

IRS TAX TIPS FOR TAX YEAR 2009

TABLE OF CONTENTS

Page 2	WHAT'S NEW FOR 2009?
Page 4	ELECTRONIC FILING
Page 5	TAX ASSISTANCE
Page 6	FILING REQUIREMENTS
Page 7	TAXPAYER IDENTIFICATION NUMBERS
Page 8 & 9	TELEPHONE EXCISE TAX REFUND
Page 10	EDUCATION INCENTIVES & IRA
Page 11	CAPITAL GAINS AND LOSSES
Page 12	SPLIT REFUND OPTION
Page 13	PAYMENTS & POSTMARKS
Page 14	DIRECT DEPOSIT OF REFUND
Page 15	FTC & FEIC
Page 16	ESTIMATED TAXES
Page 17	FOREIGN BANK ACCOUNTS
Page 18	PAST DUE REFUNDS
Page 19	IRS NOTICES
Page 20	RENTAL INCOME / LOSSES
Page 21	IRS LATE CHARGES
Page 22	ESTATE & GIFT TAX
Page 23	INSTALLMENT AGREEMENTS
Page 24	EXTENSION REMINDER
Page 25	TAXPAYER ADVOCATE
Page 26	IRS MAILING ADDRESSES FOR OVERSEAS FILERS

WHAT'S NEW FOR TAX YEAR 2009?

Additional information about the changes, summarized below, can be found at www.irs.gov and in various IRS documents, including the instructions for Form 1040 and Publication 17.

Inflation Adjustments for 2009 Some tax items that are indexed for inflation increased for 2009:

Standard deduction. The standard deduction for taxpayers who do not itemize deductions on Schedule A (Form 1040) has increased. The amount depends on your filing status. Taxpayers who are over 65 and/or blind, or can be claimed as dependents, should see page 35 of the 1040 instructions to determine their standard deduction. Standard deductions for all others are: Single or Married filing separately, \$5,700; Married filing jointly or Qualifying widow(er), \$11,400; Head of household, \$8,350

Exemption amount. You are allowed a \$3,650 deduction for each exemption to which you are entitled. However, you will lose part of your exemption amount if you have high income. See chapter 3 of Publication 17 for details.

Limit on itemized deductions. Some of your itemized deductions may be limited if your adjusted gross income is more than \$166,800 (\$83,400 if you are married filing separately). See the instructions to Schedule A for further details.

Tax benefits for adoption. The maximum adoption credit and the maximum exclusion from income of benefits under an employer's adoption assistance program are increased to \$12,150. See Adoption Credit in chapter 37 of Publication 17 for further details.

Making work pay credit. If you have earned income from work, you may be able to take this credit. It is 6.2% of your earned income but cannot be more than \$400 (\$800 if married filing jointly). See Chapter 37 of Publication 17 for additional details. All IRS forms, instructions, and publications may be viewed at www.irs.gov.

First-time homebuyer credit. To qualify for the credit, the home must have been bought in the United States. In 2009, the credit increases to as much as \$8,000 (\$4,000 if married filing separately) for homes bought after 2008 and before May 1, 2010 (before July 1, 2010, if you entered into a written binding contract before May 1, 2010). You can choose to claim the credit on your 2009 return for a home you bought in 2010 that qualifies for the credit. You generally must repay any credit you claimed on your 2008 return if you sold your home in 2009 or the home stopped being your main home during 2009.

Individual Retirement Arrangements (IRAs). If you are under 50 years of age at the end of 2008: The maximum 2009 contribution that you can make to a traditional or Roth IRA is the smaller of \$5,000 or the amount of your taxable compensation for the year. This limit can be split between a traditional and a Roth IRA but the combined limit is \$5,000. The maximum contribution to a Roth IRA and the maximum deductible contribution to a traditional IRA may be reduced depending upon your modified adjusted gross income (modified AGI).

If you are 50 years of age or older before 2009: The maximum 2009 contribution that can be made to a traditional or Roth IRA is the smaller of \$6,000 or the amount of your taxable compensation for the year. This limit can be split between a traditional and a Roth IRA but the

combined limit is \$6,000. The maximum contribution to a Roth IRA and the maximum deductible contribution to a traditional IRA may be reduced depending upon your modified AGI. See Publication 590 for further details.

