



THE BARROWS SOLLENBERGER GROUP, PC

Helping our clients acquire, grow & preserve family wealth in a tax efficient manner.

Spring 2010

A Message from the Partners -

Health Care Reform Reshapes Tax Code

ONE OF THE PROVISIONS FOR BUSINESSES

Small business tax credit. The Patient Protection Act enacted March 23, provides tax credits for small businesses and individuals designed to increase levels of health insurance coverage. Small businesses—defined as businesses with 25 or fewer employees and average annual wages of less than \$50,000—are eligible for a credit of up to 50% of nonelective contributions the business makes on behalf of its employees for insurance premiums. Tax exempt organizations would get a 35% credit against payroll taxes.

Employers with 10 or fewer employees and average wages of less than \$25,000 will get 100% of the credit; for other eligible employers, the credit will be reduced based on the number of employees over 10 and the excess of the employees' average wages over \$25,000. The \$25,000 average annual wage figure will be indexed for inflation after 2013.

This credit is available for tax years beginning after Dec. 31, 2009, and is phased in from 2010 through 2013. During the phase-in years, the maximum credit is 35% of the employer's eligible premium expense (25% for tax-exempt employers).



Implementation Schedule—Health Care Reform Summary

2010	Small business tax credit Adoption credit increase Adoption-assistance program increase Tanning excise tax
2011	Prescription drug coverage deduction eliminated W-2 reporting SIMPLE cafeteria plans Restrictions on use of HSA and FSA funds for over the counter drugs Tax on HSA distribution increases
2012	1099s required for payments to corporations Adoption credit sunset Adoption-assistance programs sunset
2013	Increase in medical deduction threshold for taxpayers under age 65 Additional hospital insurance tax on high-income taxpayers Medicare tax on investment income Fees on health plans (after Oct. 1, 2012) Medical device excise tax Flexible spending arrangement maximum imposed
2014	Premium assistance credit Excise tax on uninsured individuals Excise tax on applicable large employers Insurer reporting requirements Eligible premiums included in cafeteria plans
2018	Excise tax on high-cost employer plans

Our Mission

Help our clients make and keep their money.

Ensure our clients achieve their financial goals.

Serve our clients in an efficient and timely manner.

Exceed our client's expectations daily.

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Do you have a college savings strategy? Maybe it's time to start one.

It's easy to get overwhelmed by the prospects of shelling out tens of thousands of dollars for college, especially if you have two or three children; or more. That's why it is important to start saving as early as possible and to choose a strategy that offers tax advantages, easy to maximize these features plan. Earnings in a 529 account withdrawals are tax-free when expenses, which include study and graduate school. Because parents' asset, it has a minimal impact on eligibility for financial aid.

Think about what a college education can mean to you, your children, and your children's future.

control and flexibility. It's with a 529 college savings accumulate tax-free and used for qualified education outside the United States the account is treated as the

The 529 plan is an ideal way for parents to save because most plans allow you to contribute a small amount, if you add to your account regularly. It's also a good way for grandparents to contribute a sizable amount for a child's education and reduce their own exposure to estate tax.

What's YOUR plan? Because it's important to weigh your options carefully, it's a good idea to involve your financial professional in any discussion about college savings. Denise Barrows can help you choose the option that is right for your personal situation by calling 717/267-3572.

"For more complete information about the 529 saving plan, including investment objectives, risks, fees and expenses associated with it, please read the issuer's official statement. The issuer's official statement can be obtained from your financial advisor. Please read it carefully before investing."

Please consider, before investing, whether your home state offers any state tax or other benefits that are only available for investments in your state's qualified tuition program. Other benefits may include reduced or waived program fees, matching grants, and scholarships to state colleges. Any state-based benefit offered with respect to a particular 529 college savings plan should be one of many appropriately weighted factors to be considered in making an investment decision. You should consult with your financial, tax or other adviser to learn more about how state-based benefits (including any limitations) would apply to your specific circumstances and you also may wish to contact your home state or any other 529 college savings plan to learn more about the features, benefits and limitations of that state's 529 college savings plan."



Tax Collectors trolling Facebook

Before posting a professional profile or making a financial boast on a social networking site, take note.

