

BLAND Recognition

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Bland to be Honored at Chamber Event

On Tuesday, May 11, the Greater Omaha Chamber of Commerce will be hosting the 2010 Omaha 25 Awards Luncheon which recognizes a Greater Omaha area individual or business for their contributions to the positive growth of our business community.

Bland recently was notified that they would be one of six local businesses honored with the Chamber's "Golden Spike" Award. The award recognizes businesses or industries that boost economic development and the stability in all areas of metropolitan Omaha. Recipients have expanded their businesses through capital improvements, expanded operations or added jobs over the past five years and have an operating history of at least 10 years.

This award reinforces Bland's focus on offering Omaha a level of service and community support that stands above the rest. The event will be held at the Holiday Inn Convention Center in midtown.



CLIENT PROFILE

Harvey Custom Signs Thrives with "Custom" Customer Service from Bland



Offering everything from design to installation, Harvey Custom Signs, Omaha's newest full-service sign company, can help businesses stand out with a full range of signs including banners, LED storefront signage and street signage and more. When the company launched earlier this year, Bob and Patty Harvey turned to Bland & Associates for advice on how to handle their business finances.

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Many business tax law changes go into effect in 2010

Many important tax changes go into effect in 2010. These non-indexing changes result from various laws that were enacted and regs and other guidance issued over the past few years.

Deduction for domestic production activities increases. For tax years beginning after 2009, the Code Sec. 199 deduction for domestic production activities increases. Taxpayers will be able to claim a deduction generally equal to 9% (up from 6% for tax years beginning in 2007-2009) of the lesser of: (1) the taxpayer's "qualified production activities income" (QPAI) for the tax year or (2) taxable income (modified adjusted gross income, for individual taxpayers) without regard to this deduction, for the tax year. (Code Sec. 199(a) ; Reg. § 1.199-1(a)) The deduction is further limited to 50% of the W-2 wages of the employer for the tax year.

New limitation on deduction of farm losses. For tax years beginning after 2009, the farming loss of a taxpayer, other than a C corporation, is limited for any tax year in which any applicable subsidies are received. The loss is limited to the greater of (a) \$300,000 (\$150,000 for a married person filing separately), or (b) the taxpayer's total net farm income for the prior five tax years. Applicable subsidies are (1) any direct or counter-cyclical payments under title I of the Food, Conservation, and Energy Act of 2008 (or any payment elected in lieu of any such payment), or (2) any Commodity Credit Corporation (CCC) loan. (Code Sec. 461(j)) For partnerships and S corporations, the limit is applied

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2010 Tax Changes

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at the partner or shareholder level. (Code Sec. 461(j)(5)) Total net farm income is an aggregation of all income and loss from farming businesses for the prior five tax years. Any loss that is disallowed under this rule in a particular year is carried forward to the next tax year and treated as a deduction attributable to farming businesses in that year. Farming losses due to fire, storm, or other casualty, or disease or drought, are disregarded for purposes of calculating the limitation.

Increased penalty for failure to file partnership or S corporation returns. Civil penalties apply for failure to file a partnership and S corporation returns. The penalty is a statutory dollar amount times the number of partners or shareholders for each month (or fraction of a month) that the failure continues, up to a maximum of 12 months. The base amount on which a penalty is computed for a failure with respect to filing either a partnership or S corporation return for a tax year beginning after Dec. 31, 2009, increases from \$89 to \$195 per partner or shareholder. (Code Sec. 6698(b)(1) and Code Sec. 6699(b)(1))

Electronic filing changes go into effect. Beginning in 2010, IRS will allow the electronic filing of Schedule R (Form 941), Allocation Schedule for Aggregate Form 941 Filers, using the Employment Tax e-file System. Schedule R is a new form that must be completed by consolidated Form 941 filers, beginning with the first quarter 2010 Form 941. Form 2678, Employer/ Payer Appointment of Agent, must be mailed to the applicable address listed on the instructions for the agent to be eligible to file Schedule R. After receiving IRS approval, the agent must file one Form 941 return for each tax period, using the agent's own employer identification number (EIN), regardless of the number of employers for whom the agent acts. The agent must maintain records that will disclose the full wages paid for each of his or her clients, as reported on the Schedule R. (IRS Publication 3823, Employment Tax e-file System Implementation and User Guide)

Standard mileage rate changes. The optional mileage allowance for owned or leased autos (including vans, pickups or panel trucks) is 50¢ per mile for business travel after 2009 (down from 55¢ per mile for 2009). For 2010, the depreciation component of the mileage rate is 23¢ per mile (up from 21¢ per mile for 2009 and 2008).