Traditional IRA income limits You may be able to take an IRA deduction if you were covered by a retirement plan and your modified AGI is less than \$65,000 (\$109,000, if you are married filing jointly or a qualifying widow(er). If your spouse was covered by a retirement plan, but you were not, you may be able to take an IRA deduction if your modified AGI is less than \$176,000. See Publication 590 for further details.

Roth IRA income limit. You may be able to make a Roth IRA contribution if your modified AGI is less than \$120,000 (\$176,000, if you are married filing jointly or a qualifying widow(er).

Retirement savings contributions credit. The AGI limit for claiming this credit is increased to \$27,750 (\$41,625 if head of household; \$55,500 if married filing jointly).

Military differential pay. For IRA purposes, your compensation includes any military differential pay you receive from your employer while you are serving on active duty for a period of more than 30 days.

Elective salary deferrals. The maximum amount you can defer under all plans is generally limited to \$16,500 (\$11,500 if you have only SIMPLE plans; \$19,500 for section 403(b) plans if you qualify for the 15-year rule). The catch-up contribution limit for individuals age 50 or older at the end of the year is increased to \$5,500 (except for section 401 (k) (11) plans and SIMPLE plans, for which this limit remains unchanged

Alternate Minimum Tax (AMT) Exemption Increased. The AMT exemption amount is increased to \$46,700 (\$70,950 if married filing jointly or a qualifying widow(er); \$35,475 if married filing separately).

Standard Mileage Rates Adjusted for 2009 The standard mileage rate for business use of a car, van, pick-up or panel truck is 55 cents a mile. The standard mileage rate for the cost of operating a vehicle for medical reasons or as part of a deductible move is 24 cents a mile. The standard mileage rate for the cost of operating your car for charitable purposes remains 14 cents per mile.

Electronic Filing The IRS *e-file* program offers, accurate, safe, and fast alternatives to filing on paper. These alternatives include filing through a tax professional, a personal computer, or over the telephone (TeleFile). Electronic payment options are also available.

- Individual filers are also encouraged to check into Free-file at IRS.gov, the fast, easy, and free way to prepare and e-file your federal taxes online.
- Ask your tax professional about filing and paying electronically, or visit IRS.gov. Filing taxes online and paying electronically gets taxes done more accurately, quickly and efficiently.

Electronic tax filing and paying ensures that your tax information arrives and that your history is safe and secure. Visit this link for additional details:

<http://www.irs.gov/efile/article/0,,id=118508,00.html>

Tax Assistance. The Internal Revenue Service (IRS) provides tax assistance through their regional office located at the US Consulate in Frankfurt, Germany. Tax assistance can also be obtained by contacting the large International Customer Service Site in Philadelphia at: 215-516-2000. Visit the IRS on the web at: www.irs.gov

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FRANKFURT

Phone:	49 69 7535 3834 or 3823	8:00 – 15:30 Monday - Friday
Fax:	49 69 7535 3803	Closed U.S. & German holidays
Email:	IRS.Frankfurt@irs.gov	
Walk-In Visitors:	US Consulate Giessener Str. 30 Frankfurt am Main Germany	8:00 - 12:00 Monday - Friday Closed U.S. & German holidays and last Thursday of each month.
Correspondence:	US Consulate Frankfurt Internal Revenue Service Giessener Str. 30 60435 Frankfurt am Main Germany	

PHILADELPHIA

Phone:	215-516-2000 (not toll free)	6:00 -14:00 ET
Fax:	215-516-2555	
Email:	http://www.irs.gov/help/page/0,,id=133197,00.html	

Taxpayer Advocate Service. (<http://www.irs.gov/advocate>) If you have an ongoing issue with the IRS that has not been resolved through normal processes, or you have suffered, or are about to suffer a significant hardship as a result of the application of the tax laws, you may contact the Taxpayer Advocate (see Taxpayer Advocate Service below for contact details).

