

This Week's Friday Report



San Francisco Hispanic Chamber of Commerce

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FRIDAY REPORT: February 06, 2009



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Upcoming Events

Feb 23 - Annual February Business Mixer with American Jewish Committee

Check the "Mark Your Calendars" Section for more information about these events.

WEATHER

San Francisco Weekend Weather

| Saturday ⁷ | Sunday ⁸ |
|--|--|
| Golf Outlook | Pro Bowl Forecast |
| <p>High 59°F Low 45°F</p> | <p>High 53°F Low 45°F</p> |
| Precip: 10% | Precip: 10% |

NEWS

New Tax Perks You Don't Want to Miss -- Even New Tax Perks You

Don't Want to Miss When Filing Your '08 Taxes

by Andrea Coombes

In all the hoopla surrounding the current stimulus package, it's easy to forget that other stimulus bill -- the one in 2008 that resulted in a good-sized check for many U.S. taxpayers. Forgetting about that earlier stimulus, and any of the other major tax changes in 2008, could mean missing out on some much-needed cash when you file your tax return this year. There were six "pretty significant pieces of tax legislation" in 2008, said Mark Luscombe, a principal analyst with CCH Inc., a Riverwoods, Ill., tax publisher, including bills related to housing, farming, the military, pensions, and two on the economy.

Still, while all that tax tinkering affects most of us eventually, many of the changes last year were related to arcane rules -- and won't show up on our Form 1040s. More noticeable for some taxpayers is that their bleaker financial situation may bring good news when they file. Small comfort it might be, but more people may be eligible for perks for which their formerly higher income made them ineligible, such as education-related credits or that stimulus payment from 2008.

"People's circumstances could change sufficiently that these deductions and credits are new for them," said Bob Scharin, New York-based senior tax analyst with Thomson Reuters' tax and accounting business. Also, homeowners saw plenty of tax changes in recent years. For instance, those who don't itemize now have access to an extra standard deduction for property taxes paid, up to \$500 for single filers and \$1,000 for married-filing-joint filers. And homeowners who went through a foreclosure on their primary residence won't owe income tax on the forgiven mortgage-loan debt.

Here are seven more recent changes to consider:

1. Recovery Rebate Credit

You call it the "stimulus payment," but the IRS says "recovery rebate credit." If you weren't eligible for the full payment -- or any at all -- last year, you may get more money now if a layoff or investment losses slashed your income, because the stimulus checks sent in 2008 were based on 2007 returns. The credit starts phasing out with adjusted gross income over \$75,000 for single filers and \$150,000 for married-filing-jointly filers.

Also, if you had a baby in 2008 you may be eligible for the additional \$300 stimulus payment per child. Or if your college-age child now supports herself, she might qualify for up to \$600. Parents can't claim a payment for children older than 17 and a dependent can't claim it for him or herself, Scharin said. But "if the child graduated in 2008 and is no longer dependent, then that child could apply for it." See this IRS page for more on claiming recovery rebate credit.

2. Zero Capital-Gains Rate

You might assume your income makes you ineligible for the zero rate on capital gains and qualified dividends in effect in 2008 for taxpayers in the 10% and 15% tax brackets. But don't forget those brackets refer to taxable income, not adjusted gross income.

While your AGI may be higher than the \$65,100 which marks the start of the 25% tax bracket for married-filing jointly filers (\$32,550 for single filers), deductions and other tax perks may bring your taxable income low enough to qualify for at least a portion of the zero rate.

"A family of four claiming the standard deduction could have adjusted gross income of \$90,000 and that would translate to taxable income of \$65,100 when you take the four personal exemptions plus the standard deduction," Scharin said. People who itemize may have even higher AGI yet still qualify for the zero rate, he said. While plenty of people only wish they had gains in 2008, some might have sold long-held investments at a gain, Scharin

said. And, Luscombe said, "even if the gain itself moves you into the 25% bracket, there is still a portion of the gain that may be taxed at the zero percent rate."

3. AMT Relief on Incentive Stock Options

Taxpayers who've struggled to pay the alternative minimum tax owed on incentive stock options -- exercising an ISO can result in an unexpected AMT bill -- got some good news in 2008: You don't owe the tax. "If you had an unpaid AMT liability resulting from an incentive stock option prior to 2008, it was basically abated by the law, so you don't have to pay it now," Luscombe said. Also, Congress sped up the process by which taxpayers can take a credit against regular tax for previous AMT bills, among other provisions. See this IRS page for more information.

