed into law the extension of unemployment and tax breaks for all.



TAX CUTS SIGNED: President Barack Obama, flanked by Vice President Joe Biden and members of Congress, signs the middle-class tax cut bill in the South Court Auditorium on Dec. 17 in Washington. (Olivier Douliery-Pool/Getty Images). See Page 7 of this newsletter.

### Inside this issue:

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## REJ's returning Staff

PRESS RELEASE: Southgate, MI (AP) M. Beard

R.E.J.'s has maintained our current staff positions and brought aboard additional part time staff to better serve our clients. "We are pleased to announce that the following individuals have been a part of the R.E.J. team: **Jason M. Jacob** our "Human Resource and Information System manger", **Melissa Beard** our "Front office receptionist" along with being our "Public Relations Manager" and **Joshua Onkala** our "Accounting Manager" who is also working as our Sunday reception during the tax season. Note from Bob: "We had to say farewell this season to Kevin Buchanan, our business development manager." As of last contact, Kevin is back working with his brother-in-law David White at Harvest Partners.

We welcome back , **Joshua Calderone**, **Lisa McGaw**, and **Mary Jacob**, office staffers, Tax accountants: **James Nygord**, **Michael Rae**, and **Richard Wilkowski**. Each of our tax accountant's holds at least a Master degree in Business: all are registered with the Internal Revenue Service and have been on our staff for at least eight years.

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**Bob Denning**



**Jane Denning**

### Re/Max on the Boulevard:

Bob and Jane bought the old Ford Realty building on Ford (Northline) and moved their operation there from Grosse Ile in late 2009.

We have been contracted to implement QuickBooks and tie it into their other 3rd party systems. We were able to import from Pro Gold, their 3rd party realtor system into QuickBooks all their vendors and property listings for the year. We implemented the on-line banking features and are currently training their office staff on inputting and balancing out their monthly books. Their operation also is involved in bank owned properties and the management of those properties, we are also working on integrating that system as well.

I know Bob from the old National City BNI group that met on Wednesday mornings. You just never know when a business lead will pan out like this one did.



**Eric M. Karn**  
Sales Executive  
ekarn@kspinsurance.com

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1420 Ford Avenue  
Wyandotte, MI 48192

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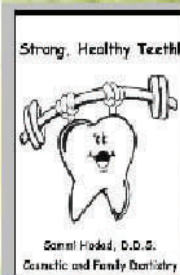
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## Tax Law changes for 2010 and Beyond - Continued from front page

The Affordable Care Act was enacted on March 23, 2010. It contains some tax provisions that take effect this year and more that will be implemented during the next several years. The following is a list of provisions now in effect; B=Business, all is everyone.

### PAYROLL TAX ISSUES B New Hire Credit

Employers are permitted a "forgiveness" for the OASDI portion of the FICA taxes. This is also known as the 6.2 percent Social Security portion of FICA taxes. Basically, the employer does not have to pay the 6.2 percent tax on qualified wages paid on or after March 19, 2010, and on or before December 31, 2010. It has to be in a trade or business of a qualified employer or for a tax-exempt qualified employer. There are no minimum hours an employee has to work in order for the employer to qualify for this credit. The credit maximum per employee for 2010 is \$6,621.60 (6.2 percent of the maximum wages subject to the 6.2 percent SS tax).

### SECTION 179 all

The Sec. 179 limit has been increased to \$500,000 for tax years beginning in 2010 and 2011. The phaseout level starts at \$2,000,000.

### EXCISE TAX ON TANNING SERVICES B

Tanning salons have a new ten percent excise tax on tanning services received after July 1, 2010. (Sec. 5000B)

### INSURANCE FOR CHILDREN all UNDER AGE 26

Part of the Health Act (Affordable Care Act) permits taxpayers to keep insurance on their

children as long as the children are under the age of twenty-six.

### Flexible Savings Accounts all (FSAs) & Health Savings Accounts (HSAs)

Funds from these accounts can no longer be used for over-the-counter medications starting January 1, 2011. (Sec. 213(a)).

### SMALL BUSINESS HEALTH all CARE TAX CREDIT

The credit is up to thirty-five percent of the premiums paid for taxable years beginning in 2010 through 2013.

### FORM 1099 CHANGE: B Credit Card Information Reporting

Beginning with payments received on or after January 1, 2011, credit card companies are required to issue 1099 type forms to businesses. Reporting is not required if the business does not have credit card sales exceeding \$20,000 for the calendar year or the aggregate number of transactions does not exceed 200.

### FUTA TAX SURCHARGE B

This 0.2 percent surcharge has been around many years and is why our FUTA tax rate is 6.2 percent instead of the "normal" six percent. This surcharge is now extended to run through June 30, 2011.

