

New Laws for 2010 That Impact Your Business

If you're like most small businesses, the fourth quarter is a time to close out the year strong. As you start a new year, be aware that you may have overlooked some new tax laws and regulations that could impact your business. Here's a roundup:

2010 Tax Law Changes

As a small business, you rely on taking full advantage of all of the tax deductions and allowances to save you money and grow your profits. Below is a summary of the new laws (as indicated on www.irs.gov) as well as new marketing regulations that may affect your business.

Note: Please check with your accountant or CPA for detailed information on how these and any additional laws affect your business.

- **Section 179 Expense Deduction:** The maximum amount of equipment placed in service that businesses can expense drops by nearly 50%, to \$135,000 from the previous \$250,000 deduction.
- **Cancellation of Debt:** Certain businesses can delay recognizing income from the cancellation of business debt arising from the reacquisition of certain types of business debt repurchased in 2009 or 2010. You cannot exclude the income from the cancellation of these debts based on specific conditions such as: a Title 11 bankruptcy, insolvency, or qualified real property business indebtedness.
- **Credit for Employer Differential Wage Payments:** Eligible small business employers may be able to claim a credit for wage payments made to qualified employees after 2008 and **before 2010**. The credit is 20% of the first \$20,000 of qualified differential wage payments made to each qualified employee.
- **Meal Expenses When Subject to "Hours of Service" Limits:** Although the law for business-related meal deductions is 50%, your employees who travel on your behalf and pay out-of-pocket for meal expenses during what is considered "hours of service" can deduct 80% of meal expenses. These expenses must occur while traveling away from their primary job site beginning in 2009.
- **Mileage reimbursement rates:** For yourself and your qualifying employees, the updated mileage reimbursement rates effective for January 1, 2010 are \$0.50 (business purposes), \$0.165 (medical) and \$0.14 (charitable).
- **Sales Tax Deduction for New Vehicles:** Beginning in 2010, buyers of new vehicles no longer get a tax benefit for sales tax paid on new vehicles unless they itemize and elect to deduct sales taxes instead of state income taxes.

In addition to using these new tax laws to your advantage, you may want to read this helpful article about ways to reduce your small business tax bill from Inc.com.

<http://www.inc.com/guides/reduce-smb-tax.html>

Marketing Regulations

Two key regulations have emerged that impact the way you market your business. They are:

- **Disclosing Pay-for-Review Blogging** - The FCC increased its scrutiny on bloggers who endorse products without disclosing on their posts that they are being paid. If you use the support of bloggers to help market your product or services and they are paid either through direct compensation by you or through a percentage of sales (or both), they must specify that they are not an objective, impartial reviewer. This includes the use of affiliate programs—revenue sharing programs common on the Internet.

Additionally, you must make sure that any images that you use as visual aids in your blogs, on your website or in advertisements meet legal requirements for purchase and copyright laws. For specific details regarding the necessary verbiage and legal restrictions, click on the following link.

12 Important U.S. Laws Every Blogger Needs to Know

<http://www.avivadirectory.com/blogger-law/>

- **Telemarketing Laws – Prerecorded and Live** - In late 2009, new laws were passed regarding what opt-out options must be made available by telemarketers to assist the consumer for both live and prerecorded calls. Effective Sept. 1, 2009, companies may not leave pre-recorded messages with consumers unless they first have written consent to do so.

Here is the full article:

FCC, FTC Enact Telemarketing-Impacting Fines, Changes, Vendors Respond

<http://outbound-call-center.tmcnet.com/topics/outbound-call-center/articles/46326-fcc-ftc-enact-telemarketing-impacting-fines-changes-vendors.htm>

Implementing these guidelines into your business early this year will allow you more time to focus on growing your business and taking care of your customers.