

# 2010 Tax Incentive Acts

*These newly passed acts have tax ramifications that will affect your business.  
The immediate changes affecting tax year 2010 are as follows:*

## The Hiring Incentives to Restore Employment (HIRE) Act

The HIRE Act is a federal program that will provide employers with incentives to hire and retain employees such as:

- **Payroll tax forgiveness.** This essentially exempts employers from having to pay the 6.2% Social Security portion of FICA taxes on employees who are hired after Feb. 3, 2010, and before Jan. 1, 2011, and have been previously unemployed.
- **Retention credit.** A business tax credit can also be claimed by the employer for each qualified individual who stays with the employer for 52 consecutive weeks. This business credit will be the lesser of \$1,000 or 6.2 percent of the wages paid by the employer to the retained worker during the 52 consecutive week retention period.
- **Asset acquisition incentives.** To encourage additional investment, the HIRE act extends the increase in the Section 179 limit for initial year expensing to \$250,000. The Sec. 179 expensing election allows a current deduction for qualified newly acquired assets that otherwise would have to be depreciated over a number of years.

## Health Care and Education Reconciliation Act of 2010

- **Small businesses tax credit.** Businesses with 25 or fewer employees and average annual wages of less than \$50,000 that provide health insurance, are eligible to claim a credit equal to 35% of the insurance premiums made on behalf of their employees.



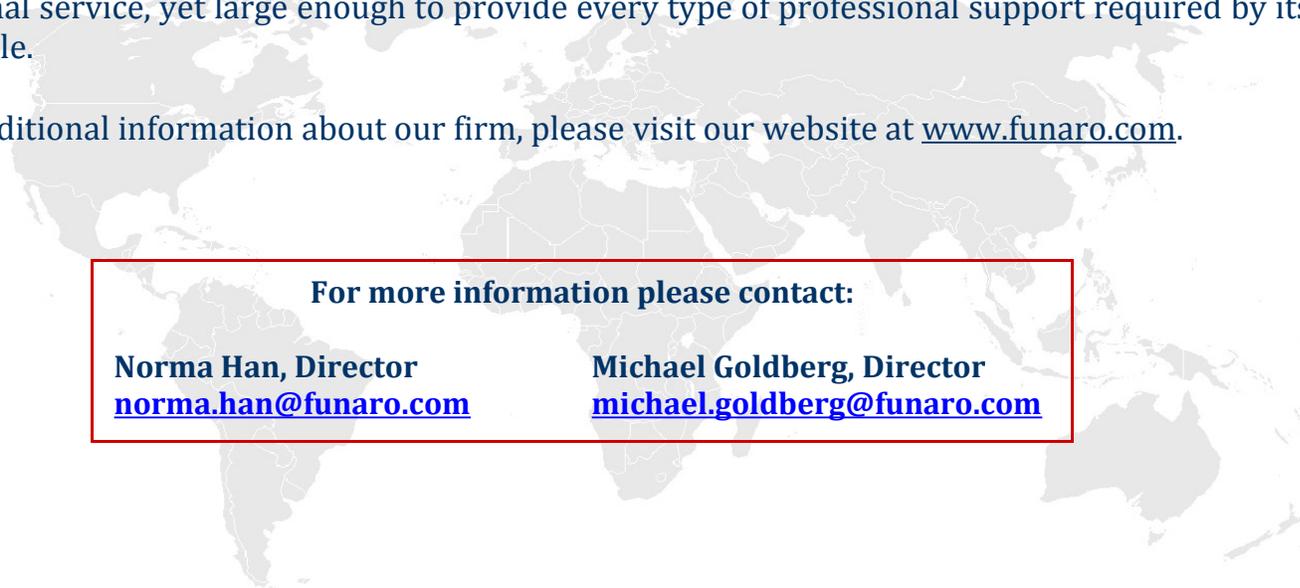
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For over 60 years, Funaro & Co.'s unmatched U.S./E.U. cross-border experience has kept us solidly in a position of leadership in our profession. With more than 80 employees and offices in New York and Milan, the size of our firm is small enough to provide an unusual degree of personal service, yet large enough to provide every type of professional support required by its clientele.

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**For more information please contact:**

**Norma Han, Director**  
[norma.han@funaro.com](mailto:norma.han@funaro.com)

**Michael Goldberg, Director**  
[michael.goldberg@funaro.com](mailto:michael.goldberg@funaro.com)

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