### E-FILING all

E-filing of individual income tax returns is now mandatory starting with returns filed after December 31, 2010. This requirement applies to all tax return preparers except those who reasonably expect to file ten or fewer individual and fiduciary tax returns during the calendar year.

### EARNED INCOME TAX all CREDIT (EITC)

First, there is a higher EITC for families with three

or more qualifying children, resulting in a credit percentage of forty-five percent with a maximum credit of \$5,656.50. Second, the phaseout amount for MFJ filers is changed to \$5,000 above the threshold phaseout amounts for single, head of household, and qualifying widow/er. Therefore the phaseout of the credit will end at more than \$40,000 in 2009. This amount is indexed for 2010. Both of these provisions are effective for 2009 and 2010.

### ADDITIONAL CHILD TAX CREDIT all

The refundable portion of the Child Tax Credit is based on fifteen percent of the taxpayer's earned income in excess of \$12,550 for 2009 under the prior law. This is now changed to earned income in excess of \$3,000 for tax years 2009 and 2010.

### MAKING WORK PAY CREDIT all

This credit is not new, but many taxpayers and some tax professionals thought this was a 1-year shot when in reality it is a 2-year item. The same rules we had for 2009 returns apply for 2010 returns.

### FAILURE TO FILE PENALTY all

Again not a new law, but first effective this year is a higher failure-to-file penalty for partnerships and S corporations. It is increased from \$89 per month to \$195 per month, effective for tax years beginning after December 31, 2009.

### ROTH IRAs all

Again this is not something new, but it finally takes effect. The \$100,000 limitation no longer exists for conversions in tax years beginning after December 31, 2009.

A taxpayer who makes a conversion in the taxable year beginning in 2010 reports the conversion income as received fifty percent during 2011 and fifty percent in 2012.

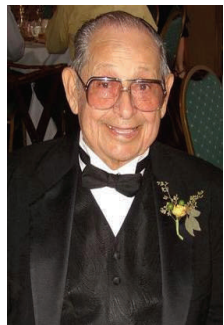
A taxpayer who makes a 2010 conversion can elect to report the entire amount of income in 2010. Because the tax rates return to their old levels for tax years beginning after 2010, we will have to calculate the expected tax results both ways in order to determine which appears best.

### About the Author:

David Mellem is an enrolled agent who has been in the tax profession for more than twenty years. He and his wife Mary own Ashwaubenon Tax Professionals in Green Bay, WI. They serve approximately 1,000 tax and accounting



## What about Bob? (and Mary!)

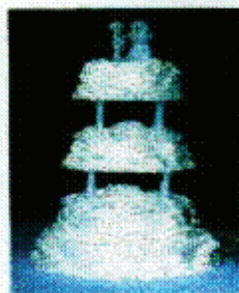


Mary's Dad Roberto Teran at his Granddaughter's wedding.

Mary's dad was sick most of the summer, and he passed away in early fall. We spent most of our summer being by his side along with Mary's brothers and sisters. No party this year, but we did replace our roof, visited our time-share in Orlando and I went on two conferences. The National conference in Las Vegas and the Michigan/Ohio Conference in Toledo, OH.



Christmas party with the Aquinas Raiders



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WEDDING CAKES BY DON

Don does all our after tax season cakes and pies. Don donates the cake for our after tax season party each year.

### REJ's offers checks, deposit tickets, W-2's and 1099 forms for all accounting software products. Don't forget the UPS! Microsoft software resellers.



As we have mentioned in previous newsletters, REJ's is a reseller of **Delforms checks and forms** for all accounting software products. If you are using Quickbooks, Quicken, Peachtree, MIP non-profit series, Solomon, MAS 90, or any other software products needing checks, or specialized forms give REJ's a call. We can usually beat your existing supplier prices. We now do **manual paper checks** for businesses and **ink stamps** also.

**American Power Supply Uninterrupted Power Supplies (UPS)**

REJ's is also a reseller for UPS units ranging from your home office to your main-frame at work. We have UPS units to safeguard telephone equipment, networks, copy machines as well.

Give REJ's a call if you need this protection for your equipment. (just about every major piece of equipment should have a UPS)

Regarding Computers make sure you get the battery

back-ups to insure safe and continuous operations even in blackouts.

Don't forget about the August 03 Blackout! It could happen again!

This year we have also become **Microsoft Software Resellers**, if your interested in any software over 5 computers give us a call. See our Page 8 if you need help with doing 1099's.

