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## *Thanks!*

As is our tradition, we will celebrate the completion of the filing season Wednesday, April 15 with a one-day holiday. The accounting office will be closed on Thursday, April 16. The computer center will be open. We will honor our staff with an appreciation luncheon at noon on Friday, April 24, and we will be closed (including the computer center) that afternoon. We are indebted to our staff for their excellent performance and to our clients for the opportunities of working for them. To both staff and clients – ***Thank you!***

## THEY'VE CHANGED THE RULES

(FOR FILING YOUR LOUISIANA INCOME TAX RETURN)

As many of you already understand, we are, as last year, preparing Louisiana individual income tax returns for electronic filing. We have mentioned this mandated requirement for such filing in previous newsletters. When you receive your completed income tax returns from us, the usual full copy of the Louisiana return will be included for your records. Instead of a paper copy to be signed and mailed to Louisiana, however, you will receive a one-page form (LA 8453) for signatures and return to us authorizing us to submit your return to the Louisiana Department of Revenue. We cannot submit your return (due May 15, 2009) to the Department of Revenue without your written authorization.

If you have an unpaid balance due for 2008, we will also furnish you a voucher and envelope for mailing your check to the Department of Revenue. You may, of course, wait until the due date for submitting your check. To ensure timely filing, however, please return the signed authorization form (LA 8453) to us as soon as you have reviewed the return but no later than April 30, 2008. Please do not wait until mailing your check to return the authorization form to us.

Please let us know if you have any questions about filing your Louisiana income tax return for 2008.

## THE ONLY THING THAT WORKS

(FOR PROOF OF TIMELY MAILING, THAT IS)

With the end of the filing season just a few days away, we want to remind you of the IRS's requirements for proving that a return was

timely filed. A return is deemed filed when it is received by the IRS or, if received after the due date, by the date of the U. S. postmark. If, for

*(Continued on reverse)*

some reason, the document is misdirected or lost and, when later discovered, a legible postmark shows timely mailing, no problem should arise. If the postmark shows a date after the due date of the return or document, or if the postmark is illegible, the IRS considers the items as filed when it actually receives them.

Only registered or certified mail with a

receipt stamped by the post office showing a timely date of mailing will suffice to prove timely mailing. Accordingly, we suggest that all significant returns and documents be mailed to the Internal Revenue Service via the U. S. Postal Service certified with a return receipt requested and that you have the post office stamp the mailing date on your receipt.

### LOOKING AHEAD TAX RATES FOR 2009

As the results of the 2008 tax year disappear in the rearview mirror, we peer ahead into an uncertain tax future. Last month, we briefly discussed the income tax provisions of the stimulus package (some are reviewed in the accompanying *Alert*), which are now law. There is, however, much uncertainty concerning the top federal tax rates for 2009. As you might recall, as a candidate, the President proposed:

- Raising the top two federal personal rate brackets to 39.6 and 36 percent from the 2008 level of 35 and 33 percent
- Raising the federal capital gains rate and the top federal dividend tax rate from 15 percent to 20 percent, and
- Raising payroll taxes on high producers by eliminating the \$106,800 maximum amount subject to payroll taxes for taxpayers with incomes above \$250,000

The economic advisor to the President, Lawrence H. Summers, has stated that the President might push to revoke the Bush administration's tax cuts this year, an idea also

supported by House Speaker Nancy Pelosi. Without early revocation of the Bush tax cuts, the 2008 top rates will remain for 2009 and 2010, and increase for 2011. Considering the President's campaign and the statements of his advisor, upper bracket taxpayers are assured of a tax increase by 2011 but are left uncertain about the top rates for 2009 and 2010.

Most commentators offer a clearer view for death taxes. As you might recall, current law repeals the death tax for the year 2010, but it springs back to life in an older form with higher rates on January 1, 2011. Tax commentators universally agree that Congress will not allow a year without a death tax and will take action (repeal the repeal?) before the end of this year. The consensus is that Congress will make permanent the current equivalent exemption of \$3.5 million per decedent (\$7 million for a couple) with a 45 percent tax rate on amounts above the equivalent exemption.

In summary, it seems that higher taxes for higher income producers are a certainty – if not now, by 2011. For death taxes, we might have the present exemptions and rates for some time.