IRS Small Business Changes for 2010

This week many small business owners will be pulling together the details for the tax accountant to begin the process of looking back over the year and doing the 2009 taxes. But this is also a good time to look forward to next year and find out what changes the IRS has made that may have an impact on your business.

As a SCORE counselor, I always recommend that the client needs to check with a good tax accountant for specifics about tax issues and concerns. But, I have done some research to get a general idea about what is changing for next year and what the IRS website has available. Here are a few examples that I have found:

- The standard mileage rate for 2010 for those deducting the miles they drive for business has been established. Beginning on Jan. 1, 2010, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:
  - 50 cents per mile for business miles driven
  - 16.5 cents per mile driven for medical or moving purposes
  - 14 cents per mile driven in service of charitable organizations
  - More details are available in Revenue Procedure 09-54

- Most business will be allowed to take advantage of expanded Net Operating Loss (NOL) carryback options according to Revenue Procedure 09-52. This allows taxpayers to elect a 3, 4, or 5-year net operating loss (NOL) carry back instead of a normally 2-year carry back for a limited time.

- Agricultural tax tips are available on an updated IRS.gov page. It provides information on claiming a credit or refund for excise taxes on un-dyed diesel fuel or un-dyed kerosene used on a farm for farming purposes.

- Many Video and Audio Presentations for Small Businesses are available and include topics such as Outsourcing Payroll, Worker Classification, Cobra Subsidy, and Correcting Employment Taxes.

- The Internal Revenue Service extended for an additional two years its program that simplifies the record keeping burden for reporting tip income in the food and beverage industry. Details are available in Revenue Procedure 09-53

To learn more about accessing help for your small business, contact SCORE "Counselors to America's Small Business." These volunteer counselors provide free, confidential business counseling as well as training workshops to small business owners.

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