Visit us online at: www.irs.gov

Filing Requirements. If you are a U.S. citizen or resident alien, the rules for filing income, estate, and gift tax returns and for paying estimated tax are generally the same whether you are in the United States or abroad. Your income, filing status and age determine whether you are required to file a return. Generally, you must file a return if your gross **worldwide income** for 2009 is at least the amount shown for your filing status shown in the following table:

If your filing status is...	AND at the end of 2009 you were...	THEN file a return if your <u>worldwide</u> gross income was at least....
Single	under 65	\$ 9,350
	65 or older	\$ 10,750
Married filing jointly	under 65 (both spouses)	\$ 18,700
	65 or older (one spouse)	\$ 19,800
	65 or older (both spouses)	\$ 20,900
Married filing separately	any age	\$3,650
Head of household	under 65	\$ 12,000
	65 or older	\$ 13,400
Qualified widow(er) with dependent child	under 65	\$ 15,050
	65 or older	\$ 16,150
<p>Please note that some exceptions may apply. See “Filing Requirement” in the 1040 instruction booklet for details.</p>		

For more information visit us online at: www.irs.gov

YOUR TAXPAYER IDENTIFICATION NUMBER

If you are not eligible to get a Social Security number but need to file a tax return, you will have to apply for an Individual Taxpayer Identification Number (ITIN). Apply by filling out Form W-7, Application for an IRS Individual Taxpayer Identification Number. Get Form W-7 at www.irs.gov. To apply for an ITIN you must file an original U.S. tax return with an original Form W-7, or meet and document one of the exceptions listed in Form W-7's instructions. You will also need a certified copy of the applicant's passport (or two other certified identification documents). The certification can either be done by appointment at a U.S. Consulate/Embassy or at the issuing office.

To prevent delays in processing, please carefully read and follow the instructions for Form W-7. Your application, the return (or exception document), and the passport are sent to the address located at the top of page 3 of the W-7 instructions.

An ITIN number is issued by the IRS and begins with the number "9." It may look like a Social Security number, but an ITIN is used only for federal income tax purposes and has no effect on your work or immigration status in the U.S.

Each person who files a federal tax return or is listed as a spouse or dependent must have a valid SSN or ITIN. This will ensure prompt processing and issuances of any refund. Exemptions claimed for spouse or dependents will be denied if valid Tax Identification Numbers are not provided.

For more information about ITINs, check out Publication 1915, *Understanding Your IRS Individual Taxpayer Identification Number*, or download Form W-7 from IRS.gov. The publication and form are also available by calling 1-800-TAX-FORM (1-800-829-3676) or 215-516-2000 in the United States.

Visit us online at: www.irs.gov

EDUCATION INCENTIVES

There are two education tax credits available, the Hope Credit and the Lifetime Learning Credit. The credits are based on education expenses paid for you, your spouse, or your dependents. During any particular year, you can claim only one of the credits for each student. The amount of the credit is determined by the amount you pay for "qualified tuition and related expenses" for each student and the amount of your modified adjusted gross income (modified AGI).

Expenses that qualify are tuition and fees required for enrollment or attendance at an accredited college, university, vocational school, or other post-secondary educational institution that is eligible to participate in a student aid program administered by the Department of Education. Qualified expenses do not include room and board, insurance, transportation, or other similar personal, living, or family expenses. Qualified expenses may include fees for books, supplies, and equipment only if the fees must be paid to the school for the student's enrollment or attendance. In addition, qualified expenses may include student activity fees if the fee must be paid to the school for the student's enrollment or attendance.

Both the Hope Credit and Lifetime Learning Credit may be reduced, or eliminated, if your modified adjusted gross income exceeds certain limits, based on your filing status. You cannot claim either credit if you are married filing a separate return.

For additional information on education credits, refer to Publication 970, *Tax Benefits for Education*

Visit IRS online at: www.irs.gov

CAPTIAL GAINS AND LOSSES

Almost everything you own and use for personal or investment purposes is a capital asset. Examples are your home, household furnishings, and stocks or bonds held in your personal account. When you sell a capital asset, the difference between the amount you sell it for and your basis, which is usually what you paid for it, is a capital gain or a capital loss. You have a capital gain if you sell the asset for more than your basis. You have a capital loss if you sell the asset for less than your basis. Losses from the sale of personal-use property, such as your home or car, are not deductible. Capital gains and losses are classified as long-term or short-term. If you hold the asset for more than one year before you dispose of it, your capital gain or loss is long term. If you hold it one year or less, your capital gain or loss is short term.

