

**Robert A. Green, CPA/CEO**

---

**From:** Robert A. Green, CPA/CEO [info@greencompany.com]  
**Sent:** Tuesday, December 15, 2009 5:20 PM  
**To:** rgreen@greencompany.com  
**Subject:** 12/17 Call: Year-End Vital Strategies, Trader Tax, Carried Interest, Financial Reform, Webcasts and more

**Highlights This Week:**

[Green's Webcast from Traders Expo, Las Vegas. Nov. 21](#) was released on 12/9/09. Green covered these [power point](#) slides in his four-hour (paid) class and he touched on these topics briefly in his (free) one-hour workshop above. Fidelity Investor's Publications 12/01/09 [Tax Tips for Traders](#) by Robert Green. *Active Trader* magazine Dec. issue. Green's article on year-end tax planning. [Green's videos from Vegas on Nov. 21](#): Traders and Roth IRA Conversion, Don't Penalize All Investors, Tax Tips for FX Traders, and Tax Code for Foreign Stocks and Futures.

**12/17, Thursday Weekly Conference Call (Free):**

**4:15 - 5:30 pm ET, Dial 312-878-0224, Access Code: 603-682-315**

Podcast to be published following the call, and available with all [prior podcasts](#).

We will discuss these topics and more:

**Carried Interest Repeal:**

While we were focused on fighting the transaction tax, Washington quickly slipped in an earlier-than-scheduled repeal of carried-interest tax breaks for investment managers to pay for extensions of other important tax breaks. [Read Green's new blog article](#) to learn more. One way or the other, Washington has its eyes on Wall Street for tax revenue.

**Financial-Transaction Tax Debate is Escalating:**

Green wrote several blog updates last week, several more posts on Elite Trader, and comments on media sites featuring articles from those in favor and against this tax. This tax idea is being embroiled into related stories on a banker bonus tax in the UK, financial reform, TARP, Main Street vs. Wall Street and more. Bills have been presented to pass a financial-transaction tax in the House and Senate (soon) and hopefully they will be defeated (which appears to be the case).

President Obama chastised the banks to lend more and rein in high year-end bonuses. The UK passed a one-time 50 percent tax on banker bonuses (above the regular 40 percent income tax) and France quickly followed suit. Thankfully, Germany said no and asked its bankers to use self-restraint instead. Banks are rushing to pay back TARP and get out from underneath Washington's control so they can pay bonuses. Thankfully, NYS Gov. Patterson agrees with our Petition's point about letting banks pay reasonable bonuses so NY can collect its vital tax share of bonus wage taxes. The battle over this tax and related issues is reaching a

fever pitch. But I still think we will dodge this bullet on a transaction tax until the IMF issues its promised report on global transaction taxes vs. global bank levies, which is scheduled for preliminary release in April and final release in June 2010. In the meantime, the UK is expected to elect a new Tory PM Candidate Cameron, who has indicated he is not in favor of a (beefed up) transaction tax in the UK. Unless all major global financial exchanges pass a coordinated transaction tax, it's doubtful the U.S. will agree to this tax in fear of losing too much financial transaction business to foreign markets. Like universal climate control, it will be hard to accomplish. [Read Green's blog](#) to catch up on these important tax issues.

**Kindly read and sign Green's [Petition](#)** and please spread the word in chat rooms, social media, and otherwise. Please contact your brokerage firms and ask them to spread the word about our petition too. They have been very late to the table on this issue in my view. Only this past week did the CEO of TD Ameritrade speak out on the issue. The advocates of this tax are winning in the media and we need to work hard to get signatures and letters sent. It's not about saving our jobs; it's about protecting the role of the market-maker speculator, without whom the markets will become poorly priced and less accessible by all, including the family farmer (who is fighting on our side now too).

#### **Year-end tax planning for entities paying earned income to owners for retirement plan and health insurance deductions:**

If you have a trading entity for 2009 and plan to use it for 2009 retirement plan and/or health insurance premium AGI-deduction strategies, **you must take certain vital actions before year-end. You need to pay all earned income fees and officer salaries before year-end.**

\* If you have an S-Corp election, you should use formal payroll rather than administration fees. We can recommend a low-cost payroll tax compliance service provider. There is not much time left to arrange this before year-end. There are some benefits to payroll over fees, such as using year-end tax withholding through payroll to avoid under-estimated income tax penalties from earlier in the year. With payroll, you may qualify for unemployment insurance benefits too.

\* If you have an LLC or general partnership filing a partnership tax return, you should use administrative fees rather than payroll. That skips payroll tax compliance and you can simply issue a check to the trading entity owner/workers who performed administration services (one or both spouses). We can prepare the 1099-Misc. in January. If you took distributions of sufficient cash from your entity during the year, after year-end we can reclassify some of those payments to administration fees. Just make sure you have taken out enough money to cover your AGI-deduction needs before year-end. Otherwise, you may wind up losing these deductions.

