

# DONOVAN SULLIVAN & RYAN

September 2010

A Newsletter for our Clients and Friends



## IMPORTANT UPCOMING TAX DEADLINES

Just a reminder that if your Corporation or Partnership return (with 12/31 year end) is on extension, the extension due date is **September 15th**. If your Individual return is on extension, the six month extension due date is **October 15th**.



## FROM THE PARTNERS PEN....

Dear Clients & Friends,

Where did the summer go? It has slipped away as usual. Our office will revert back to its normal business hours (Monday through Friday from 9-5) after Labor Day.

I urge you to call your Congressman and Senator regarding the increased Form 1099 reporting burden which was part of the new Health Care Law. For more info see the article in this newsletter.

The upcoming fall season means tax planning and preparation for the filing season. I will be meeting with many clients to review the first nine months operations and prepare tax projections. We will discuss strategies to minimize their tax burden. If you would like to schedule an appointment, please contact me.

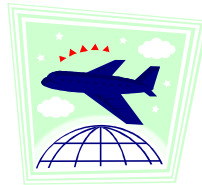
Enjoy these last few weeks of summer!

Sincerely,

Mike Ryan



We will never forget September 11th....



## AROUND THE OFFICE



**Summer's coming to an end.  
Hope yours was great!**

**Here's what some of the DSR staff has been up to as of late.....**

**Mike Ryan** traveled to FL with his wife Joanne for some R & R.

**John Marino** traveled to FL with his wife Nancy and also spent time at his NH home with family.

**Anne Kraus** enjoyed time with family at her home in Harwichport. She also took a European river cruise which departed from Amsterdam, The Netherlands, took her through Germany and ended in Vienna, Austria. She traveled down the Rhine River in Germany to the Danube River in Austria. She said the sights were absolutely breathtaking!. Willkommen zurück, Anne!

**Sue O'Brien** enjoyed family time with her husband, children and 5 grandchildren at her "home away from home" in NH.

**Bonnie Tyrrell** vacationed in the Pocono's with family and friends. Also, she will be traveling to Australia later this month, accompanied by her husband, Rob, and son, Danny. They will be visiting her daughter, Jenna, a Providence College junior, who is currently studying "down under" for the semester. Bon voyage, Tyrrells!

**Joyce Foley** enjoyed several camping trips with her husband Donald, son Donnie (12) and daughter Meghan (10). Her favorite trip was to Sea Isle City on the Jersey Shore where they had some fun in the sun.

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

## CONGRESS TO DEBATE 1099 REPORTING

**Under current law, a business paying more than \$600 for services provided by an individual other than an employee must report that payment to the IRS on Form 1099. One of the revenue provisions in the Health Care Reform Bill will change the current law. Starting in 2012, all business payments or purchases that exceed \$600 in a calendar year will need to be accompanied by a 1099 filing. That means you must get the taxpayer ID number of the individual or business you're making the payment to at the time of the transaction – even if it's a giant retailer. The provision is aimed at preventing tax avoidance by individuals and companies receiving those payments. It has the virtue of raising government revenue without imposing a tax increase, yet it's controversial because of the paperwork burden it imposes on companies making the payments. Senate debate of the small business tax bill is scheduled to begin in September and will include consideration of amendments to repeal or amend this requirement before it goes into effect. We will keep you posted on any changes that are reported regarding this provision.**

## Avoid Stress....Start Keeping Good Records Now For Tax Time

You may not be thinking about your 2010 tax return right now, but it's a great time to start planning for next year and to make sure your records are organized. Maintaining good records now can make filing your return a lot easier. Keeping well-organized records also ensures you can readily provide us with the proper backup if your return is selected for examination. In most cases, the IRS does not require you to keep records in any special manner. Generally speaking, you should keep any and all documents that may have an impact on your federal tax return.

**Individual taxpayers** should usually keep the following records supporting items on their tax returns for at least **three years**:

- Bills
- Credit card and other receipts
- Invoices
- Mileage logs
- Canceled, imaged or substitute checks or any other proof of payment
- Any other records to support deductions or credits you claim on your return

You should normally keep records relating to property until at least three years after you sell or otherwise dispose of the property. Examples include:

- A home purchase or improvement
- Stocks and other investments
- Individual Retirement Arrangement transactions
- Rental property records

If you are a **small business owner**, you must keep all your employment tax records for at least **four years** after the tax becomes due or is paid, whichever is later. Examples of important documents business owners should keep include:

- Gross receipts: Cash register tapes, bank deposit slips, receipt books, invoices, credit card charge slips and Forms 1099-MISC
- Proof of purchases: Canceled checks, cash register tape receipts, credit card sales slips and invoices
- Expense documents: Canceled checks, cash register tapes, account statements, credit card sales slips, invoices and petty cash slips for small cash payments.



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