

February 1, 2010

Issue 2009-03

## **ExacNews**

### **Exactax Client:**

An interim billing may be included with this bulletin for any returns processed from Thursday, 01/28 through Monday, 02/01.

All 2009 tax systems are available, including:

- Federal/state e-file for 1040, (except for IL, MA and MN returns)
- Federal/CA e-file for 1065 and 1120
- Federal only e-file for 1041

### **Office Hours**

Office hours are currently 8:00 AM – 7:00 PM Pacific Time.

Saturday office hours will commence February 6<sup>th</sup> from 8:30 – 5:00 Pacific Time.

### **Social Security Income and Advance Economic Payments**

The previous bulletin had a notation to include the actual Economic Recovery Payment in the total Social Security reported in zip 7 on Form {22A} and not report it separately as a lump sum payment.

**Correction:** The Economic Recovery Payment made last year to recipients of Social Security, veteran's benefits and Railroad Retirement is non-taxable and should only be entered on Form Cr-4{80J}, zip 1 and 3. Do not report it anywhere else.

### **Excess Social Security Withheld Computation**

**\*\*\*Important\*\*\*** A program change this year now requires that the federal EIN must be entered on each W2 to get the correct computation of excess Social Security tax withheld (Form 1040, line 69). When the EIN is blank on Form W2, zip 2, the social security withheld on that W2 will not be included in computation of excess Social Security withheld.

In addition, when two W2s for the same taxpayer have the same EIN, they will be treated as coming from the same employer and only the maximum of \$6,622 will be included in the excess computation. Any excess from the same employer must be retrieved from the employer by the taxpayer.