



RAPID CITY CPA FIRM

Certified Public Accountants in Rapid City Help Clients Understand New Tax Laws

RELEASED: 03.04.08

During the 2007 tax-filing season, homeowners will be the biggest beneficiaries of new tax laws, and due to a final compromise on Capitol Hill, millions of taxpayers will be granted a reprieve from the costly alternative minimum tax.

According to Mike Dell, CPA and Director of Tax at Casey Peterson and Associates in Rapid City, "Discharge of acquisition indebtedness (debt incurred in the acquisition, construction, or substantial improvement) on a principal residence may qualify for exclusion from gross income thanks to the newly enacted Mortgage Forgiveness Debt Relief Act of 2007. This exclusion applies to qualified discharges occurring on or after January 1, 2007 and before January 1, 2010."

Before the law was passed, such forgiven debt was often, though not always, taxed as income. "The tax Increase Prevention Act of 2007 introduces the Alternative Minimum Tax (AMT) patch," explains this Rapid City certified public accountant. "This is an important development because without the patch, it was predicted that as many as 25 million taxpayers would see a \$2,000 tax increase."

The AMT is calculated by adjusting the taxpayer's regular taxable income with a number of tax preference items and adjustments.

"This tax season is sure to be a stressful time for many taxpayers, when there are questions and individuals or companies are in need of further clarification, they should never hesitate to call our Rapid City office for help," says Mike Dell of his fellow certified accountants at Rapid City's Casey Peterson & Associates.