



FEDERATION OF AMERICAN CONSUMERS AND TRAVELERS - NEWS RELEASE -

FOR IMMEDIATE RELEASE

25 Tax Breaks to Consider for 2009

EDWARDSVILLE, IL, October 13, 2009 - According to a bulletin issued by the Federation of American Consumers and Travelers (FACT), there are a number of tax breaks that won't be around next year unless Congress acts to extend them.

For individuals, these include:

- The option to deduct state and local sales and use taxes instead of state income taxes;
- The standard or itemized deduction for state sales tax and excise tax on the purchase of motor vehicles;
- The above-the-line deduction for qualified higher education expenses; tax-free distributions by those age 70 1/2 or older from IRAs for charitable purposes; and
- The \$8,000 first-time homebuyer credit (expires for purchases after Nov. 30, 2009).
- Finally, without Congressional extension, the alternative minimum tax (AMT) exemption amounts for individuals are scheduled to drop drastically next year, and most nonrefundable personal credits won't be available to offset the AMT.

On the other hand ...

In 2010, there no longer will be an income based reduction of most itemized deductions, nor will there be a phaseout of personal exemptions. Additionally, traditional IRA to Roth IRA conversions will be allowed regardless of a taxpayer's income.

For businesses, tax breaks that might be available only through the end of this year include:

- 50% bonus first year depreciation for most new machinery, equipment and software;
- A high (\$250,000) expensing limitation;
- The research tax credit;
- The five-year write-off for most farm equipment; and
- The 15-year write-off for qualified leasehold improvements, qualified restaurant buildings and improvements and qualified retail improvements.

High-income-earners have other factors to keep in mind when mapping out year-end plans. Many observers expect top tax rates on ordinary income to increase after 2010, making long-term deferral of income less appealing. Long-term capital gains rates could go up as well, so it may pay for some to take large profits this year instead of a few years down the road.

FACT has compiled, from a variety of reliable sources, a checklist of actions based on current tax rules that may help individuals and businesses save tax dollars if they act before year-end. To review this list, visit www.usafact.org and click on NEWS BULLETINS.

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Vicki Rolens, Managing Director of FACT, says, “To the best of our knowledge, the tax information disseminated by our association is accurate, but no one should attempt to act upon this information without the input and agreement of his or her CPA and/or trusted financial advisor.”

This news release has been issued by the Federation of American Consumers and Travelers (FACT). FACT is a not-for-profit consumer organization, formed under the not-for-profit corporation laws of the District of Columbia in 1984. It currently serves more than 1 million consumers nationwide. Additional information on FACT may be found in the *Encyclopedia of Associations*, and by visiting the association's Web site (www.usafact.org). Informative, unbiased news bulletins are regularly disseminated by FACT to help its members remain current on matters which might seriously impact their lives. In addition to publishing consumer-related reports, the association provides more than 30 benefits for its members, ranging from [medical insurance](#) and [dental discounts](#) to [prescription drug savings](#) and [scholarships](#). FACT's administrative office is located at 318 Hillsboro Avenue, Edwardsville, IL 62025.