Employers that require employees to supply their own autos may reimburse them at a rate that doesn't exceed 50¢ per mile for employment-connected business mileage during 2010 (down from 55¢ per mile for 2009), whether the autos are owned or leased. The reimbursement is treated as a tax-free accountable-plan reimbursement if the employee substantiates the time, place, business purpose, and mileage of each trip. Additionally, an employee's personal use of lower-priced company autos during 2010 may be valued at 50¢ per mile if the conditions specified in Reg. § 1.61-21(e)(1) are met. (Rev Proc 2009-54, 2009-51 IRB)

For more details on these tax changes, contact your Bland & Associates, P.C. advisor today at 402.397.8822.

President Obama Proposes Credits for New Jobs and Wage Increases

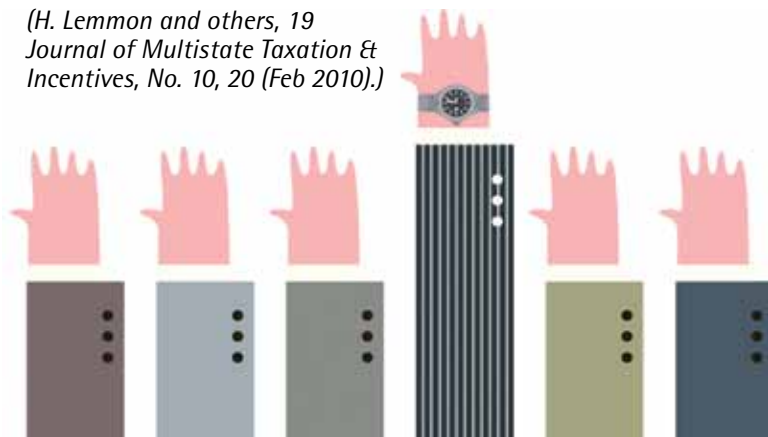
On Jan. 28, the White House announced the President's proposed plan to provide tax incentives to increase employment. The proposal provides a credit for adding jobs and a credit for increasing employees' wages and hours. The new jobs credit would provide employers with a tax credit of \$5,000 against payroll taxes for each new employee hired in 2010. The increased payroll credit would be a 6.2 percent tax credit on aggregate wage increases in excess of inflation by reimbursing employers for the Social Security payroll taxes that are paid on the wage increases. This credit would only apply to wage increases of employees up to the current Social Security maximum payroll tax base of \$106,800. To ensure that small businesses receive most of these incentives, the maximum credit will be limited to \$500,000 per business. To provide quicker job stimulus, businesses would be able to receive these credits on a quarterly basis. Non-profit companies will also be eligible for these credits and start-ups would receive half of the credit. Provisions will also be put in place to prevent employers from "gaming" the system. For example, a business that doubles their workforce but cuts the hours of existing workers by 50 percent would not be eligible to receive any credits under this program. There are also several jobs bills that are being worked on in the Senate and these bills were introduced the week of Feb. 1. Additional information will be provided as these various proposals move towards a consensus jobs package. ■

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States are starving for revenue – are you prepared for the feeding frenzy?

Governors nationwide are turning to their legislatures in an attempt to revitalize outdated tax codes and raise revenue. In some instances, these efforts result in legislative proposals to broaden the tax base through many different methodologies, including the imposition of tax on Internet businesses that provide goods and services, the creation of new nexus standards, and the enactment of required combined corporate income tax reporting. Other states are simply raising tax rates, and still others are offering generous amnesty programs to encourage compliance. States also are looking towards the future and enacting incentives, credits, and other favorable statutory provisions for "new" or "profitable" industries, in order to set themselves up as the ideal location for such industry groups. This article highlights just a sampling of the critical tax policies and trends that are impacting businesses in the area of income tax, sales and use tax, and credits and incentives. ■

(H. Lemmon and others, 19 Journal of Multistate Taxation & Incentives, No. 10, 20 (Feb 2010).)



Harvey Custom Signs

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Bland's small business experts researched and applied industry best practices and benchmarks to help the Harveys develop a business plan that successfully launched the company and set it up to be successful for many years to come. With their vast knowledge of QuickBooks, Bland also helped the company set up their accounting and point-of-sale systems in order to create the best tax reporting structure for a new business. It was natural that the Harveys expanded their relationship with Bland to include not only their business taxes, but their personal taxes as well.

