

2011-2012 Tax Update



No Major Tax Law Changes, Thankfully.

2011 proved to be a relatively quiet year for tax law changes, there will be no worker pay credit this year and all dual working families will not have the \$800 credit this year. This may put some in a small penalty situation, depending on how employers withheld during the year. Workers did see social security lower this year and self employed will see a 2% credit on self employment tax in 2011.

The focus will now turn to 2013 when the Bush era tax cuts expire. These will increase capital gain and dividend rates back up to a potential top rate of 20% for some taxpayers. Expensing of assets purchased under sec 179 and bonus depreciation elections are set to be drastically reduced. For 2012 bonus depreciation will drop from 100% to 50% on new assets purchased. The section 179 expensing is reduced to a

maximum of \$125,000 on assets of up to \$500,000 placed in service during 2012. With 2012 being an election year, tax law changes will likely come throughout the year.

As a reminder, we cannot accept "Same As Last Year" as the answer when it comes to Charitable Contributions amounts. We must have proper proof in order for us to be able to claim it on your tax return. A written acknowledgement for cash gifts of \$250.00 or more must be provided in order to use the contribution. You must have proper documentation of your contributions!

We will notify you throughout the year of any significant tax law changes that affect your tax situation.

Mileage Rates

The **standard mileage rates for 2011** for business are 51¢ from 1/1 to 6/30 and 55.5¢ from 7/1 to end of year. The rate for medical and moving mileage is 19¢ from 1/1 to 6/30 and 23.5¢ from 7/1 to end of year. Congress sets the charitable mileage and it remains at 14¢ a mile.

The **standard mileage rates for 2012** on business mileage are 55.5¢. The rate for medical and moving mileage is 23¢. Congress sets the charitable mileage and it remains at 14¢ a mile.

Thank You And Referrals

We sincerely Thank You for the opportunity to serve you. It is because of your trust and referrals that we continue to grow our company. We appreciate

your referrals and look forward to serving you once again this year.

As always, please free to drop off your tax information or if you prefer, please call to schedule your appointment.

**We Are Still Located At
2462 Highway 34 East
Newnan, GA 30265**

**Office Hours
February 01 through April 17**

Monday-Friday 9am to 6pm

Saturday 9:30am to 2:00pm

**To Schedule Your
Appointment:
Phone: 678.423.2100**

OR

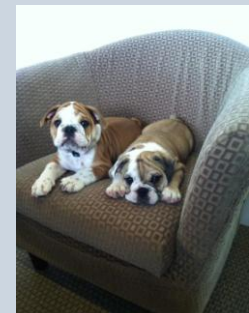
**Email:
ovargas@cumberlandfs.com**

**A Special Welcome
To the Tyrone Tax Clients.**

As many know, we have acquired the clients of Tyrone Tax/John Jenkins. We are excited to serve you with a fresh start! John will be greatly missed by the community and his clients.



**RIP Thomas The Tax Dog
2008 - 2011**



**TJ & Maddi.
Welcome our JR Tax Dogs!**

To Schedule Your Appointment Call: 678.423.2100 . Drop-offs Accepted At Anytime During Office Hours!