You may have to report capital gains and losses on Form 1040, Schedule D. The tax rates that apply to a net capital gain are generally lower than the tax rates that apply to other income. These lower rates are called the maximum capital gain rates. The term “net capital gain” means the amount by which your net long-term capital gain for the year is more than your net short-term capital loss. For 2009, the maximum capital gain rates are 28% for gains on collectibles and certain qualified small business stock, 25% for unrecaptured section 1250 gains, 15% for all other gains if your regular tax rate is 25% or higher, and 0% for all other gains if your regular tax rate is lower than 25%.

If your capital losses exceed your capital gains, the amount of the excess loss that can be claimed is limited to \$3,000, or \$1,500 if you are married filing separately. If your net capital loss is more than this limit, you can carry the loss forward to later years. Additional information on capital gains and losses can be found in Publications 550, *Investment Income and Expenses*, and Publication 544, Sales and Other Dispositions of Assets. If you sell your main home, refer to Topics 701 and 703, or to Publication 523, Selling Your Home.

Note: Foreign income. If you are a U.S. citizen who sells property located outside the United States, you must report all gains and losses from the sale of that property on your tax return unless it is exempt by U.S. law. This is true whether you reside inside or outside the United States and whether or not you receive a Form 1099 from the payer.

Visit us online at: www.irs.gov

Split Refund Option

Taxpayers may split their refunds among up to three accounts held by up to three different U.S. financial institutions, such as banks, mutual funds, brokerage firms or credit unions. To split their direct-deposit refunds among two or three different accounts or financial institutions, taxpayers should complete the new Form 8888, Direct Deposit of Refund to More Than One Account. Taxpayers can also continue to use the direct deposit line on the Forms 1040 to electronically send their refunds to one account.

PAYMENTS & POSTMARKS

If you owe taxes on your 2009 tax return, you can pay by check, money order, or credit card. Make your check or money order payable in US Dollars to the: "United States Treasury" for the full amount due. Do not send cash. Write: "2009 Form 1040" and your name, daytime phone number, and social security number (SSN) on your payment. You may now use your credit card to make all of the following type payments: (a) tax on Forms 1040, 1040A, 1040EZ; (b) estimated tax payments (Form 1040-ES); (c) tax you estimate as due on Form 4868; (d) installment agreement payments (for tax years 1999 and later); and (e) any balance due shown on an individual income tax return notice!

Payment by Credit Card. You can also e-file and e-pay your taxes in a single step by authorizing a credit card payment. All major credit cards are accepted: American Express, Discover Card, MasterCard card, or Visa card. This option is available through some tax preparation software and tax professionals. Two other ways to pay by credit card are by telephone or Internet. For more information or to make a payment, you may contact the following service providers.

Official Payments Corporation	Link2GovCorporation
1-800-2PAY-TAX	1-888-PAY-1040
1-877-754-4413 (Customer Service)	1-888-658-5465 (Cust. Serv.)
www.officialpayments.com	www.PAY1040.com

Foreign Postmarks. Federal tax returns, claims for refund and other documents mailed to the Internal Revenue Service are treated as filed on the date of the postmark, including foreign postmarks. However, payments mailed from outside the US are not provided the same treatment. **Payments with foreign postmarks are not considered received until the date of the actual receipt rather than the postmark date.** This includes payments submitted with tax returns. You should take this into consideration when mailing a payment to IRS from outside the US, in order to avoid late payment penalty and interest charges.

For more details, visit the IRS home page at: www.irs.gov .

DIRECT DEPOSIT OF REFUND

Want a faster refund? More and more taxpayers are choosing direct deposit as the way to get their federal tax refunds. The payment is more secure — there is no check to get lost. And, it's more convenient — no special trip to the bank to deposit a check. To request direct deposit, follow the instructions for "Refund" on your tax return.