Tax deadbeats are finding someone actually reads their MySpace and Facebook posting: **The Taxman.**

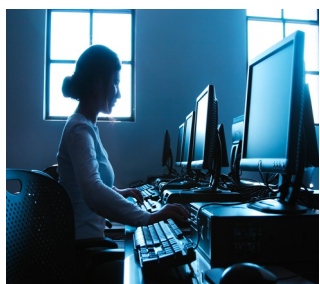
Social networking sites have become the taxman's new tool for tracking tax evaders. State revenue agents have begun nabbing scofflaws by mining information posted on Web sites, from relo-

cation announcements to professional profiles to financial boasts.

In Minnesota, authorities were able to levy back taxes on the wages of a long-sought tax evader after he announced on MySpace that he would be returning to his hometown to work as a real-estate broker and gave his employer's name. The state collected several thousand dollars, the full amount due. Meanwhile,

agents in Nebraska collected \$2,000 from a deejay after he advertised on his MySpace page that he would be working at a big public party.

Other states are looking for ways to use Internet Information to enhance not only collections but also audits and negotiations.



GUARANTEED FREE TRAINING

The Guaranteed Free Training Program (GFT) administered through the Workforce & Economic Development Network of Pennsylvania (WEDnetPA) has helped many Pennsylvania businesses and employees become competitive and productive through the provision of affordable job training. In doing so, WEDnetPA and the GFT program have become a much-heralded model for workforce training, attracting the attention of educators, legislators, and businesses from states across the country.

The WEDnetPA managed GFT Program offers two training programs. These programs give qualified in-state businesses and out-of-state companies relocating to the economic-friendly business climate of Pennsylvania the opportunity to train new and existing employees. Contact CJ Ezell at the Shippensburg University of Pennsylvania 717/477-1123 x3381, to see if your business qualifies. **Application period starts June 1, 2010, and ends July 15, 2010.**

CHEAPEST TIMES TO GO!



The most affordable time to visit popular destinations is in the low season, but “low season” varies depending on which part of the country you want to visit.

Hawaii: Low season is April and May as well as September to early November. That’s when you’ll find reduced prices on hotels, condos, and airfare. And

you actually might be able to use frequent flier miles then to go to Honolulu.

Colorado: Vail is high-priced in winter. But from June to September, it’s warm, and rates are about 25% less than at Christmas.

California: Go to San Diego in May or June and you’ll find that the famed oceanfront Ho-

tel del Coronado has rates starting \$249 per night, which is about 20% less than in July.

Massachusetts: January to April is the low season for Cape Cod. But the secret season is midweek in May and June, when hotel rates drop, spring is in the air, and the beaches are quiet.

It’s about time to get back in!

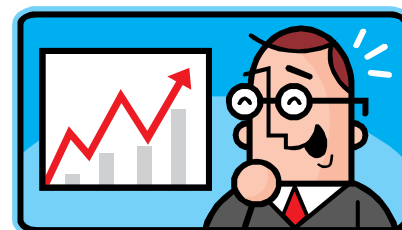
Tell the Truth! Did you panic and pull money out of equity funds when the markets were in a free fall? Have you sat on the sidelines and watched stocks recover significantly since they hit bottom in 2009?

No matter how you reacted to the recent bear market, it’s time to reassess your prospects: If you’re out of the markets, it may be

time to get back in. If you’re uncertain about your risk tolerance, take this opportunity to rethink where you stand. If

your portfolio is out of balance, consider bringing it back on target with strategies you can live with in any

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Return Service Requested

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It's about time to get back in!

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Tell the Truth! Did you panic and pull money out of equity funds when the markets were in a free fall?

market environment.

Remember, investing is a long-term proposition. It's not what happens in one year, five

years or even ten. Your goal is to stay ahead of inflation so that the money you invest can

experience real growth over a lifetime of investing. A re-entry strategy that is based on your risk tolerance and time horizon can be a sensible

way to get back on track. So, get started today. We encourage you to contact Denise Barrows at 717/267-3572 to set up a plan to get you back into the market at your own pace—and with a level of risk that suits your personality. **Wouldn't you agree that it's about time?**