\* **Mini 401k plans (otherwise known as Individual or Solo 401k plans) must be established (opened) before year-end too.** For S-Corps using payroll, the retirement plan should be in the name of the entity. For administration fees, the retirement plan should be in your individual names. You can fund these retirement plans after year-end, up until the due date of your 2009 tax return including extensions. If you are not sure which plan is right for you, just be sure to open one

with a leading brokerage firm before year-end. It's free to do. You can roll it over to different plan in early 2010 after studying your options.

\* **Roth IRA conversions must be executed by year-end.** Don't worry, you can recharacterize the conversion by Oct. 15, 2010. Learn more about these conversions in our articles below.

\* Federal Q4 estimated taxes are due Jan. 15, but it's generally more favorable to pay the state Q4 vouchers by Dec. 31 for a year-end deduction (unless it triggers AMT).

For other useful year-end tax planning strategies, read Green's article in Fidelity Investor's Publication, "[Tax Tips for Traders](#)," *Active Trader* magazine (Dec. issue), and on [our site](#).

Our CPAs are standing by ready to help you with year-end tax planning, including proforma 2009 tax returns as suggested in our articles. [Click here](#) to learn more and sign up for a year-end deduction. Or, purchase a [consultation](#) with Green or your assigned CPA to discuss these strategies. Time is limited in December due to the holidays. If you want our help before year-end, please tell us very soon.

### **Special note on using a new entity set up in Q4 2009, or Q1 2010.**

A year-end strategy with entities - using new taxpayer MTM elections and AGI deductions such as retirement plans - can only work if we form the entity and you open the entity trading accounts within the week. It's probably too late to deploy this strategy for Q4 2009. It's now wise to consider an entity formation for 2010, with a Jan. 1 start date. That's usually better than operating as a sole proprietor for part of 2010 and with an entity for the balance of the 2010. [Click here](#) to learn more and get started.

### **House Bill on Financial Reform.**

Update from Brent Gillett JD.

### **General Topics:**

[Traders Association](#) ([please join](#) to fight the financial-transaction tax);  
[Trader Tax](#), [Forex Tax](#) and Tax Treatment;  
[Retirement Plan Strategies & Entities](#) for Traders;  
 Investment Management Businesses (current and proposed rules);  
 News of the Week (tax and regulatory);  
 Tax Changes Coming in 2010 and Beyond;  
[Hedge Funds, Incubator Funds, and Registration issues](#);  
[Proprietary Trading Firms](#);  
 and [Green Energy Active Investors](#).

**Hosts:** Robert A. Green, CPA/CEO of GreenTraderTax and [Brent Gillett, JD of Investment Law Group of Gillett Mottern Walker, LLP](#).

### **Facebook and LinkedIn**

Please connect with [Robert A. Green](#) and our [Traders Association](#) on facebook and on [LinkedIn](#) too.

Online and self-employed small business traders need their own trade association. We continue to fight off the potential financial-transaction tax and defend trader

tax status (business treatment), Section 475 MTM, 60/40 tax rates, and more.

Dear Robert,

Please be our guest for the above and below listed events:

If you have any questions, please contact our customer support at **888-558-5257** (toll-free in US only), or **646-216-8061** (worldwide), or by email to [info@greencompany.com](mailto:info@greencompany.com).

### Tax Preparation & Planning:

Preparation and planning of federal and state income tax returns for traders (retail, proprietary, and hedge funds [both individuals and entities]) is our core business. [Click here](#) to learn more about our tax preparation and planning services.

We are focusing on [year-end tax planning](#) for 2009 now.

We always help clients with late or amended prior year tax return filings too. Better late than never.

### [GreenTraderTax Guides:](#)

The Tax Guide for Traders (McGraw Hill 2004 hardcover & pdf). Comes with free updates in our login area.

**Free Upgrade:** All purchases of our examples guides after Oct. 15, 2009 come with a free upgrade to our 2010 guides.

2009 GTT Guides: 2008 Tax Return Examples for Securities Traders and a separate examples guide for Commodities, Futures & Forex/Currency Traders (online). We also have an Accounting Guide.

Our trader tax guides have been best sellers every year since 1997. See our excellent reviews and get the help you need today.

### [Tax Center:](#)

See our articles on trader tax, MTM, entities, retirement plans, tax treatment, securities versus

### Consultations:

After you read, view and listen to our leading content about trader tax, forex tax, tax changes, entities and retirement plans for traders, hedge funds/advisers, and proprietary trading firms, you will probably have some good questions for our Robert A. Green, CPA.

[Click here](#) to learn more or purchase and schedule an immediate consultation.

### [Trade Accounting Software & Services](#)

Our trade accounting software (and our accountants too if you need help in that area) can handle your trade accounting needs.