Want an even faster refund? Try e-file or free-file. Taxpayers who file electronically get their refunds in about half the time as those who file paper returns.

A word of caution — some financial institutions do not allow a joint refund to be deposited into an individual account. Check with your bank or other financial institution to make sure your direct deposit will be accepted. Also, make sure you have the correct nine digit routing number and your correct account number when selecting direct deposit.

For more information about direct deposit of your tax refund, check the instructions for your tax form. This and other helpful tips are available in IRS Publication 17, Your Federal Income Tax. Download a copy or call toll free 1-800-TAX-FORM (1-800-829-3676) to order your free copy. IRS Frankfurt has a limited supply of this form.

For more information visit us online at: www.irs.gov

FOREIGN EARNED INCOME EXCLUSION & FOREIGN TAX CREDIT

If you have a tax home in a foreign country and you meet either the bona fide residence test or the physical presence test, you may be able to claim the foreign earned income exclusion up to **\$91,400 in 2009**, and claim the housing exclusion or deduction. Use Form 2555-EZ if you do not have self-employment income, you do not claim the housing exclusion, and the totality of your foreign earned income is reported on Form 1040 line 7. The exclusion is entered as a subtraction on line 21 (other income) using parentheses or angled brackets. US Government employees do not qualify for the foreign earned income exclusion or the housing deduction.

If you paid or accrued foreign income taxes during the year, you generally can choose to claim these taxes as a credit against your U.S. income tax or you can deduct them as an itemized deduction. To claim the foreign tax credit, use Form 1116. However, if your only foreign source income is passive (interest, dividends, etc.) and is reported to you on a payee statement issued by a U.S. financial statement, you may be able to claim a credit of up to \$300 (\$600 if married filing jointly) without using Form 1116.

See IRS Publication 54, *Tax Guide for U.S. Citizens and Resident Aliens Abroad*, and Publication 514, *Foreign Tax Credit for Individuals*, for further information.

Visit us online at: www.irs.gov

ESTIMATED TAX FOR INDIVIDUALS

Estimated tax is the method used to pay tax on income that is not subject to withholding (for example, earnings from self-employment, interest, dividends, rents, alimony, etc.). In addition, unless you have elected voluntary withholding, you should make estimated tax payments on the taxable portion of your U.S. social security benefits. In most cases, you must make estimated tax payments if you expect to owe at least \$1,000 in tax for 2009 (after subtracting your withholdings and credits) and you expect your withholdings and credits to be less than the **smaller** of:

1. 90% of the tax shown on your 2009 tax return, or
2. The tax shown on your 2009 tax return (110% of that amount if you are not a farmer or fisherman and the adjusted gross income shown on that tax return is more than \$150,000; more than \$75,000 if married filing separately for 2009).

Exception. You do not have to pay estimated tax if you were a U.S. citizen or resident alien for all of 2009 and you had no tax liability for the full 12-month 2009 tax year. For further information or to pay any estimated tax for 2010, get IRS Form 1040-ES.

For more information visit us online at: www.irs.gov.

FOREIGN BANK ACCOUNTS

Each United States citizen or resident of the United States who has a financial interest in or signature authority, or other authority over any financial accounts, including bank, securities, or other types of financial accounts in a foreign country, if the aggregate value of these financial accounts exceeds \$10,000 at any time during the calendar year, must report that relationship each calendar year by filing **Form TD F 90-22.1, the Report of Foreign Bank and Financial Accounts**, with the Department of the Treasury. You should also check the appropriate box on Part III of Schedule B of your Form 1040. You do not have to file the report if the assets are with a U.S. military banking facility operated by a U.S. financial institution or if the combined assets in the account(s) are \$10,000 or less during the entire year. Note: this is **not** a taxable return form, and should **not** be attached to your Form 1040. Form TD F 90-22.1 must be filed by June 30 each year for the preceding calendar year. File this form with: U.S. Department of the Treasury, P.O. Box 32621, Detroit, MI 48232-0621. Please note that this form was revised in October 2008. Be sure to use the correct revision.

For more information visit us online at: www.irs.gov .

