

**RUSSELL M. KHEDERIAN**  
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January 5, 2010

Dear Client:

I hope that your holidays were enjoyable and that 2010 will be a very happy, healthy and prosperous year for us all.

Our web site is a good resource for recent tax legislation, popular links and other general information about my practice. Visit us at [www.russkcpa.com](http://www.russkcpa.com).

The 2009 year began with the massive American Recovery and Reinvestment Act. As of today, Congress is still debating whether to extend some of the tax breaks to 2010 and beyond.

The following are just a few of the changes affected by the 2009 ARRA (stimulus package):

- Exclusion from gross income of up to \$2,400 of unemployment benefits.
- New vehicle sales tax deduction.
- First time home buyer credit (replaced the old "credit" which was merely a loan).  
Note: This credit has been extended through April 1, 2010 and includes a reduced credit for exiting homeowners looking for a replacement primary residence.
- Non-business energy property credit. (This credit was not available in 2008 – a smaller credit was available in 2007). This credit is available in 2009 or 2010.
- Making work pay tax credit. (Most employees got this credit through reduced withholding on W-2 wages throughout the year). Self-employed individuals (if eligible) will see this credit at year end.
- American Opportunity Credit – Essentially this amends the Hope and Lifetime Learning Credits and increases the credit per student.
- AMT patch continues to help many Americans avoid the Alternative Minimum Tax.
- Hybrid vehicle credit – Credits for Toyota, Lexus and Honda were used up in 2007 and 2008. Some credits are still available for 2009 on vehicles by Chrysler, GM, Mazda and Nissan. Please contact your dealer about this credit if you bought a hybrid vehicle in 2009.

- A decade of tax cuts that began with the Economic Growth and Tax Relief Reconciliation Act of 2001 will be eliminated after 2010. This means that our present tax laws will revert back to Internal Revenue Code provisions prior to the EGTRRA (higher tax rates, lower exemptions, lower credits, lower AMT exemptions and lower estate exemptions). My hope is that Congress will enact another enormous tax bill that will either extend these benefits or simply make the EGTRRA permanent law with some modifications.

As in prior years we continue to have great success with our Federal and Massachusetts tax return E-Filing program through our software provider, CCH Pro-System. E-Filing has become very affordable and helps to speed Federal and Massachusetts refunds. It is our preferred method of transmitting your returns (especially refund returns). You may also choose to direct deposit your Federal and Massachusetts refund which is much faster than waiting for a paper check.

Please review my 2010 hourly and electronic filing fees. I did not raise my fees in 2009 and have a small hourly fee increase for meetings in 2010. My fee for tax return preparation will rise just \$5.00 per hour. This rate has not risen since 2007. My Electronic Filing Fees are based on software and transmission costs amortized over the projected number of returns. I do not profit from E-filings.

**Due to increasing client participation, our E-filing rates have not risen in 6 years.**

My hourly fees for 2010 will be as follows:

- For tax meetings and consultations..... \$210.00/hr
- For tax return preparation, review and computer time... \$155.00/hr
- For business and accounting workpaper preparation and review..... \$150.00/hr
- For bookkeeping services..... \$ 85.00/hr
- For clerical services..... \$ 70.00/hr

Electronic filing fees will be as follows:

- Federal e-filing fee..... \$ 12.00
- Massachusetts e-filing fee..... \$ 6.00

I encourage all clients to make an appointment for our annual meeting as soon as possible in the filing season. **Please contact my office no later than March 15, 2010 to set up an appointment** in order to avoid extending your tax returns. If you are sending me your tax questionnaire please note that we **must have your information no later than March 8, 2010** in order to avoid extending your tax returns.

**In 2010 my practice begins its 33<sup>rd</sup> year.** Sharon and I have worked together for over 14 years. I have always built my practice by providing quality personal service to all clients. I sincerely appreciate all of your referrals and I assure you that Sharon and I will continue to provide the high level of service that you expect from us. Again, please visit our web site at **[www.russkcpa.com](http://www.russkcpa.com)**.

Sincerely,



Russell M. Khederian  
Certified Public Accountant

RMK/sem  
Enclosure