

**FRAZER  
FROST**, LLP  
Certified Public Accountants

# 2010 Pork Management Conference

June 17, 2010

Hilton Head, South Carolina

# Legislative Focus – Past Year

- Economic Jumpstart for the US Economy
  - Housing Sector Incentives
  - Cash-Flow Opportunities for Businesses
- Legislation to put Americans Back to Work
- Healthcare Reform
- Estate Tax Legislation



# The Worker, Homeownership & Business Assistance Tax Act of 2009 (November 6, 2009)



# The Worker, Homeownership & Business Assistance Tax Act of 2009

## *Incentives:*

- First-Time Homebuyer Credit Extension/Expansion
- NOL Carrybacks – Extension/Expansion
- Suspension of 90% AMT Limitation for Carrybacks
- Extension of Unemployment Benefits

# The Worker, Homeownership & Business Assistance Tax Act of 2009

## *Revenue Raisers:*

- Increased E-Filing Requirements for Individuals
- Delayed Worldwide Interest Allocation
- Increased Failure to File Penalties for S-Corps/P-Ships
- Acceleration of Estimated Tax Payments for Certain Large Corporations – 2014
- FUTA Surtax Extended Thru June 30, 2011

# The Hiring Incentives to Restore Employment Act (HIRE) (March 18, 2010)



# The Hiring Incentives to Restore Employment Act

## *Incentives:*

- Creation of Hiring/Retention Tax Incentives
- Extension of Enhanced Section 179 Expensing Thru 2010
- Tax Credit Bonds Enhancement

# The Hiring Incentives to Restore Employment Act

## *Revenue Raisers:*

- Increased Foreign Account Tax Compliance
- Delayed Worldwide Interest Allocation
- Acceleration of Estimated Tax Payments for Certain Large Corporations

# The Healthcare Reform Act – Patient Protection & Affordable Care Act (March 23, 2010)



# The Healthcare Reform Act

## *Overview:*

- Over \$400 Billion in Revenue Raisers & New Taxes on Individuals & Employers
- Requires All Individuals to Have Some Type of Coverage
- Enacts Employer Penalties for Non-Compliance
- Includes Small Business Exceptions
- Requires Additional Employer Information Reporting

# The Healthcare Reform Act

## *Revenue Raisers:*

- 40% Excise Tax On Cadillac Health Plans (2018)
- Increase Medicare Payroll Taxes in 2013
- Non-Deductible Fees - Certain Health Related Entities
- Non-Compliance Penalties on Individuals
- Increased Medical Exp Deduction Threshold (2013)

## 2009-2010 Notable Items

- 2010 Roth IRA Conversions
- Uncertain Tax Positions – FIN 48 Update
- Offshore Compliance
- Automatic Consent – Change in Accounting Methods
- IRS Return Preparer Oversight
- S-Corp Shareholder Compensation and Insurance Reporting
- Estate Tax Status
- Other Notable Items



- **2010 Roth IRA Conversions**
- Uncertain Tax Positions – FIN 48 Update
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- **Uncertain Tax Positions – FIN 48 Update**
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- **Offshore Compliance**
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- **Automatic Consent – Change in Accounting Methods**
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- **IRS Return Preparer Oversight**
- S-Corp Shareholder Compensation and Insurance Reporting
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Form <b>1120S</b> Department of the Treasury Internal Revenue Service	<b>U.S. Income Tax Return for an S Corporation</b> ▶ Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation. ▶ See separate instructions.	OMB No. 1545-0130  <b>2009</b>																																								
For calendar year 2009 or tax year beginning _____, 2009, ending _____, 20																																										
<b>A</b> S election effective date _____	<b>B</b> Business activity code number (see instructions) _____	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; text-align: center;">Use IRS label. Other- wise, print or type.</td> <td style="width: 70%;"> <b>Name</b>            _____   <b>Number, street, and room or suite no. If a P.O. box, see instructions.</b>            _____   <b>City or town, state, and ZIP code</b>            _____         </td> <td style="width: 15%; vertical-align: top;"> <b>D</b> Employer identification number _____   <b>E</b> Date incorporated _____   <b>F</b> Total assets (see instructions) _____            \$ _____         </td> </tr> </table>	Use IRS label. Other- wise, print or type.	<b>Name</b> _____  <b>Number, street, and room or suite no. If a P.O. box, see instructions.</b> _____  <b>City or town, state, and ZIP code</b> _____	<b>D</b> Employer identification number _____  <b>E</b> Date incorporated _____  <b>F</b> Total assets (see instructions) _____ \$ _____																																					
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<b>C</b> Check if Sch. M-3 attached <input type="checkbox"/>	<b>G</b> Is the corporation electing to be an S corporation beginning with this tax year? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," attach Form 2553 if not already filed																																									
<b>H</b> Check if: (1) <input type="checkbox"/> Final return (2) <input type="checkbox"/> Name change (3) <input type="checkbox"/> Address change (4) <input type="checkbox"/> Amended return (5) <input type="checkbox"/> S election termination or revocation																																										
<b>I</b> Enter the number of shareholders who were shareholders during any part of the tax year _____ ▶																																										
Caution. Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.																																										
<b>Income</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%; text-align: center;"><b>1 a</b></td> <td style="width: 45%;">Gross receipts or sales</td> <td style="width: 10%;"></td> <td style="width: 5%; text-align: center;"><b>b</b></td> <td style="width: 35%;">Less returns and allowances</td> <td style="width: 5%;"></td> <td style="width: 5%; text-align: center;"><b>c</b></td> <td style="width: 5%;"></td> <td style="width: 5%; text-align: center;"><b>1c</b></td> <td style="width: 5%;"></td> </tr> <tr> <td style="text-align: center;"><b>2</b></td> <td>Cost of goods sold (Schedule A, line 8)</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: center;"><b>2</b></td> <td></td> </tr> <tr> <td style="text-align: center;"><b>3</b></td> <td>Gross profit. Subtract line 2 from line 1c</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: center;"><b>3</b></td> <td></td> </tr> <tr> <td style="text-align: center;"><b>4</b></td> <td>Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: center;"><b>4</b></td> <td></td> </tr> </table>	<b>1 a</b>	Gross receipts or sales		<b>b</b>	Less returns and allowances		<b>c</b>		<b>1c</b>		<b>2</b>	Cost of goods sold (Schedule A, line 8)							<b>2</b>		<b>3</b>	Gross profit. Subtract line 2 from line 1c							<b>3</b>		<b>4</b>	Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)							<b>4</b>		
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- **S-Corp Shareholder Compensation and Insurance Reporting**
- Estate Tax Status
- Other Notable Items



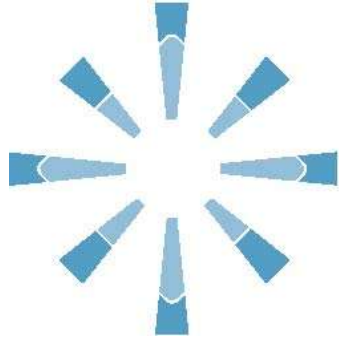
- **Estate Tax Status**
- Other Notable Items



- **Other Notable Items**

# LEGISLATIVE FOCUS

## MOVING FORWARD....



**FRAZER  
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Certified Public Accountants

2010 Pork Management Conference

Thank You

Rob Gunther, CPA  
Frazer Frost, LLP  
[rgunther@frazerfrost.com](mailto:rgunther@frazerfrost.com)  
(800) 766-9241  
Direct: (501) 975-0112