WHERE'S MY REFUND?

You filed your tax return and you're expecting a refund. You have just one question and you want the answer now - Where's My Refund? Access this secure Web site to find out if the IRS received your return and whether your refund was processed and sent to you.

New program enhancements allow you to begin a refund trace online if you have not received your check within 28 days from the original IRS mailing date. Some of you will also be able to correct or change your mailing address within this application if your check was returned to us as undelivered by the U.S. Postal Service. "Where's My Refund?" will prompt you when these features are available for your situation. To get to your refund status, you'll need to provide the following information as shown on your return:

Your Social Security Number (or IRS Individual Taxpayer Identification Number)
Your Filing Status, (Single, Married Filing Joint Return, Married Filing Separate Return, Head of Household, or Qualifying Widow(er))
The Refund amount (It is important to enter the refund amount exactly as it is shown on your return in order for our computer system to retrieve your data)

For more information visit us online at: www.irs.gov

IRS NOTICES

If you receive an IRS notice that you believe is incorrect, you should respond as soon as possible, by calling the telephone number identified on the notice or by writing to the IRS office that sent you the bill. You may also call the IRS Customer Service Center in Philadelphia at: (215) 516-2000. Alternatively, you may phone the IRS Office in Frankfurt at 49 69 7535 3834 or 3823 between the hours of 0800 to 1530, Monday through Friday. Please note that the Frankfurt IRS office does not have the ability to adjust any notice amount. IRS Publication 594, *The Collection Process*, contains guidance on how to respond to IRS notices.

In your response, explain why you think the notice is incorrect and include with your correspondence a copy of the IRS notice and copies of any records, canceled checks, etc., that you think will help IRS understand the problem.

If you need more time to gather information, contact the IRS immediately to ask for additional time. If the IRS finds that you are correct, it will adjust your account accordingly.

For more information visit us online at: www.irs.gov .

RENTAL INCOME AND EXPENSES

You must include in income all amounts you receive as rent. Rental income and expenses are entered on Schedule E and net rental income or loss is then carried to the income section of Form 1040. If, after beginning to rent your property, you sometimes use the property for personal purposes, you must divide your expenses between rental and personal use. If you change your main home to rental use at any time other than at the beginning of your tax year, you must also divide or prorate yearly expenses such as depreciation, taxes, insurance, and mortgage interest between rental use and personal use. You can deduct the cost of repairs to your rental property. You cannot deduct the cost of capital improvements. These costs are recovered by taking depreciation deductions spread out over a number of years. Rental losses are subject to various limits under the passive activity and at-risk rules. Excess or un-deducted loss is carried forward to the following tax year. Sale of a rental property does not qualify for the preferential tax treatment given the sale of a main home.

For more information about how to report rental income and expenses, refer to IRS Publication 527 at: <http://www.irs.gov/pub/irs-pdf/p527.pdf>. For Information on how to figure and report any gain or loss from the sale of your rental property, see Publication 544 at: <http://www.irs.gov/pub/irs-pdf/p544.pdf> . For further information, visit us online at: www.irs.gov or paste these links into your internet browser: <http://www.irs.gov/taxtopics/tc414.html> or <http://www.irs.gov/businesses/small/industries/article/0,,id=98895,00.html> .

IRS LATE CHARGES

If you do not file your tax return and pay your tax by the due date, you may have to pay a penalty. You may also have to pay a penalty if you substantially under-state your tax, file a frivolous return, or fail to supply your social security number or other required tax identification number. If you provide fraudulent information on your tax return, you may have to pay a civil fraud penalty.

The IRS recognizes many people drop out of the system because of personal problems, including serious illness, a death in the family, or loss of financial records in a natural disaster. Depending on the situation, informing the IRS why returns have not been filed could result in a waiver of penalties.

Filing late. If you do not file your return by the due date (including extensions), you may have to pay a **late filing** penalty. The penalty is usually 5% of the unpaid tax for each month or part of a month that the return is late, but not more than 25%. If you file your return more than 60 days after the due date or extended due date, the minimum penalty is the smaller of \$100 or 100% of the unpaid tax.

