
2011 INCOME TAX RETURN FILING UPDATE

The past few weeks has been busy for the United States Postal Service. W-2s, 1099s and K1s have been filling up the mailboxes of many American households recently. Now, 2011 income tax return preparation is at the forefront of not just the CPA's mind. With the reality of calculators calculating and computer programs churning out returns, e-filing and paper forms, we wanted to note the following:

- For the early filers, due to the late enactment of the 2010 tax law (December 17th, 2010), the Internal Revenue Service (IRS) has not been able to process all of the law changes into its computers. As a result, the IRS announced it will begin to process tax returns with itemized deductions no earlier than February 14. Happy Valentine's Day.
- Taxpayers have additional time to file their returns this year. Tax returns are due April 18th, 2011 due to an April 16th holiday in the District of Columbia (Emancipation Day, observed on April 15th this year). Because the IRS follows the District of Columbia holiday calendar, the due date is Monday, April 18th, 2011. This is also the due date for gift tax returns.
- As a result of The Emergency Economic Stabilization Act of 2008, new cost basis reporting rules are in effect as of January 1, 2011. The new law requires brokerage firms and mutual fund companies to report a taxpayer's adjusted cost basis for specified securities to the IRS on Form 1099-B and whether the holding periods for the securities are short term or long term. The rules are phased in over a three-year period. Stocks acquired after January 1, 2011 will be required to be tracked, mutual funds acquired after January 1, 2012 will be required to be tracked, and bonds and options acquired after January 1, 2013 will be required to be tracked.

For more information on these items, please contact any of our Wealth Advisors or your regular Artisan Wealth Management, LLC contact.

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