



Mid-Willamette Chapter

<http://oatc-oregon.org/Mid-Willamette>

May 2009

Meetings

May 2009 Meeting will be Tuesday 5/5 in Lebanon at **Bing's Kitchen**. The address is 2416 Santiam Hwy, and their phone number, should you need it, is 258-8280

No-Host dinner beginning at 5:45. Business meeting at 6:30. Education will begin at 7:00.

FYI - the next four months (that is May, June, July and August) our meeting will be in Lebanon at Bing's -

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FYI - Update your address books. The new physical and mailing address for the OATC Office is: 3075 SW 234th Ave., Suite 110, Hillsboro OR 97123-8187. New telephone number for OATC Office is: 503-726-0101. The Fax line is: 503-726-0101. The toll-free number remains the same. The new NATC phone number is 503-597-0100.

President's Corner *Message from the President*

Dear Members and Guests,
With our new meeting just around the corner I thought I would send out a few thoughts and express my appreciation to all of you for being a part of O.A.T.C. I realize we each play a part in our customer's lives. And, I think we all realize we have internal and external customers. I just don't know if I express my feelings and thoughts enough. I think the support and fellowship we all share is wonderful. I hope you are all enjoying a little reduction in the stress and pressure from this just past tax season. It was a good but busy season for me and from those I have spoken with it was the same for many.



Time now to get the garden planted and to start looking forward to, and planning on, continuing education for the Summer and Fall. We have several opportunities available coming soon. I will be teaming up with Sandra Collins to present Safety Net 2009, and we will be discussing Residential Rentals, Sale of Rentals with Suspended Losses, and N.O.Ls. Come out and join us if you can. Also, we have our 2009 O.A.T.C. Convention in June and this is another great time to learn and share with one another. Convention Participation is HIGHLY recommended.

We have some assistance scholarships for Convention and we should be hearing about the winners of the three One-Hundred-Dollar awards soon. There may be an update this next meeting or certainly by next meeting, which will be just before Convention. Remember to attend Chapter meetings and education for additional chances to win your scholarship. Thank you goes to Alison for assisting in the counting and selection of the winners.

Quite a few new items just passed into law that you'll want to research, including Residential Energy credits, Electric Vehicle Credits, etc.

Want to Wish you all a Great and Safe Summer wherever your activities take you.

Hope to see, and visit with you, soon.

Bill McKinney
President Mid-Willamette Chapter

Education May Education will be on Schedule A and First Time Home Buyers Credit - presented by Deb McKinney.

If you have any suggestions for upcoming education please let Kari know - and if you know of someone who has an education presentation that would be of interest to our chapter please pass that information along to Kari also. Kari is always on the look-out for new presenters and topics of interest.

Next months meeting is again at Bing's in Lebanon, on June 2nd - education for the June meeting will be announced at the May meeting.

News from the ODR

Tax Practitioner Meetings - Next meeting is MAY 22

The Department of Revenue meets with tax practitioners the fourth Friday of each month, May through October, and the first Friday in December. Meetings are open to all tax practitioners, and provide an opportunity to exchange information. Meetings are held from 9-11 a.m. at the Oregon Department of Revenue building in Salem at 955 Center Street NE, in the "Fishbowl" meeting room located next to the cafeteria.

In addition, the Oregon Society of Tax Consultants (OSTC) and Oregon Association of Tax Consultants (OATC) provide two hours of continuing education at each meeting.

News from the **IRS**

Energy Provisions of the American Recovery and Reinvestment Act of 2009 FS-2009-10, April 2009

The American Recovery and Reinvestment Act of 2009 (ARRA) provides energy incentives for both individuals and businesses. Here are some of the key energy provisions in ARRA that may impact taxpayers:

Residential Energy Property Credit (Section 1121): The new law increases the energy tax credit for homeowners who make energy efficient improvements to their existing homes. The new law **increases the credit rate to 30 percent** of the cost of all qualifying improvements and **raises the maximum credit limit to \$1,500 for improvements placed in service in 2009 and 2010.**

The credit applies to improvements such as adding insulation, energy efficient exterior windows and energy-efficient heating and air conditioning systems.

A similar credit was available for 2007, but was not available in 2008. **Homeowners should be aware that the standards in the new law are higher than the standards for the credit that was available in 2007 for products that qualify as "energy efficient" for purposes of this tax credit.** The IRS will issue guidance that will allow manufacturers to certify that their products meet these new standards.

Until the guidance is released, homeowners generally may continue to rely on manufacturers' certifications that were provided under the old guidance. For exterior windows and skylights, homeowners may continue to rely on Energy Star labels in determining whether property purchased before June 1, 2009, qualifies for the credit. Manufacturers should not continue to provide certifications for property that fails to meet the new standards.

Residential Energy Efficient Property Credit (Section 1122): This nonrefundable energy tax credit will help individual taxpayers pay for **qualified residential alternative energy equipment, such as solar hot water heaters, geothermal heat pumps and wind turbines.** The new law removes some of the previously imposed maximum amounts and **allows for a credit equal to 30 percent of the cost of qualified property.** See [Notice 09-41](#).

