

October 1, 2009

Issue 2008-21

## **ExactaxNews**

### **Exactax Client:**

As October 15<sup>th</sup> approaches volume normally increases, so it's important to get your returns in as soon as possible to ensure a timely turnaround. Exactax remains well staffed to handle all of your processing needs and will be open on Saturday, October 10<sup>th</sup>.

### **Regular Office Hours**

Exactax is open from 8:30 to 5:00, Pacific Time, Monday through Friday.

### **Extended Coverage**

All departments will be open on Saturday, October 10<sup>th</sup> from 9:00 AM to 3:00 PM, Pacific Time.

**Note:** UPS does not pick up packages from Exactax on Saturday. Drop-off and hold for pick-up will be available at our Anaheim office.

### **Electronic Filing**

A list has been sent to each Exactax client showing any qualified e-file returns that have been processed but have not yet been authorized for transmission. All requests for electronic filing must be received by Exactax no later than Wednesday, October 14<sup>th</sup>. Returns that are e-filed timely but are subsequently rejected will have until Tuesday, October 20<sup>th</sup> to make corrections and re-transmit.

**Remember:** For each e-file return, you must receive an acknowledgment from each taxing agency, or that return will not be considered as having been filed with that agency.

### **Holiday Cards and End of Year Newsletters**

Order forms for personalized holiday card/calendars and the end of year tax newsletters will begin mailing next week.

### **Tax Organizers**

The Tax Organizer Order Forms will be mailed out at the end of October. All 2008 1040 clients processed by October 23<sup>rd</sup> will be listed. You may select or delete taxpayers on the list. If the list is not returned by the deadline, Exactax will print Tax Organizers based on the pre-orders as shown on the list. Late requests for Tax Organizers will be processed in the third week of December.

**→ Tax Organizers are only processed for accounts that have renewed for 2009. Be sure that you renew for 2009 before you send in your order.**

## Client Labels

A set of client labels will be mailed in late November, at no charge, to accounts renewed by November 16<sup>th</sup>. The set will contain two labels for each 1040 client processed by November 16<sup>th</sup>, 2009. Late renewals will receive labels in January. Additional chargeable sets may be ordered at any time.

## Renewals

All 2009 renewal forms were mailed out several weeks ago. If you have not received your renewal form please contact Customer Support at (800) 254-2244.

## Expedite Service

In general, this service is for a return where the preparer is requesting guaranteed one day turnaround time. By checking Form PI - zip 3, you indicate your request to receive this preferential expedited processing service for an additional charge of \$22.00 per Individual and \$32.00 per Business return. Any return *received* and scanned in our Anaheim office by 12:30 pm will be ready for shipment, by your indicated method, the following business day by 4:30 pm.

**Note:** Expedited handling is for processing the return only. Shipping back to you is always your regular method unless you specify otherwise. Be sure to review the special shipping options below for Form PI, zip 2, to ensure timely delivery.

### Expedite Requirements

- Mark “**EXPEDITE**” on the outside of envelopes containing at least one return marked for Expedite. Envelopes not marked “Expedite” may not be processed as expeditiously.
- If the envelope is marked “**EXPEDITE**” and no return is marked for Expedite, all returns in the envelope will be treated as Expedite and billed accordingly.
- Be sure to clearly mark Expedite, zip 3 on Form PI.

► **Note:** Returns indicated for Expedite service are still subject to output review in our Error Control Department and could be delayed as a result. If you **do not** want the return to be reviewed in the Exactax Error Control Department check zip 42 on Form PI.

The Expedite and special shipping options requested on the original run are automatically deleted on a rerun. If you want either of these options on a rerun you must request the rerun operator to re-enter them.

## Express Mail

When sending packages to Exactax via Express Mail, DO NOT send them to our PO Box; this can delay delivery by up to two days. Always send Express Mail to our street address: **2301 W Lincoln Ave STE 100, Anaheim, CA 92801**

## Shipping Options and Rates

As the deadline approaches you may want to consider other shipping methods for the fastest return delivery possible. Below is a recap of the options available besides the standard UPS method. Selecting UPS enhanced shipping or other options will incur the following per-return charges:

Code	Shipping Method	Per Return Charge
1	Hold for Pick-up	No Charge
3	UPS Next Day – 10:30 AM Guarantee	\$28.90
4	UPS 2nd Day	\$13.00
6	Regular US Mail	\$6.10
7	Call When Ready	\$4.00
8	UPS Next Day – 3:00 PM Guarantee	\$19.90
33	UPS Next Day Saturday	\$39.35
Zip 11	Confidential Handling	\$3.00
Zip 22	Special Shipping Address	\$4.00
Zip 26	Special Handling Instruction	\$4.00

**Note:** Exactax does not give credit for UPS or free shipping when a package is misplaced by UPS. A credit can be requested from the carrier.

