TAX PREPARERS' DUE DILIGENCE REQUIREMENTS FOR EITC

Paid preparers who file EITC returns or claims for refunds for clients must meet four due diligence requirements. Those who fail to do so can be assessed a \$100 penalty for each failure.

- Complete Form 8867, Paid Preparers' Income Credit Checklist, or your own equivalent form. (Drake Software allows you to print this form.)
- Keep the appropriate EIC worksheet found in the Form 1040, 1040A, or 1040EZ instructions or in Publication 596, or your own equivalent form.
- You must have no knowledge that any
 of the information used to determine the
 taxpayer's eligibility for the credit and the
 credit amount is incorrect.
- 4) Retain Form 8867 and the EIC worksheets (or your own equivalents of each), and a record of how, when, and from whom the information used to prepare the form and worksheet(s) was obtained. You must keep these documents for three years from June 30 following the date the return or claim for refund was presented to the taxpayer for signature. (In Drake Software, Form 8867 includes a place for the taxpayer, spouse, and preparer to optionally sign and date, which helps meet this requirement.)

2008 MEDICAL SAVINGS ACCOUNTS (MSA)

2008 Premium for High Deductible

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Self Coverage	\$1,950 - \$2,900		
Family Coverage	\$3,850 - \$5,800		
Maximum Out of Pocket			
Self Coverage	\$3,850		
Family Coverage	\$7,050		

HEALTH SAVINGS ACCOUNT (HSA)

2008 Maximum Annual Contribution Self Coverage Family Coverage	Limits \$2,900 \$5,800
2008 Minimum Deductible Self Coverage Family Coverage	\$1,100 \$2,200
2008 Maximum Out of Pocket Self Coverage Family Coverage	\$5,600 \$11,200
Additional Over Age 55 2008 2009 and after	\$900 \$1,000

STANDARD DEDUCTIONS

IF YOUR FILING STATUS IS	BASE AMOUNT	ADDITIONAL AMOUNT FOR BLINDNESS OR OVER AGE 65
Single	\$5,450	\$1,350
Married Filing jointly	\$10,900	\$1,050
Married Filing Separate	\$5,450	\$1,050
Head of Household	\$8,000	\$1,350
Qualifying Widow(er) with Dependent Child	\$10,900	\$1,050
Dependent of Another	\$900 or Earned Income + \$300	\$1,050 or \$1,350
		if single or HOH

MACRS RECOVERY PERIODS

	MACRS RECO	VERY PERIOD	
	General	Alternative	
Type of Property	Depreciation System	Depreciation	
Type of Property	System	System	
Computers and their			
peripheral equipment	5 years	5 years	
Office machinery, such as:			
Typewriters Calculators			
Copiers	5 years	6 years	
Automobiles	5 years	5 years	
Light trucks	5 years	5 years	
Appliances, such as:			
Stoves			
Refrigerators	5 years	9 years	
Carpets	5 years	9 years	
Furniture used in rental property	5 years	9 years	
Office furniture and equipment, such as:			
Desks Files	7	10 , , , , , , , ,	
	7 years	10 years	
Any property that does not have a class life and that has not			
been designated by law as			
being in any other class	7 years	12 years	
Roads	15 years	20 years	
Shrubbery	15 years	20 years	
Fences	15 years	20 years	
Residential rental property			
(buildings or structures) and			
structural components such as	07.5	40	
furnaces, water pipes, venting, etc.	27.5 years	40 years	
Additions and improvements, such as a new roof	The same resource resided		
Such as a new roof		The same recovery period as that of the property to which the addition or	
	improvement is made, determined as if the property were placed in		
	service at the same time as the addition or improvement.		
	the addition or	improvement.	