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FEDERAL TAX NEWS:

Homeowners can get a 30% tax credit for installing a solar heating system. See blog on Green Tax Incentives at www.richhabits.net (click Blog).

The capital gains tax rate on precious metals = 28%, not 15%. Also, precious metals may be swapped in a like-kind exchange (to defer income tax).

September 23rd is the deadline for US citizens/residents with foreign bank accounts to report those bank accounts to the IRS. Penalties can be as high as \$10,000. Please call Cerefice today if you have a foreign bank account so we can get this filing completed as soon as possible.

"Green Tax Incentives" blog entry explains the various tax credits and deductions which are available. See my article titled "Green Tax Incentives Overview" at www.richhabits.net (click Blog).

Cell Phone Proposed Legislation:

If you use a cell phone for business, the IRS currently requires that you keep a record of each call and the time it lasts, as well as the business purpose, in order to substantiate a business tax deduction. The proposed legislation offers three optional methods that may be used in lieu of the strict accounting method currently required. The three methods are:

Method #1 Minimal Personal Use Method - Would allow an employer to consider all of an employee's usage as business use if the employee could provide sufficient records to establish that the employee maintains and uses a personal, non-employer-provided cell phone for personal use during work hours.

Method #2 Safe Harbor Substantiation Method - Under this method, an employer would treat a certain percentage of each employee's use of an employer-provided cell phone as business use. For this proposal the IRS proposes a business use percentage of 75%.

Method #3 Statistical Sampling Method - Under this method, an employer could use an approved statistical sampling method. The employer would multiply the statistical percentage by the value of each employee's total usage to determine the personal use usage amount.

FINANCIAL PLANNING:

For those interested in investing in gold, there are four main ways to invest your money in gold:

1. Bars/Bullion
2. Certificates
3. Coins &
4. Gold Stocks/Mutual Funds

Re: Health Savings Accounts ("HSA"). Once you sign up for Medicare you are no longer eligible to contribute to your HSA.

Where should you retire? Read an article I authored titled "Best Most Affordable Places To Retire in the U.S." at www.richhabits.net (click Ezine Expert).

Some of the new credit card rules under The Credit Card Accountability, Responsibility and Disclosure Act of 2009, took effect on August 20th. The two provisions that take effect on this date include the following:

1. Card issuers must give 45 days notice before increasing your annual percentage rate or changing any significant terms of the credit agreement. Previous law required only 15 days notice.
2. Card issuers must mail statements to you at least 21 days before the payment is due.

The remaining provisions take effect on February 22, 2010.

OPINION:

The Obama White House recently announced that it has revised its 10-year cumulative deficit projection to \$9.051 trillion, from February's projection of \$7.1 trillion. Either amount spells

bankruptcy for the U.S. Immediate action is required to stimulate the economy through tax cuts on businesses, which have proven time and again to work in stimulating our economy. Why are we experimenting on spending measures, that have proven time and again not to work?

All of the arguments against the Fair Tax can be rebutted. See my entry on this at www.richhabits.net (click Blog)

Let's eliminate the IRS by changing our tax system. See my article titled: "It's Time To Eliminate the IRS" at www.richhabits.net (click Blog)

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