

Dear Business Organization:

We are pleased to provide you with the latest IRS News Releases and Headliners to distribute to your small business members. We hope that the information will be helpful and we encourage publication in your association's magazines, newsletters, email distributions and/or website.

Below are summaries and links to the most recent headliners and news releases your members might be interested in. The title and summary are designed to give you a brief overview of the article's content -- the link to the full article is at the end of each summary. I encourage you to use any or all of these in newsletters or emails to your members, or on your web site.

If someone else in your organization is a more appropriate contact point for these types of emails, please let me know. And if you do not want to receive future emails like this one, please reply and request your name be removed.

Ann Burton
Stakeholder Liaison
IRS Communications, Liaison & Disclosure
Ph 303-603-4723
Ann.Burton@irs.gov

IRS Updates & News Releases:

[New IRS Small Business Workshop Available Online](#)

<http://www.tax.gov/virtualworkshop/>

The new Virtual Small Business Tax Workshop is now available online -- it is composed of nine interactive lessons designed to help new small business owners learn their tax rights and responsibilities. The workshop will also be available on CD in January 2010 -- you can preorder a copy [of Publication 1066C here](#).

[2010 Tax Calendar for Small Businesses Available in English or Spanish](#)

The 2010 IRS Tax Calendar for Small Businesses and the Self-Employed is now available on IRS.gov. Publication 1518 may be ordered in English or Spanish.

[Order Publication 1518](#)

[Order Publication 1518 \(SP\) en español](#)

[IRS Announces 2010 Standard Mileage Rates](#)

<http://www.irs.gov/newsroom/article/0,,id=216048,00.html>

Beginning on Jan. 1, 2010, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

- 50 cents per mile for business miles driven
- 16.5 cents per mile driven for medical or moving purposes
- 14 cents per mile driven in service of charitable organizations

The new rates for business, medical and moving purposes are slightly lower than last year's. The mileage rates for 2010 reflect generally lower transportation costs compared to a year ago.

[First-Time Homebuyer Credit Extended to April 30, 2010; Some Current Homeowners Now Also Qualify](#)

<http://www.irs.gov/newsroom/article/0,,id=215791,00.html>

A new law that went into effect Nov. 6 extends the first-time homebuyer credit five months and expands the eligibility requirements for purchasers. The Worker, Homeownership, and Business

Assistance Act of 2009 extends the deadline for qualifying home purchases from Nov. 30, 2009, to April 30, 2010. Additionally, if a buyer enters into a binding contract by April 30, 2010, the buyer has until June 30, 2010, to settle on the purchase.

The maximum credit amount remains at \$8,000 for a first-time homebuyer — that is, a buyer who has not owned a primary residence during the three years up to the date of purchase. But the new law also provides a “long-time resident” credit of up to \$6,500 to others who do not qualify as “first-time homebuyers.” 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.

For all qualifying purchases in 2010, taxpayers have the option of claiming the credit on either their 2009 or 2010 tax returns. A new version of Form 5405, First-Time Homebuyer Credit, will be available in the next few weeks. A taxpayer who purchases a home after Nov. 6 must use this new version of the form to claim the credit. Likewise, taxpayers claiming the credit on their 2009 returns, no matter when the house was purchased, must also use the new version of Form 5405. Taxpayers who claim the credit on their 2009 tax return will not be able to file electronically but instead will need to file a paper return.

The new law raises the income limits for people who purchase homes after Nov. 6. For homes purchased prior to Nov. 7, 2009, existing income limits remain in place. Several new restrictions on purchases that occur after Nov. 6 go into effect with the new law – see the full article for this and other details. For more details on the credit, visit the [First-Time Homebuyer Credit page](#) on IRS.gov.

Related Items:

IRS YouTube Videos – English: [New Homebuyer Credit, November 2009](#) & Spanish: [Consejo Tributario: Consejos Tributarios de Fin de Año Noviembre 2009](#)

10 Important Facts about the Extended First-Time Homebuyer Credit - <http://www.irs.gov/newsroom/article/0,,id=215827,00.html>

Most Businesses May Take Advantage of Expanded Loss Carryback Option under New IRS Procedure

<http://www.irs.gov/newsroom/article/0,,id=215657,00.html>

Most businesses may use losses incurred during the economic downturn to reduce income from prior tax years, under a [revenue procedure](#) issued today by the Internal Revenue Service. The relief provided under the Worker, Homeownership, and Business Assistance Act of 2009 differs from similar relief issued earlier this year in that the previous relief was limited to small businesses. The current relief is applicable to any taxpayer with business losses, except those that received payments under the Troubled Asset Relief Program. The relief also applies to a loss from operations of a life insurance company. Taxpayers under the procedure may elect to carry back a net operating loss (NOL) for a period of three, four or five years, or a loss from operations for four or five years, to offset taxable income in those preceding taxable years. An NOL or loss from operations carried back five years may offset no more than 50 percent of a taxpayer's taxable income in that fifth preceding year. This limitation does not apply to the fourth or third preceding year. The procedure applies to taxpayers that incurred an NOL or a loss from operations for a taxable year ending after Dec. 31, 2007, and beginning before Jan. 1, 2010.