4. Perks for Higher-Income Taxpayers

Even as some wonder whether Congress will allow the 2001 tax cuts to expire in 2010, some of those tax cuts are still going into effect.

Higher earners' ability to take itemized deductions and personal exemptions is limited -- those perks phase out at higher incomes. But thanks to the 2001 tax cuts, those phase outs themselves were slowly eliminated starting in 2006. (In 2010, higher-income taxpayers enjoy these perks with no reduction at all, but as with the other tax cuts, this one expires after 2010.)

In 2008, higher-income earners will find their itemized deductions and personal exemptions are cut by just one-third the amount in effect before the tax cuts. The phase-out on deductions starts at adjusted gross income of about \$159,950 for most filers and on exemptions at \$159,950 for single filers and \$239,950 for married-filing-jointly.

5. First-Time Home Buyer Credit

If you're a first-time home buyer who bought a home after April 8, 2008, and before July 1, 2009, you may qualify for a credit of 10% of the purchase price up to \$7,500 on your 2008 tax return. Even if you bought the home in 2009, you can take the credit on your 2008 return, Luscombe said.

But here's the rub: The credit is more like a loan and must be repaid over 15 years. The stimulus bill under consideration now may eliminate the repayment rule for homes bought in 2009, but what's not clear yet is -- if the new stimulus plan does eliminate the repayment rule -- will people who bought a home in 2009 but claimed the credit on their 2008 return be exempt from repaying the credit? (Those who take the credit on homes bought in 2008 will have to repay the credit, under current law.)

If you bought a home in 2009 (before the July 1 deadline), your best bet is to wait until the final bill gets signed into law to see whether to claim the credit on your 2008 return or to wait and claim it next year. See story on House OKs stimulus bill.

6. Donate Land

For those who donate land for conservation by a land trust or other qualified recipient in 2008 and 2009, there's a generous new perk available. "If you make a qualified conservation contribution like an easement over property or a remainder interest in property, instead of getting a charitable deduction for only up to 30% of adjusted gross income, it goes to 50% of AGI and instead of having a 5-year carryover period you have a 15-year carryover period," said Grace Allison, a tax strategist with Northern Trust in Chicago. "Lots of our clients and people we hear about are doing these qualified conservation contributions."

7. Harvest Business Loss for a Gain

It's not a new perk but plenty of business owners may find themselves ready and eager to take advantage now of

the loss carryback that allows them to use a net loss in 2008 to offset a profit from up to two years ago -- and collect a refund for the difference.

Visit the Tax Center

"You deduct the loss from your prior year's income and the differential in tax --with the loss and without the loss -- is what you would get refunded," said Maureen McGetrick, tax partner with BDO Seidman in New York. "You file Form 1045 and the IRS generally has to take action on that within 90 days." Keep an eye on the new stimulus bill being discussed now: The loss carryback perk may get extended to five years, up from two years now. Note that perks on your federal return may not apply to your state tax bill. For instance, California has frozen the benefit for businesses this year, said Stephen Kunkel, a Los Angeles-based certified public accountant and tax practice leader at CBIZ MHM.

"It continues to carry forward, they just kind of freeze it," he said. Similarly, Kunkel said California doesn't allow businesses to take the full federal amount of the Section 179 expense deduction. The federal stimulus bill in 2008 increased the Section 179 expense deduction to \$250,000 from \$128,000. That law includes another perk: 50% bonus depreciation, allowing certain businesses to immediately write off one-half of the cost of a capital expense. Of course, few companies likely were making major purchases, especially toward year-end.

Also for business owners: The IRS raised the standard rate for deducting mileage to 58.5 cents per mile for July through December, up from 50.5 cents from January through June. That compares with 48.5 cents in 2007. "The IRS on Jan. 1, 2009, dropped it back to 55 cents since gasoline has come down somewhat," Kunkel said. If gas prices decline further, "it may be that in mid-2009 they may adjust it downward again."

Andrea Coombes is an assistant personal finance editor for MarketWatch, based in San Francisco.

SBA Pins Hopes On Venture Capitalist

By Ambrose Clancy, Long Island Business News

Change is good. Change can be frightening. Change is a political slogan. Change is also nothing new to the federal Small Business Administration. Under the Bush administration there were two chiefs and a couple of interim administrators with staff changes arriving and leaving. The transitions haven't been completely smooth. Chief Hector Barreto resigned under fire after critics castigated him for making ill-conceived loans in the wake of 9/11 and acting glacially during the post-Katrina catastrophe.