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## This year's travels to the National Association of Enrolled Agents, National Conference in Las Vegas, Ohio Society of Enrolled Agents, and the Michigan Society of EA's

To help keep up with the ever changing tax laws, I attended my first **National Association of Enrolled Agent's Conference** in Las Vegas from August 8 -11th. I used *Cinfully Affordable Travel* to book my flights (see pg 6 for their advertisement). The conference focuses on representation of clients (you guys). Some of the courses I took were: *Communicating with IRS, working with collections, examinations, criminal investigation and appeals*. This conference, and attendance at the next two conferences will qualify me as a "Fellow"; this prestigious designation will allow me to more effectively represent our clients before the IRS. While at the conference, I will also be attending the National board meeting of the NAEA, representing the state of Michigan as **President of the Michigan Society of Enrolled Agents**.



**In October**, I turned over the president position to Tim Dilworth, EA, CPA., Tim and the board presented me with a nice plaque for serving as president from 2008 until 2010. The plaque is on display outside my office at the REJ's.

I received the plaque at the Ohio /Michigan conference in late September, I also attended the two day tax update hosted by the MiSEA in Frankenmuth in November of this year, along with attending a number of monthly meetings throughout the state.

In addition to attending the MiSEA and the NAEA meetings, I attend the monthly meetings of the Institute of Management Accountants. I have attended at least three meetings this year.

I am teaching computers this term on Tuesday and Thursdays in the mornings and I have one class on Thursday night. Last term I taught four computer courses at Wayne County Community College, along with acting as the chair of the computer science department. This was too much. I don't think I'll do that again. I enjoy teaching but that was too much of a good thing. We have become resellers of Microsoft software products and I would rather concentrate on that more and less on the teaching.



**Bob is had served as the President of the Michigan Society of Enrolled Agents.**



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## R.E.J.'s Goes with Microsoft, certifications and D&H to allow it to sell to its customers.



**REJ's is a registered partner with Microsoft and is a Action Pack subscriber.**

REJ's is licensed and qualified to sell volume licenses to small businesses. We are in the process of getting certified as small business specialists to aid small businesses in purchasing and installing Microsoft server

software to aid their businesses in managing their software and hardware investments.

REJ's is a reseller of hardware through its affiliation with D & H Distributing. As the nation's leading technology distributor, D&H provides a wealth of resources to empower solution providers and consultants, delivering a broad selection of

SMB categories, products and applications. The company's offerings span server and infrastructure, SOHO and mobile applications, consumer electronics and gaming. D&H's multi-market expertise, account-dedicated sales teams, sterling service and flexible financing options are unmatched in the industry.



## Tax Tip: Rules for Offices in Homes

There is good news for those of you who wish to have an office in your home. Over the years, the IRS has eased up on its requirements. While your home office must be the principal location of your business, the activity of the business need not be performed there. (For example a contractor who builds houses for a living may have his office in his own home.) The office itself however must meet certain conditions:

1) It must be used exclusively for business.

2) The equipment, such as the computer, must be used 100% for business. If not, it will violate the exclusive-use test.

3) If you own the home, the cost of the office space will be a fraction of the total property cost.

4) Your allowable expenses include the depreciation, or rent, and also the utilities, property taxes, interest and insurance.

5) If you are self-employed, the home office deduction can mean a double benefit. Income tax savings will result

from reducing the amount of taxable income and the self-employment tax is lower as well.

6) Having a qualified business office in the home means that the calculation of deductible auto mileage starts at the home when driving, rather than at a traditional business office. This can make a big difference.

If this applies to you, see more information in our brochure area, or ask one of our helpful staff.

## New Retained Business Clients of 2009

We have a number of new clients; "A Perfect Ten", Nail and Skin Salon in Southgate, monthly client "Cox Occupational Therapy" of Houston, TX ( my sister Lynn) quarterly client, "Remax on the Boulevard" of Wyandotte, imple-

mentation of Quick-Books and monthly client, 'Love 2 exercise, Curves of Southgate" quarterly client and "J. Dub's Mississippi restaurant of Riverview", also a quarterly client.

Bob Jacob has be-

come recertified in QuickBooks 2010 and 2011. Bob is currently taking the examination to become an Advanced QuickBooks ProAdvisor.



REJ's sells not only the accounting software for Quickbooks but also Point of Sale equipment for its clients. We provide on-site training as well as training at our facility. See our website for more details.

## Monroe's River Raisin Centre for the Arts, received accountant's gift for second year in a row.

REJ's is pleased to announce that it has again donated review and accounting services for the 2010 year to the River Raisin Centre of Monroe. They had fallen behind on their old accountant's bill and approached our firm for needed help in their time of need. The REJ's responded by offering **Pro-Bono review and accounting services** to this worthwhile non-profit. Visit the Centre on the web at [www.riverraisincentre.org](http://www.riverraisincentre.org)

The River Raisin Centre for the Arts is located at 114 Monroe St. Monroe, MI 48161

734-242-7722  
 Look for our Ad in their Program



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**Lynne M. Suszek**  
 CEO & Administrator  
 6207 Middlebelt Road  
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