Plug-in Electric Drive Vehicle Credit (Section 1141): The new law modifies the credit for qualified plug-in electric drive vehicles purchased after Dec. 31, 2009. To qualify, vehicles must be **newly purchased, have four or more wheels, have a gross vehicle weight rating of less than 14,000 pounds, and draw propulsion using a battery with at least four kilowatt hours that can be recharged from an external source of electricity.** The **minimum amount of the credit for qualified plug-in electric drive vehicles is \$2,500 and the credit tops out at \$7,500, depending on the battery capacity.** The full amount of the credit will be reduced with respect to a manufacturer's vehicles after the manufacturer has sold at least 200,000 vehicles.

Plug-In Electric Vehicle Credit (Section 1142): The new law also creates a **special tax credit for certain low-speed electric vehicles (including those with two and three wheels).** The amount of the **credit is 10 percent of the cost of the vehicle, up to a maximum credit of \$2,500 for purchases made after Feb. 17,**

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2009, and before Jan. 1, 2012. To qualify, a vehicle **must be either a low speed vehicle propelled by an electric motor that draws electricity from a battery with a capacity of 4 kilowatt hours or more or be a two- or three-wheeled vehicle propelled by an electric motor that draws electricity from a battery with the capacity of 2.5 kilowatt hours.** A taxpayer **may not claim this credit if the plug-in electric drive vehicle credit is allowable.**

Conversion Kits (Section 1143): The new law also provided a **tax credit for plug-in electric drive conversion kits.** The credit is equal to 10 percent of the cost of converting a vehicle to a qualified plug-in electric drive motor vehicle and placed in service after Feb. 17, 2009. The maximum amount of the credit is \$4,000. **The credit does not apply to conversions made after Dec. 31, 2011.** A taxpayer may claim this credit even if the taxpayer claimed a hybrid vehicle credit for the same vehicle in an earlier year.

Treatment of Alternative Motor Vehicle Credit as a Personal Credit Allowed Against AMT (Section 1144): Starting in 2009, the **new law allows the Alternative Motor Vehicle Credit, including the tax credit for purchasing hybrid vehicles, to be applied against the Alternative Minimum Tax.** Prior to the new law, the Alternative Motor Vehicle Credit could not be used to offset the AMT. This means the credit could not be taken if a taxpayer owed AMT or was reduced for some taxpayers who did not owe amount

New Clean Renewable Energy Bonds (Section 1111): The new law increases the amount of funds available to issue new clean renewable energy bonds from the one-time national limit of \$800 million to \$2.4 billion. These qualified tax credit bonds can be issued to finance certain types of facilities that generate electricity from renewable sources (for example, wind and solar).

Qualified Energy Conservation Bonds (Section 1112): The new law increases the amount of funds available to issue qualified energy conservation bonds from the one-time national limit of \$800 million to \$3.2 billion. These qualified tax credit bonds can be issued to finance governmental programs to reduce greenhouse gas emissions and other conservation purposes.

Extension of Renewable Energy Production Tax Credit (Section 1101): The new law generally extends the "eligibility dates" of a tax credit for facilities producing electricity from wind, closed-loop biomass, open-loop biomass, geothermal energy, municipal solid waste, qualified hydropower and marine and hydrokinetic renewable energy. The new law extends the "placed in service date" for wind facilities to Dec. 31, 2012. For the other facilities, the placed-in-service date was extended from December 31, 2010 (December 31, 2011 in the case of marine and hydrokinetic renewable energy facilities) to Dec. 31, 2013.

OATC Conference Information



The 2009 Oregon Association of Tax Consultants Convention committee invites you to join us for the 37th Annual OATC Convention at Hood River, Oregon "The Windsurfing Capital of the World" June 16th – June 20th, 2009 at the Best Western Hood River Inn. The Best Western Hood River Inn is located just off of Interstate 84. The Resort is a full service facility with a restaurant, a lounge, a swimming pool, spa and a fitness center. There are several activities you can enjoy while in Hood River including, but not limited to, antiques shopping opportunities, hiking, fishing, scenic railroad trips, winery's and vineyards to visit and we must not forget windsurfing. If beautiful landscapes and scenery is your passion you can view the majestic Mt. Hood or enjoy the beauty of the Columbia River Gorge. Whatever you enjoy, you'll find some great fun and adventure in Hood River, Oregon.

Please come and join us as we have planned some great education, exciting activities and networking opportunities with other practitioners. Call the OATC office for a sign-up form at 503-726-0100 or 800-478-4943.

For room reservations, room availability and pricing call:

Best Western Hood River Inn 1108 E. Marina Way

Hood River, OR 1-800-828-7873

Mention OATC for discounted rate



Mid-Willamette Valley Chapter
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Return Service Requested

*Contains Dated
Material*

DISCLAIMER: *All material enclosed in this newsletter is as accurate and reliable as we can provide, but the possibility of human or mechanical error does exist. All persons using this information are cautioned to use all sources of information to arrive at a decision of tax law.*

Association Officers

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