His replacement, Steve Preston, was shifted out of the SBA to take over Housing and Urban Development. The head of that agency split after it was revealed the FBI was investigating him on corruption charges. President Barack Obama named Maine venture capitalist Karen Gordon Mills to head the SBA on Dec. 22 and she now awaits confirmation by the Senate. Small business advocates are hoping she'll stick around a little longer than her predecessors. Thomas Shinick also hopes she can redress the grievances of local small business owners. "There are a lot of frustrations out there," said Shinick, who teaches courses in small business at Adelphi University and is chairman of the university's School of Business Advisory Board.

There has been a lack of communication from the SBA to small businesses, Shinick said. "A lot of them aren't even aware of what the SBA does for them," he said. In addition, past sudden changes at the top have triggered a sense of futility within the population the SBA is charged to serve. Change can happen more rapidly in good or bad ways at the SBA as opposed to other federal agencies because of its size, according to Thomas Sullivan, who served for seven years as the SBA's chief counsel for advocacy under the Bush administration. "The SBA's position is like a motor boat compared to, for example the Department of Agriculture, which is like a cruise ship," Sullivan said. "You're able to navigate quicker and change direction."

The changes at the beginning of Mills's reign will be more of personality rather than policy, Sullivan said. "Take

any company on Long Island and see what happens when every manager changes," Sullivan said, comparing private corner office changes with what's happening at the SBA. By naming Mills before Christmas, President Obama has done the SBA's current employees a service, said Sullivan. "Anxiety about change leading up to a switchover is much more harmful to an agency's morale than anything else," Sullivan said. "Not knowing who your boss will be takes its toll." Most people associated with small business believe the Mills appointment is crucial to an economic recovery.

"Economic circumstances will demand that Karen Mills be in the conversation that is usually reserved for West Wing staff," Sullivan said. Gloria Glowaki, director of operations at the New York State Small Business Development Center at Stony Brook University, said small business is the engine that will drive Long Island's economy out of recession. "Anyone with common sense knows it has to start with small businesses," she said. "Let's guide the money and make sure it gets down to Main Street." Shinick said if Mills can improve communication on the local level by meeting and listening to small business advocates and owners, the economy can begin to grow. He especially is pleased with Mills's theory of improving "economic clusters." This concept takes innovative businesses with a wide geographic reach and helps them attract additional suppliers and investors to their area.

One prominent SBA critic doesn't believe Mills deserves even a honeymoon when she takes control of the agency. "On day one she needs to start solving the SBA's number one problem, which is the diversion of federal small business contracts to corporate giants," said Lloyd Chapman, president of the American Small Business League, which has been battling the SBA over the awarding of federal contracts. "We're concerned Mills, a venture capitalist, will support policies that will divert even more small business contracts to companies owned by venture capitalists." For now it's wait and see on the local level, said Alfred Titone, branch manager of Long Island's SBA. Titone was thankful the new chief was picked early. "There's been no word on policy so far and no one here has any idea what will happen," Titone said. "But we all know there's been a lot of changes in the past eight years."

Congress postpones digital TV transition to June

WASHINGTON

After weeks of debate, Congress is giving consumers four more months to prepare for the upcoming transition from analog to digital television broadcasting. The House voted 264-158 on Wednesday to postpone the shutdown of analog TV signals to June 12, to address growing concerns that too many Americans won't be ready by the Feb. 17 deadline that Congress set three years ago. The Senate passed the measure unanimously last week and the bill now heads to President Barack Obama for his signature.

The change is being mandated because digital signals are more efficient than analog ones. Ending analog broadcasts will free up valuable space in the nation's airwaves for commercial wireless services and emergency-response networks. The delay is a victory for the Obama administration and Democrats in Congress, who maintain that the previous administration mismanaged efforts to ensure that all consumers - particularly poor, rural and minority Americans - will be prepared for the switchover.

The new administration called for the digital transition to be postponed after the Commerce Department last month hit a \$1.34 billion funding limit for coupons that subsidize converter boxes for consumers. The coupon program allows consumers to request up to two \$40 vouchers per household to help pay for the boxes, which generally cost between \$40 and \$80 each and can be purchased without a coupon.

The National Telecommunications and Information Administration, the arm of the Commerce Department administering the program, is sending out new coupons only as older, unredeemed ones reach a 90-day expiration date and free up more money. The NTIA has more than 3.7 million coupon requests on a waiting list and those people would not receive their coupons before Feb. 17.

