

## FROM THE PARTNERS PEN....

Dear Clients and Friends,

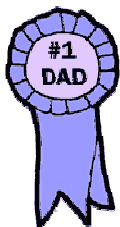
Finally, the warm weather has arrived! Summer will be here before we know it. Now is a good time to remind everyone that our office will be closed on Fridays during July and August. If you need to reach us during the week, you may do so on Monday - Thursday from 9 a.m. to 5 p.m.

Summer is the perfect time of year to analyze your tax situation. If you know that your income is going to change significantly this year, now is the time to adjust your estimated tax payments. I can help you with this as well as any other tax planning questions you may have.

Here's wishing you a fun-filled and safe summer!

Sincerely,

Mike Ryan



*Don't forget Dad on June 15th!*

Dad, your guiding hand on my shoulder will remain with me forever. ~Author Unknown

## DO YOU NEED QUICKBOOKS HELP?

We have a Certified QuickBooks Pro Advisor on staff to help you with any problems that you may encounter in recording your activity or setting up your QuickBooks chart of accounts.



The time our staff must spend correcting activity that is miscoded or in reclassifying accounts that are classified incorrectly at year end is expensive. Additionally, any reports that you generate during the year may be misleading if the recording is incorrect.

We often find that the journal entries that we send to clients containing our year end adjustments are either not recorded at all or are recorded inaccurately.

We are here all year to answer your questions. Our advisor can come to your office for a few hours to help you get on and stay on the right track, which is often the most efficient way to go.

QuickBooks has many useful features that you may not even be using. You paid for the software and should get the most from it.

As with many things, time spent in set up and preparation saves money (and headaches) in the long run. Let us know if we can be of assistance.

## Moving Soon? Let the IRS Know



If you've changed your home or business address, notify the IRS to ensure that you receive any refunds or correspondence. While the IRS uses the Postal Service's change of address files to update taxpayer addresses, notifying the IRS directly is still a good idea.

The easiest way to do this is to fill out a Form 8822, Change of Address, to submit an address or name change at any time during the year.

It's a good idea to notify your employer of your new address so that you can get your W-2 forms on time. Also, if you make estimated tax payments and change your address during the year, a Form 8822 needs to be submitted to the IRS and we will provide you with new vouchers. Do not correct the address on the old voucher.

You can download Form 8822, Change of Address at the IRS website [www.irs.gov](http://www.irs.gov) or you can contact our office and we'd be glad to send it for you.


***"More than accountants...business advisors"***

## IT'S A GOOD TIME TO BUY A BUSINESS AUTO

Sounds crazy during these rough economic times, but now is actually a good time to buy a business auto if you can afford to do so. If you purchase a **new** passenger auto or light truck that is used more than 50 percent for business and is subject to "luxury auto" depreciation limitations, first-year maximum depreciation deductions will increase by \$8,000. This increase is a result of bonus first year depreciation deductions under The Economic Stimulus Act of 2008.

For a new car purchased and placed in service in 2008, the maximum first-year depreciation deduction is \$10,960 (would have been \$2,960) and the amount for a new light truck is \$11,160 (would have been \$3,160). The full \$10,960 and \$11,160 amount is only available when the new car or light truck is used 100 percent for business. For example, if you use a new passenger auto 75 percent for business, your maximum first-year write-off is reduced to \$7,545 (75% of \$10,060 ).

If you purchase a new heavy SUV (over 6,000 pounds) in 2008, you will be able to qualify for the Section 179 deduction (maximum of \$25,000) and 50% first-year bonus depreciation. This would only occur if you use the SUV more than 50% for business. Look at the following example that calculates first-year depreciation for a new heavy SUV purchased and placed in service in 2008:

<b>New 2008 Heavy SUV Purchase Price</b>	<b>\$65,000</b>	
<b>Used 80% for business</b>	<b>X 80%</b>	
<b>Depreciable cost of vehicle</b>	<b>\$52,000</b>	
		
<b>Section 179 deduction on 2008 business return</b>	<b>(\$25,000)</b>	<b>Maximum 179 deduction for heavy SUV</b>
<b>50% first-year bonus depreciation deduction</b>	<b>(\$13,500)</b>	<b>\$52,000 - \$25,000 = \$27,000 X 50% = \$13,500</b>
<b>Additional normal depreciation</b>	<b>(\$ 2,700)</b>	<b>\$52,000 - \$25,000 - \$13,500 = \$13,500 X 20% = \$2,700</b>
<b>Total first-year depreciation</b>	<b>(\$41,200)</b>	<b>79% of the business portion of the vehicle's cost</b>

## AROUND THE OFFICE



Congratulations to **John Marino** and his wife Nancy on the birth of their grandson Samuel John Weston. Samuel, John and Nancy's fifth grandchild, is the son of their daughter Lynne and her husband Todd. Samuel sneaked in on March 27th (right in the middle of tax season!) and was welcomed home by his big sister Elizabeth (age 2).

**Michelle Bourbeau** was a recent participant in the Mid Atlantic Cake Show and Wedding Cake Competition held in Westminster, MD on April 19th & 20th. She entered a total of five cakes and one of them, a July 4th cake, won second place in the Holiday Cakes category. Way to go, Michelle!



**July 4th Cake  
2nd place winner!**



Congratulations to Mark Donovan, son of partner **Rick Donovan**, who recently graduated with honors from New England School of Law.



**Bonnie Tyrrell** recently upgraded her Certified QuickBooks Pro Advisor status to 2008 after successfully completing comprehensive testing. A QuickBooks Pro Advisor helps businesses customize QuickBooks for their own unique needs and helps them get the most from the software.

**DONOVAN, SULLIVAN & RYAN**  
**265 WASHINGTON STREET WESTWOOD, MA 02090**  
**TELEPHONE: (781) 329-1690      FAX: (781) 329-3002**  
**WWW.DSRCPA.COM**