Bob and Patty appreciated the fact that while Troy and Jeremy had the expertise to help them start their business, they were as vested in the business as the Harvey's were. According to Bob, "Bland is great because they haven't forgotten that they were a small startup once. They are able to advise us as we grow our company. We definitely appreciate that level of service."

The Harveys look forward to growing their company and a continued partnership with Bland & Associates.

To find out more about the services Bland can provide your company, call Jeremy Vokt or Troy McKinney today at 402.397.8822.

Bland is Committed to Helping the Community

Bland & Associates continues its dedication to supporting the local community through involvement with local community organizations and charities. While the company has donated more than \$12,800 in the past year to more than 20 organizations, they also encourage staff to participate by allowing them to volunteer some of their time during work hours.

"It's awesome to see what these organizations do for Omaha first hand, and we're proud to be a contributor of that support." says Jeremy Vokt, Bland partner, "our staff morale increases when they participate in these organizations, and we, as a company, are committed to continuing our support for years to come."

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Bland is also a major sponsor of three events or organizations through donations and staff support, including Easter Seals, Special Olympics and Project Harmony.



Partner Profile: Jeremy Vokt

(Excerpted from Strictly Business Magazine)

Jeremy Vokt's interest for accounting began his junior year of high school. He always enjoyed working with numbers and also enjoyed learning all aspects of business. Jeremy accomplished both his goals to own his own business and to become a partner in a CPA firm by the

age of 31. Bland and Associates, P.C., CPAs is a local CPA firm with 33 employees that does work not only in the Omaha metro but all over the country. Bland and Associates provides accounting, tax and consulting services to any and all Omaha metro businesses. Their niches include construction, real estate, retail, and governmental entities to name a few.

Jeremy, Jason Tonjes and Troy McKinney purchased the firm from the founding shareholder in 2006. Jeremy and his partners then took a chance after the purchase and expanded the firm during the recession, the investment resulting in Bland and Associates doubling in size in employees, from 17 to 33, as well as in revenue.

Tell me a little about your family. - I have a wonderful wife, Renee, who does more for my family than I can even put words to. We also have three little boys; Jack, 6 and twin boys Chase & Harrison soon to be three.

What do you see as one of the biggest turning points in your life? - Marrying my wife. As corny as it sounds it's totally true. We have a wonderful family. She's truly my best friend.

What is your favorite thing to do on a day off? - I try to golf early in the morning then hang out with the family.

What are you the most proud of? - I would say my family but it starts with my wife. She lost both her mom and dad four years ago with battles to cancer about two months apart. Even though life gave her a curve ball she never waived on her love or caring for her sons and husband.

What is the one goal you would most like to accomplish? - Retire at age 50. I've always said I'll come to work on the 50th birthday, eat a little birthday cake and then leave.

If you could have a super power, what would it be? - The Force from Star Wars for sure.

What are your plans after retirement? - Since my wife shot down my dream of buying an RV and just traveling around the country I'll go with moving somewhere warm with a beach and golf course. I would love to be able to walk to both every day.

What is your greatest talent that you don't utilize in your daily work life? - Playing soccer. We never get to play soccer in the office. I loved playing growing up and haven't played in years.

What is your favorite movie? - All 6 Star Wars movies.

What is your favorite TV show? - The Office. It's great humor but even funnier when you actually work in an office and know exactly what they're making fun of.

What is your favorite local restaurant? - Johnny's Italian Steakhouse at Village Pointe.

If you could have dinner with one famous person from the past or present, who would it be? - George Lucas. Scratch that, I would have it be Jon Bon Jovi. My wife has loved him since the 80s. I think we have seen him in concert 10 plus times since we have been together. Her dream is to meet him face to face. To have dinner with him would keep me in good graces with Renee for life.

Bland Launches Marketing Effort

In order to support new business growth goals, and to increase Bland's awareness within the marketplace, the company launched an advertising campaign in the 1st quarter, targeted toward small- to mid-sized businesses within the eastern Nebraska area.

The majority of the campaign will run in metro area business publications with the possibility of other media added in late 2nd quarter. The ad campaign's creative focuses on Bland's distinctive differences and their dedication to customer service, as well as promotes the recognition given the company by national organizations: Accounting Today's "Top 100 firms to Work For" and the Omaha Chamber of Commerce Golden Spike Award.

"We're excited about the new campaign," says Jason Tonjes, managing partner, "it's tongue-in-cheek tone highlights the differences between us and our competitors in a fun yet memorable way." So be on the look out for the ads in your favorite business magazine. ■



bland[™]
& associates
strength in numbers

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