



## December Newsletter: Tax Tips for the Holiday Season

Hello!

April isn't far off.

No, we're not just hoping for warmer weather... we're thinking about taxes. December is an important month for small businesses looking to minimize the pain of next year's tax season. We have a few tech-savvy tips to help you close out the year, by closing out the books on a high note.

Happy holidays,  
Rafi and Josh  
Founders, Cartwheel

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### Tax Tips for the Holiday Season

If you're looking to maximize deductions for 2009 (and most small businesses should be), consider purchasing items now if you know you'll need them in the immediate future. If cash flow permits, use this time to buy any goods and services you'll need in the first quarter of the year. While this strategy makes sense for most businesses, always talk to your accountant before making tax-related decisions. Here are some of our standbys:

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#### Office supplies

In addition to the standard list of paper, staples, and sticky notes, think about printer toner, fax cartridges, and keyboard air dusters.

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#### Repairs and maintenance

If your printer has been uncooperative or you know your server needs some dusting-up, consider ordering those repairs before the year ends. Paying for them now will let you deduct that cost from this year's tax bill.

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#### Pay bills early

If you can, pay this year for tech services including cell phone charges, automatic online backups (such as Mozy), phone or equipment rentals, and Software-as-a-Service bills (like



Salesforce or Google Apps). Remember, you can always purchase packages for hours from us in advance as well.

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## Equipment Purchases

Consider purchasing new office equipment now, rather than waiting until after the holidays. Unlimited customers should speak to your account manager to see if there's anything that they may need to buy soon (e.g. more hard drive space). Under the Section 179 Deduction, businesses can deduct most types of "business equipment" they purchase or lease – from computers to software. And this year especially, because of the Economic Stimulus Act of 2008 and Recovery Act of 2009, the deduction limits for small business owners are especially generous. You can go to [www.Section179.org](http://www.Section179.org) for more info about this section of the tax code. Need some ideas for equipment you can buy?

### Windows 7

As you've probably heard (or read in our Windows 7 newsletter this fall), Windows 7 is great – and it's here to stay. You may end up upgrading your business computers to this new operating system sometime next year, so it's not a bad idea to take the plunge now and order licenses for all the PCs at your office. Give us a call to see if it's a good idea.

### Quickbooks 2010

If you use Quickbooks, you should start thinking about upgrading from your current version to Quickbooks 2010. It's not that the 2010 edition is better than earlier editions, it's not; but more that Intuit (the software's developer) is phasing out support for earlier versions. In May 2010, QB 2007's sunset policy will hit and that edition will be phased out (all service such as payroll and credit card charges will be discontinued). In addition, although it works fine, Quickbooks 2009 and earlier are not supported on computers running Windows 7.

### Smartphones

It seems like upgrading your office Blackberry, Palm Pre, or iPhone armada is always around the corner. If you know you'll be doing it in the next few months anyhow, you can get an early start before the end of the year. Think of it as a holiday gift for the everyone in the office. In addition to being a tax-savvy move, the whole team will love you for it.