Paying tax late. You will have to pay a **late payment** penalty of $\frac{1}{2}$ of 1% (.50%) of your unpaid taxes for each month, or part of a month, after the due date that the tax is not paid.

If both the failure-to-file penalty and the failure-to-pay penalty apply in any month, the total monthly penalty is 5% of the unpaid tax. Interest is charged on tax you do not pay by the original due date of your return. Interest is charged even if you get an extension of time for filing. Interest is also charged on penalties. Interest accrues from the date the payment was due (determined without regard to any extensions of time) until it is received by the IRS.

For more information visit us online at: www.irs.gov.

ESTATE AND GIFT TAX

If you give someone money or property during your life, you may be subject to federal gift tax. The money and property you own when you die (your estate) may be subject to federal estate tax. This is in addition to the individual income tax return requirement. The first \$13,000 you give someone during a calendar year (annual exclusion) is not taxable. Gross estates of not more \$3,500,000 in 2009, are not taxable. The following table lists the filing requirement for the estate of a decedent dying after 2003.

Year	For Gift Tax Purposes:		For Estate Tax Purposes:	
	Unified Credit	Applicable Exclusion Amount	Unified Credit	Applicable Exclusion Amount
2009	345,800	1,000,000	1,455,800	3,500,000

Click on the following links (or paste them into your internet browser) to obtain further information:

<http://www.irs.gov/businesses/small/article/0,,id=164871,00.html> (Estate and Gift Taxes)

<http://www.irs.gov/publications/p950/ar01.html#d0e16> (Publication 950 – Introductory Material)

<http://www.irs.gov/publications/p950/ar01.html#d0e16> (IRS Publication 950, Introduction to Estate and Gift Taxes)

<http://www.irs.gov/pub/irs-pdf/p559.pdf> (IRS Publication 559, Survivors, Executors and Administrators)

For further information get IRS Publication 950, Publication 559, Form 706, United States Estate Tax Return, and Form 709, United States Gift Tax Return, or visit us online at: www.irs.gov

INSTALLMENT AGREEMENTS

This agreement allows you to pay your full debt in smaller, more manageable amounts. Installment agreements generally require equal monthly payments. The amount of your installment payments and the number you make will be based on the amount you owe and your ability to pay that amount within the time we can legally collect payment from you.

You should be aware, however, that an installment agreement is more costly than paying all the taxes you owe now. As with most revolving credit arrangements, we charge interest and penalties on the unpaid portion of the debt.

Another cost associated with an installment agreement is a user fee. This is a one-time fee (currently \$52 for direct debit agreements and \$105 for non-direct debit agreements) we charge to set up the agreement. For eligible low-income individuals, the fee for entering new agreements will remain \$43. If you don't meet the terms of the agreement throughout the life of the agreement, we charge an additional fee of \$45, regardless of income level, to reinstate it.

If you want to pay off your tax debt through an installment agreement, call the number shown on your bill. If you owe:

- \$25,000 or less in tax, we'll tell you what you need to do to set up the agreement
- More than \$25,000, we may still be able to set up an installment agreement for you, but we may also ask for financial information to help us determine your ability to pay

Even if you set up an installment agreement, we may still file a Notice of Federal Tax Lien to secure the government's interest until you make your final payment.

Note: We can't take any collection actions affecting your property while we consider your request for an installment agreement, while your agreement is in effect, for 30 days after we reject your request for an agreement, or for any period while you appeal the rejection.

If you arrange for an installment agreement, you can pay with:

- Personal or business checks, money orders, or certified funds (all made payable to the U.S. Treasury)
- Payroll deductions your employer takes from your salary and regularly sends to IRS
- Electronic transfers from your bank account or other similar means

For more information visit us online at: www.irs.gov

EXTENSION REMINDER

Automatic 2-month extension for overseas filers. If you are a US citizen or resident and your tax home is outside the USA on April 15, 2010, you are automatically granted a 2-month extension to file your taxes. If you file on a calendar year basis, this means you have until June 15, 2010 to file your 2009 income tax return. To get this extension, attach a statement to the front of your return, indicating "Overseas Filer, Automatic Extension". However, any tax due and paid after April 15, 2009 will be subject to an interest rate of 5% per annum. None of the IRS dates for filing returns or paying taxes are extended due to foreign holidays.