"The country is not prepared to undertake a nationwide transition in 12 days without unacceptably high consumer

dislocation," acting FCC chairman Michael Copps said in a statement. "We've got a lot of work to do, but we now have an opportunity to do it better." The National Association of Broadcasters also welcomed the delay. The group said it will provide new television spots to promote the June 12 deadline, and work with stations to coordinate additional analog shut-off tests to raise awareness and help consumers prepare

Casting: Women for SiTV's modelLatina

SiTV is looking for the next modelLatina for Season II. modelLatina is a reality series that pits 10 vibrant Latinas in a strategic battle of beauty, brains and bravado! More than a typical modeling competition, modelLatina is looking to showcase all-around beautiful women with amazing talent and skills. The show could be described as The Apprentice meets America's Next Top Model with a Latin Flair.

Prizes include: \$10,000 in Cash/Prizes, Exposure on National TV, Modeling Contract with Top Modeling Agency, Opportunity to Appear as a SiTV Host. If you are a LATINA woman, ages 18-25, we want to meet you! CASTING CALLS SCHEDULED IN, MIAMI, NY, LA, SAN FRANCISCO, SAN DIEGO, FEBRUARY 21st THROUGH MARCH 3RD. Must be 18 or over.

Click to apply <http://citylightsmedia.com/casting/LatinaInvite.html> KEEP CHECKING THIS LINK FOR MORE INFORMATION ON OPEN CALLS

Message from Speaker Pelosi - Preparing for the Switch from Analog to Digital

When television broadcasters begin exclusively airing digital signals, analog television sets not connected to a converter box, cable, or satellite will stop working. Families who receive their television signal over-the-air, using a traditional antenna, will have to acquire a new "digital to analog" converter box to ensure that their television sets can display the new digital signals. Television sets connected to cable or satellite service should not require a new converter box.

Yesterday, Congress passed S 352, the Digital Television Delay Act, which will delay the switch from analog to digital for 4 months. It's estimated that 6.5 million households would lose all TV reception if the February deadline remains in place; and with 3,659 households in San Francisco and more than 2 million households nationally that are currently on a waiting list for coupons to help them buy digital TV converter boxes, the federal effort to help with the switch to DTV has been insufficient.

The Department of Commerce's National Telecommunications and Information Administration (NTIA) has set up a program to help consumers defray the cost of converter boxes. Every household is eligible for two \$40 coupons, each of which can be used towards the purchase of a converter box. Consumers can also call 1-888-DTV-2009 or visit <http://www.dtv2009.gov> to learn more about the transition to digital television.

MARK YOUR CALENDARS

Feb 23 - Annual February Business Mixer with American Jewish Committee

Date: Monday, February 23, 2009

Time: 6:00 - 8:30 p.m.

Place: Zazil (845 Market Street, #400, S.F. - in Westfield San Francisco Center)

Join us at our FIRST business mixer of 2009!! Come network with other Latino professionals and members of the [American Jewish Committee](#) while enjoying delicious appetizers and no host bar at Zazil's, one of San Francisco's hottest restaurants. We will also release a sneak preview of 2009 programming for the Chamber.

Fees:

Pre-Registration (by Feb 19) - FREE to SFHCC and AJC Members [REGISTER ONLINE](#)

Registration at Door (After Feb 19) - Members \$10, Non-Members \$15 [REGISTER ONLINE](#)

EVENTS BY OTHER ORGANIZATIONS**Feb 5 - Free Workshop for Business Owners & Professionals: "How to Manage Your Assets in Difficult Times"**

If you're wondering about your current investment strategy in this economy, be sure to join us for this informative workshop. Panelists with extensive experience in risk management, taxes, estate planning, real estate and portfolio management will be on hand to answer your questions. Don't make uninformed or panicked decisions regarding your financial future. Take the time to ask the questions you've wanted answered before making a costly mistake. Topics to be covered include the real estate market (underwater vs current buyer), retirement plan strategies at different ages, tax laws employed for tax year 2008, offsetting your risk in the economic markets, and the currently low applicable federal rate (AFR) for passing on wealth.

Time: 6:00 p.m. - 7:30 p.m.

Location: Smith Barney, One Sansome Street, 37th Floor, San Francisco, CA ([MAP](#))

Sponsor: Food and drinks provided by MFS Investment Management

Presenters: Angel Chavez, Smith Barney, Arturo Perez-Reyes, Saylor & Hill, Larry Beck, Haas and Najarian, Jerry Cizek, CPA, and Ed Diaz, P-Shift Mortgage Solutions.

