



Dean, Mead, Egerton, Bloodworth, Capouano & Bozarth, P.A.
800 North Magnolia Avenue, Suite 1500
P.O. Box 2346 (ZIP 32802-2346)
Orlando, FL 32803

407-841-1200
407-423-1831 Fax
www.deanmead.com

Orlando
Fort Pierce
Viera

STEPHEN R. LOONEY
CHAIR, TAX DEPARTMENT
407-841-1200
SLooney@deanmead.com

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Important Provisions of the New Legislation "Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010"

This Dean Mead e-Alert provides you with important information about new legislation enacted: the *Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010*.

On December 17, 2010, President Obama signed the *Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010*. This Bill retroactively reinstates and extends a number of provisions which either expired in 2009 or were set to expire at the end of 2010. Some of the more important provisions include:

1. Extension of the 2001 Bush tax cuts through 2012, thereby maintaining the current federal income tax rates, capital gains rates, and preferential dividend rates through such period.
2. Creation of a special depreciation rule for qualified property acquired after September 8, 2010 and before January 1, 2012, allowing the taxpayer to deduct one hundred percent of the acquisition.
3. Creation of a temporary employee payroll tax cut in 2011, so that Social Security taxes withheld from employee paychecks will decrease to 4.2%.
4. Major changes to the estate and gift tax are the subject of a separate e-Newsletter. Please see the link here to reference the article posted on the Dean Mead Website: <http://www.deanmead.com/CM/News/Articles.asp> .

For more information on this bill, please contact any member of Dean Mead's Tax Department. Visit us at www.deanmead.com