Automatic Six-Month Filing Extension Available. Taxpayers who are unable to meet the regular tax-filing deadline can request an automatic six-month extension, without a reason or even a signature. Those granted this extension must file returns by October 15, 2009. A tax-filing extension does not extend the tax-payment deadline. See Form 4868 and its instructions for more information. Form 2688 has been discontinued.

In addition to this 6-month automatic extension, taxpayers who are out of the country (as defined in the Form 4868 instructions) can request a discretionary 2-month additional extension of time to file their returns (to December 15th for calendar year taxpayers).

To request this extension, you must send the Internal Revenue Service a letter explaining the reasons why you need the additional 2 months. Send the letter by the extended due date (October 15 for calendar year taxpayers) to the following address:

Internal Revenue Service Center
Austin, TX 73301-0215
USA

You will not receive any notification from the Internal Revenue Service unless your request is denied for being untimely.

Form 2555 and 2555EZ filers. If your tax home is in a foreign country, and you need more time to qualify for "bona fide residence test" or "physical presence test" (Form 2555), you should file extension Form 2350 by the due date of your return, generally June 15th for overseas taxpayers. The discretionary 2-month extension is not available to those filing Form 2350.

For more information visit us online at: www.irs.gov.

THE TAXPAYER ADVOCATE SERVICE

If you have tried to resolve a problem with IRS, but have been unable to get it resolved, you should contact the Taxpayer Advocate. The Taxpayer Advocate represents your interests and concerns within the IRS by protecting your rights and resolving problems that have not been fixed through normal channels. While the Taxpayer Advocate cannot change the tax law or make a technical tax decision, he/she can clear up problems that resulted from previous contacts and ensure that your case is given a complete and impartial review.

To contact the Taxpayer Advocate, you can call the Taxpayer Advocate Service Case *Intake Line* at 1-877-777-4778 or 1-800-829-4059 call (787) 622-8940 for English or (787) 622-8930 for Spanish. Alternatively, you may fax Form 911 to (787) 622-8933 for. Note: These are not toll-free numbers!

You can also write to the Taxpayer Advocate at:

Internal Revenue Service
Attn: Taxpayer Advocate Service
San Patricio Office Building Rm. 200
7 Tabonuco St.
Guaynabo, P.R. 00966
USA

For further information about the Taxpayer Advocate Service click on the following link to IRS Publication 1546 (or paste it into your internet browser): <http://www.irs.gov/pub/irs-pdf/p1546.pdf> . To request Taxpayer Advocate Service assistance, use Form 911. For a complete overview you can also go to: <http://www.irs.gov/advocate> .

For more information visit us online at: www.irs.gov

IRS Mailing Addresses for Overseas Filers:

Tax Form	Mail to:
1040, 1040A, 1040EZ, 1040V, 1040NR, 1040NR-EZ, 1040X	Internal Revenue Service, Austin, TX 73301-0215
1120, 1120-A, 1120-F, 1120-S 2555, 2555EZ (filed with Form 1040) 4868 (no payment)	Internal Revenue Service Center, P.O. Box 409101, Ogden, UT 84409 Internal Revenue Service, Austin, TX 73301-0215 USA Internal Revenue Service, Austin, TX 73301-0215 USA
4868 (with payment)	Internal Revenue, P.O. Box 1302, Charlotte, NC 28201-1302 USA
SS-4 (Address depends on legal residency, see SS-4 instructions)	Internal Revenue Service, Attn: EIN Operation, Philadelphia, PA 19255 USA
W-7	Internal Revenue Service, ITIN Operation, P.O. Pox 149342, Austin TX 78714-9342 USA
Address to give to Private Delivery Services	
W-7 All other forms	IRS, Submission Processing Center, ITIN Operation Mail Stop 6090-AUSC, 3651 S. Interregional, Hwy 35, Austin, TX 78741-0000 USA IRS, 3651 S. Interregional HWY 35, STOP 6061 AUSC, Austin, TX 78741 USA