## Undeliverable Packages

The additional charge for an undeliverable UPS package (to any address) is \$5.00.

## Hold for Pick-Up

There is no additional charge for returns marked as “Hold for pick-up” at Exactax. However, returns that are not initially marked as “Hold for pick-up” on Form PI and are subsequently picked-up will still be billed the shipping charge, if any, assigned to that return.

## Billing Queries and Reminders

When requesting adjustments to your billing, state the problem in the comment section of your remittance and include it with your payment. Any problems or questions regarding billing queries may also be faxed directly to the Accounting Department at (714) 999-6566. Requests for credit must be made in writing.

**IMPORTANT:** *Accounts with an outstanding balance over 21 days will be placed on C.O.D. status. C.O.D. accounts will be shipped UPS C.O.D. until the account is current. → C.O.D. status will delay shipment of proforma and organizers!*

## One-Time Sales Tax Deduction

Congress included a special provision for 2009 only, which allows taxpayers to deduct the state and local sales and excise taxes paid on up to \$49,500 of the purchase price of a qualified new car, light truck, motor home or motorcycle without having to itemize their deductions. Used vehicles don't qualify but a pre-2009 model for which you'll be the first-time user will qualify. The vehicle must be purchased after February 16, 2009 and before January 1, 2010 to qualify for the deduction; leased vehicles don't qualify. The amount of the deduction is phased out for taxpayers whose modified adjusted gross income is between \$125,000 and \$135,000 for individual filers and between \$250,000 and \$260,000 for joint filers.

## Home Energy Credits

The American Recovery and Reinvestment Act of 2009 (the 2009 Economic Stimulus Act) expanded the residential energy improvement credit for 2009 and 2010 (this credit was last available in 2007) and extended and expanded the tax credit for residential solar and fuel-cell equipment through 2016. This gives taxpayers who want to “go green” a chance to offset some of the cost of going green with tax credits. These are two distinctly different credits with different requirements and limitations.

The following is an overview of these credits. However, you are strongly urged to review the specifics for each item of equipment to verify what the tax benefit might be. Remember the installation must be complete by 12/31/2009 to claim the credit on the 2009 return.

### Tax Credit for Residential Energy Improvements

Energy improvements to a principal residence located in the United States and placed in service during 2009 and 2010 qualify for the residential energy improvements credit. The credit is 30% of the cost of:

- Qualified advanced main air circulating fan;
- Qualified natural gas, propane, or oil furnace;
- Qualified natural gas, propane, or oil hot water boiler;
- Qualified energy-efficient heat pumps
- Qualified energy-efficient water heaters;
- Qualified energy-efficient central air conditioners;
- Qualifying insulation;
- Qualified exterior windows including skylights;
- Qualified exterior doors;
- Qualified metal roofs coated with heat-reduction pigments; and
- Qualified asphalt roofing with appropriate cooling granules.

This credit is limited to \$1,500 for 2009 and 2010 (combined, not each year), which is an increase from the pre-2008 credit cap of \$500. If pre-2008 credits were claimed under this provision, they are not counted toward the new \$1,500 limit.

### Tax Credit for Residential Energy-Efficient Property (REEP credit)

The 2009 Economic Stimulus Act that the President signed on February 17, 2009 removed the dollar caps for credit for certain energy equipment. The caps remaining are noted. A 30% credit applies to the following items placed in service after 2008 and before the end of 2016:

- Qualified solar water heaters;
- Residential solar electric systems;
- Fuel-cell equipment – with a maximum credit of \$500 for each half-kilowatt of capacity;
- Qualified wind energy equipment; and
- Qualified geothermal energy equipment.

Labor costs for on-site installation and for piping and wiring connections are qualifying costs for these credits. However, the credits do not apply to equipment used to heat swimming pools or hot tubs.

**Credit limitations** – Although these credits can be used to offset both the regular tax and AMT, they are nonrefundable personal credits that can only reduce a taxpayer’s tax to zero, and any remaining balance is not refundable. If the amount of the credit for the residential energy-efficient property credit (REEP - i.e., the credit for residential solar and fuel-cell equipment and wind/geothermal energy equipment) exceeds the taxpayer’s tax after subtracting other nonrefundable personal credits, the excess can be carried to the next tax year and is added to that year’s allowable credit. ■