IRS Issues Proposed Regulations on Reporting Requirement for Payment Card and Third-Party Payment Transactions

<http://www.irs.gov/irs/article/0,,id=215740,00.html>

Beginning in 2011 banks and other entities must report payment card and third-party network transactions to participating merchants and the IRS. This week the IRS issued [proposed regulations](#) on reporting requirements for payment card and third-party payment transactions. Starting in calendar year 2011, the gross amount of payment card and third-party network

transactions must be reported annually to participating merchants and the IRS. Individual cardholders are unaffected by this requirement, and none of the cardholder's personal information will be shared with the IRS. The IRS also released for comment a draft version of new [Form 1099K](#), Merchant Card and Third-Party Payments, which will be used to make these reports.

IRS Extends Food Industry Tip Reporting Program

<http://www.irs.gov/newsroom/article/0,,id=215980,00.html>

The IRS has extended for an additional two years its program that simplifies the recordkeeping burden for reporting tip income in the food and beverage industry. The Attributed Tip Income Program (ATIP) was first announced in 2006 in [Revenue Procedure 2006-30](#). The program, which was originally set to expire Dec. 31, 2009, has been extended to Dec. 31, 2011, under Revenue Procedure 2009-53. Employers who participate in ATIP report the tip income of employees based on a formula that uses a percentage of gross receipts, which are generally allocated among employees based on the practices of the restaurant. Both employees and employers benefit from participation in the ATIP program. The IRS will not initiate a tip examination during the period the employer and employee participate in ATIP. Participating employees do not have to keep a daily tip log or other tip records.

IRS Will Begin Employment Tax Research Study in February 2010

<http://www.irs.gov/businesses/small/article/0,,id=215350,00.html>

Early next year the IRS will begin the three year [Employment Tax National Research Project](#). Business practices regarding employment tax issues may have changed significantly since the last IRS employment tax study in the 1980s. The IRS will randomly select 2,000 taxpayers each year for comprehensive examinations to collect data on employment tax filers. Records pertaining to employment tax returns and issues will be subject to review during these examinations. Employers should have all of their records available to expedite these examinations.

Treasury and IRS Issue 2009-2010 Priority Guidance Plan

<http://www.irs.gov/newsroom/article/0,,id=215792,00.html>

The 2009–2010 Priority Guidance Plan contains 315 projects to be completed over a twelve-month period, from July 2009 through June 2010. This year's plan will address a variety of issues, including recent legislation, the current economic environment, and important international issues. In Notice 2009-43, we solicited suggestions from all interested parties, including taxpayers, tax practitioners, and industry groups.

IRS Fall 2009 Statistics of Income Bulletin Now Available

<http://www.irs.gov/newsroom/article/0,,id=215809,00.html>

The Internal Revenue Service today announced the release of the [fall 2009](#) issue of the Statistics of Income Bulletin, featuring data on 143 million individual income tax returns filed for tax year 2007. Several income items increased appreciably between 2006 and 2007, including taxable interest, ordinary dividends, taxable Individual Retirement Arrangement distributions and net capital gains (less loss), which increased 20 percent, 19 percent, 19 percent, and 16 percent, respectively. The Statistics of Income (SOI) Division produces the SOI Bulletin on a quarterly basis. Articles included in the publication provide the most recent data available from various tax and information returns filed by U.S. taxpayers.

Recent Articles from e-News for Small Businesses

Keeping records for barter activities

New Headliner Volume 281 has information on [record keeping for business barter transactions](#).

Winter SSA/IRS Reporter

The winter issue of the [SSA/IRS Reporter](#) is now available.

Register early for Business Services Online

Register now and beat the January rush if you plan to use Social Security's [Business Services Online](#) application.

[IR-2009-112](#), New Tax Guide Features Recovery Tax Breaks; Helps People Save on their 2009 Taxes**[IR-2009-114](#), IRS Offers Tips for Year-End Donations****Latest Retirement News for Employers**

The 2009 fall issue of [Retirement News for Employers](#) is now available.

Fuel and road use tax - agriculture tax tips

An updated IRS.gov page provides information on claiming a [credit or refund for excise taxes](#) on un-dyed diesel fuel or un-dyed kerosene used on a farm for farming purposes.

Recent IRS announcements

[IR-2009-107](#), Interest Rates Remain the Same for the First Quarter of 2010

Subscribe to e-News for Small Businesses

If you would like to receive e-News for Small Businesses, please visit this link to subscribe:
<http://www.irs.gov/businesses/small/content/0,,id=154826,00.html>

Recommend e-News for Small Businesses

If you already receive e-News for Small Businesses, you can share it with a business acquaintance, colleague or employee. Just forward this [link](#) to them to view a sample edition and subscribe.