### [TradeLog® for GreenTraderTax.](#)

Learn more how TradeLog is much better than any other program for active traders.

### [Webinars, Radio & Trade Shows:](#)

Most are archived so you can take these Webinars anytime you like.

Plus, due to popular demand, several more Webinars with Green are coming soon from most of these companies.

- NYC & Vegas Traders Expo Classes
- MoneyShow.com



futures, forex, precious metals versus base metals, global tax, non-resident alien traders, IRS exams, and much more.

### **Blog:**

Robert Green writes about many hot topics for traders including tax law changes, trader tax, proprietary trading, real estate losses, and more.

### **Recent articles:**

[Dec 10 09 - U.S. regime change our best hope?](#)

[Dec 08 09 - Reply to The Hill's opinion piece](#)

[Dec 08 09 - EliteTrader thread "1/4% Tax on all stock trades pushed in NY Times today"](#)

[Dec 04 09 - Paying for jobs with TARP: Good idea or bad idea?](#)

[Dec 04 09 - FT tax will hinder technology innovation, manufacturing](#)

[Dec 03 09 - Response to economists' support of FT tax](#)

Dec 01 09 - Response to op-ed articles supporting the financial-transaction tax

Nov 25 09 - Financial-transaction tax: Not dead globally

Nov 24 09 - Save traders' jobs: Do not enact a financial-transaction tax

Nov 20 09 - Financial-transaction tax update 2: Global consensus needed

Nov 19 09 - Financial-transaction tax update 1 (11/19)

Nov 18 09 - More thoughts on the financial-transaction tax (Nov. 17, 2008)  
Nov 09 09 - Financial-transaction tax is dead on arrival globally, which is good news locally

Oct 21 09 - Financial-transaction tax remains a hot button issue

Oct 02 09 - State tax update: CA, NYS and other states are planning tax increases

Sep 25 09 - Year-end tax planning, part 2

Sep 23 09 - Year-end tax planning, part 1

Sep 03 09 - AFL-CIO lends support to a dreaded financial-transaction tax

Aug 06 09 - Traders Association

Jul 31 09 - Offshore account IRS voluntary disclosure program deadline is 09/23/09

Jul 15 09 - Retirement-plan strategies - Important May

29 09 - GreenTrader self administered and self-directed retirement-plan strategies and services

May 14 09 - 2010 Obama Budget Tax Proposals: Some Clarifications

May 12 09 - New potential attack on 60/40 treatment for dealers

May 01 09 - Trader tax status review

Apr 30 09 - Recent IRS techniques against traders

Apr 29 09 - Recession ushers in new traders

Apr 28 09 - Trader tax & carried interest updates

Mar 05 09 - SEC raising fees

Mar 04 09 - Rep. Peter DeFazio defends financial-

(many educational videos, Webcasts and interviews with Green)

- FXCM & DailyFX.com
- CBOT
- optionsXpress
- Lightspeed
- DTI
- Vince Rowe Radio Show
- NYS Society of CPAs
- Rockwell Trading
- TraderInterviews.com

## **Green In The Media Recently:**

Fidelity: 12/01/09 [Tax](#)

[Tips for Traders](#),

3/24/09 [Tax Questions and Answers](#) with Robert

Green; and 2/17/09

article from Green, [IRS](#)

[Strategy for Active](#)

[Trader](#);

[Barron's](#) 2/9/09, reasons

professional traders

should use our firm and

TradeLog:

Investor's Business Daily

2/15/08, Interview with

Green on ETF taxation;

[MoneyShow.com](#) has

many videos and

Webcasts with Green on

its Web site;

[Active Trader](#) read

Green's column "The

Business of Trading";

Click the above links to

see these articles and

interviews.

transaction tax on CNBC  
Feb 27 09 - Did Chairman Frank say the financial-  
transaction tax is on hold pending Wall Street payback  
of TARP funds?  
Feb 19 09 - Financial-transaction Tax Reintroduced in  
House as H.R. 1068  
Feb 18 09 - Forex and Tax Treatment  
Jan 16 09 - Foreign futures exchange given 60/40  
treatment  
Jan 14 09 - Potential Financial-Transaction Tax of  
0.25% on proceeds and purchases

### **Tools:**

We are also pleased to offer our users and customers  
this tools section, including general tax, financial and  
business resources. This tools section is the only area  
of our Web site that is powered by a third-party  
company, and they do an excellent job.

### **Forward email**

#### **SafeUnsubscribe®**

This email was sent to rgreen@greencompany.com by [info@greencompany.com](mailto:info@greencompany.com).  
[Update Profile/Email Address](#) | Instant removal with [SafeUnsubscribe™](#) | [Privacy Policy](#).

Email Marketing by



GreenTraderTax & GreenTraderFunds | 54 Danbury Rd., #351 | Ridgefield | CT | 06877