



Tax & Financial Tip Emails

Brought to you by Roberts Boehler & Fisher PC

February 2012 Message #1

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If you have foreign investments, you may have a new filing requirement
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If you own foreign investments, you may have an additional federal tax filing requirement this year.

Form 8938, "Statement of Specified Foreign Financial Assets," is due April 17, 2012, and is filed as part of your individual tax return. You'll use Form 8938 to disclose interests in certain foreign financial accounts when your ownership exceeds the reporting requirements.

What are the reporting requirements? They vary depending on where you live and your filing status. For example, say you're married and live in the United States, and you'll file a joint tax return for 2011. You'll include Form 8938 with your tax return when the total value of your reportable assets on the last day of 2011 is more than \$100,000, or if the value exceeds \$150,000 at any time during the year (\$50,000 and \$75,000 for singles).

In some cases, you may also need to file Form 8938 for tax year 2010.

Reportable assets include investment accounts you own that are held in foreign financial institutions, interests in foreign entities, and stocks or securities issued by foreign individuals or companies.

You've probably noticed the reporting requirements are similar to the "Report of Foreign Bank and Financial Accounts" (FBAR), a separate return you may already be filing. Be aware the new Form 8938 does not replace the FBAR, which you'll still need to complete by June 30.

Penalties for failure to file Form 8938 start at \$10,000.

We urge you to contact us so we can help you evaluate your filing requirements for foreign investments.

If you need more information, give us a call.

Telephone: (989)790-3080 or Toll Free: (888)806-7645

February 2012 Message #2

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2012 business depreciation update
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If you plan to buy equipment or other assets for your business this year, be aware that the limits on what you can immediately deduct have changed.

For one thing, 100% bonus depreciation expired at the end of 2011. Bonus depreciation for 2012 is 50% of the cost of the property. Remember, too, that bonus depreciation applies only to new assets; used assets don't qualify.

Second, the maximum amount you can elect to expense under Section 179 decreases this year to \$139,000. The \$500,000 write-off ended December 31, 2011. To receive the full benefit of the Section 179 deduction, the total cost of all qualifying assets purchased in 2012 must be \$560,000 or less. Your deduction may also be limited by the amount of your business income. Both new and used assets qualify for Section 179 expensing.

Congress may change these rules at any time. Before making business asset purchases this year, contact our office for the latest developments.

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