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Sent: 02/22/2010 8:31 AM
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Subject: Newsletter 2/22/2010

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Newsletter Date 02/22/2010 **Volume 1, Number 3**

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Last Week:

Hiring?

Are You a Statutory Employee?

2009 Taxes

Important Links:

Internal Revenue Service

SELLING A BUSINESS IN TOUGH TIMES?

Although you're ready but the market's not, how do you sell a business in tough times?

Letting go of something you've built from the bottom up, and poured body and soul into, is the most agonizing decision a business owner will face. For this to work when the market is down, a sale must carefully be devised or the owner will be left wanting, for a company may be the most significant asset an individual owns. With the economy in the tank, this is a sticky spot to be.

You're tired and want out, but signs indicate a rebound may take up to 5 years or more, however, you don't want to wait that long. Anticipating a sale, the owner becomes a prime candidate for an Exit Plan. The date to retire may be emanate, but the process should have begun long ago.

Yes, selling a business is a process. It's not like buying a bottle of detergent off the shelf or purchasing any other commodity. Time, energy, and heartache are devoted to the how, and what comes from decisions made long ago.

If the approach to exiting a business is systematic, it helps an owner move from a company on his terms. Devising a technique aimed at improving the value during the transition provides additional cash in the owner's pocket.

We humans don't intentionally plan to fail. We just procrastinate and fail to plan. Putting decisions off another day is easier than making hard choices. Regardless, every owner has a plan to exit a business, it can be either voluntary with an owner in charge, or involuntary. With no plan, that decision may be to carry the owner away on a gurney and the business folds. With no preparation, dollars will evaporate, value lost, and never regained.

Nevertheless, when an owner leaves a business, the choices are whether it's on his terms, or those dictated by someone else.

HOMEBUYER CREDIT FORM

The IRS has newly revised Form 5405, First-Time Homebuyer Credit for homebuyers to claim the credit for 2009. The IRS also cautions that the new documents will slow delivery of refunds unless the new form is used, and all required documentation to claim the credit has been attached.

A return with the new Form 5405 cannot be filed electronically, it must be paper filed..

The credit originally enacted in 2008 was repayable over 15 years. Repayment for taxpayers purchasing a home in 2008, will begin with the 2010 returns filed in 2011.

Taxpayers purchasing a qualified home on or before November 6, 2009 and elects to claim the credit on an original or amended 2008 return may use the previous, unrevised version of Form

5405.

CONVERTING AN IRA TO A ROTH IRA in 2010

Roth IRAs provide tax benefits that are not available for traditional IRAs. Although, like traditional IRAs they are easily set up.

Unlike traditional IRAs, distributions from a Roth is not taxable under certain conditions, therefore, a Roth has a strong appeal. Before 2010, only taxpayers with modified adjust gross income of $100,000 or less were allowed this conversion. However, in 2010, anyone may convert a traditional IRA to a Roth IRA regardless of income level. This presents a Roth conversion as a new financial planning opportunity, which many taxpayers should consider.

A conversion is not tax-free, however. The conversion is considered a distribution of all the assets from a traditional IRA, therefore, the distribution will be a taxable event, unless the traditional IRA contains non-deductible contributions. Evaluate the advantages and disadvantages of both the Roth and Traditional IRAs and make a comparison for a possible conversion.

THESE ARTICLES MAY NOT BE USED FOR PENALTY PROTECTION