RSVP: <https://www.123signup.com/register?id=zsvjm> or by calling 510-717-3841 (leave full name and contact number)

FEATURED MEMBERS**Business Resources****Arriba Juntos**

1850 Mission Street
San Francisco CA, 94103
Phone: 415-487-3240
Fax: 415-863-9314
www.arribajuntos.org

Asian Business Association

41 Sutter Street, Suite 1080
San Francisco CA, 94104
Phone: 415-284-6765
Fax: 415-704-3446
www.abainc.org

Center for Intl. Trade & Development

40 Chestnut Ave.
South San Francisco CA, 94080
Phone: 650-553-9071
Fax: 650-553-9077
www.bayareacitd.com

Chicana/Latina Foundation

1419 Burlingame Ave. Ste. N
Burlingame CA, 94010
Phone: 650-373-1083
Fax: 650-373-1090
www.chicanalatina.org

Golden Gate Business Association (GGBA)

1800 Market St. Suite Q32
San Francisco CA, 94102
Phone: 415-865-5545
Fax: 415-865-5683
www.ggba.com

Hispanic-Net

P.O. Box 1606
Los Altos CA, 94023
www.hispanic-net.org

Latino Business Professionals

1346 The Alameda, No A-235
San Jose CA, 95126

Latino Community Foundation

225 Bush St. Ste. 500
San Francisco CA, 94104
Phone: 415-733-8581
Fax: 415-981-8422
www.latinocf.org

Latino Film Festival

50 Acacia Ave
San Rafael CA, 94901-2230
Phone: 415-242-1507
Fax: 415-454-4613
www.latinofilmfestival.org

Mexican American Political Association

P.O. Box 225298
San Francisco CA, 94122
Phone: 415-724-7888
Fax: 877-389-2617
www.mapa-ca.org

Mission Language & Vocational School

2929 19th St.
San Francisco CA, 94110
Phone: 415-648-5220
Fax: 415-648-0262

Mission Merchants Association

P.O. Box 40280
San Francisco CA, 94140
Phone: 415-979-4171

National Association of Women Business Owners (NAWBO)

985 Darien Way
San Francisco CA, 94127
Phone: 415-333-2130
Fax: 415-586-6606
www.nawbo-sf.org

National Society of Hispanic MBA's

1303 Walnut Hill Lane Ste. 300
Irving TX, 75038
Phone: 877-467-4622
Fax: 214-596-9325

Northern California Supplier Development Council

1999 Harrison St. Ste. 655
Oakland CA, 94612
Phone: 510-587-0636
Fax: 510-587-0649
www.ncsdc.org

Renaissance Entrepreneurship Center

275 Fifth St.
San Francisco CA, 94103
Phone: 415-541-8580
Fax: 415-541-8589
www.rencenter.org

San Francisco La Raza Lawyers

P.O. Box 192241
San Francisco CA, 94119

Small Business Network (SBN)

2261 Market St. #288
San Francisco CA, 94114
Phone: 415-928-1912

Society of Hispanic Professional Engineers

2706 Pinole Valley Road
Pinole CA, 94564
Phone: 510-734-2329

The Mortgage Capital Development Corp.

611 Front Street
San Francisco CA, 94111
Phone: 415-989-8855
Fax: 415-989-3382
www.tgcd.com

US Minority Business Development Agency (MBDA)

1401 Constitution Ave., NW
Washington DC, 20230
Phone: 888-324-1551
www.mbda.gov

Women's Initiative for Self Employment

1398 Valencia St.
San Francisco CA, 94110
Phone: 415-641-3460

NEW MEMBERS

Chamber members have access to exclusive benefits that build relationships, increase visibility, and generate business leads. They're the first to learn about economic trends and developments that shape the City's business environment and their own companies' growth. And they influence decision makers in San Francisco and beyond, helping ensure that San Francisco means business-in every sense. Welcome additions to the San Francisco Hispanic Chamber of Commerce. Memberships can be purchased online using the following link:

<https://sfhccregistration.chamberbusinesssuite.com/>

Kerosky & Associates

785 Market St #1500
San Francisco, CA 94103
Small Business Membership

Wilson Purves

P: 415-777-4445
F: 415-778-8123
www.youradvocate.net

Yulissa Zulaica

1 Bush Street, Suite 1150
San Francisco, CA 94104
Associate Membership

P: 415-557-3013
F: 415-557-3015

Palomino Productions

P.O. Box 8565
Berkeley, CA 94707
Small Business Membership

Eve A. Ma

P: 510-236-3257
F: 510-232-2356
www.palominopro.com