



Recent Developments of Interest

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Business Energy Tax Credit (BETC) Program


- Oregon Department of Energy issued final rules – effective today, May 27th
- Pass-through credit rate (the rate that you may sell your credits to a third party) has been revised and simplified.
- Look for Perkins Bulletin.
- Copy of revised rules can be found on our website.



Carried Interest – included in the “American Jobs and Closing Loopholes Act of 2010”

- Includes positive provisions – extensions of various current tax law provisions for one year (through 2010).
- Offsets include: a provision to tax 75% of carried interest as ordinary income and the other 25% as capital gain income.
- It also identifies other “tax loopholes” such as avoiding self-employment tax by routing SE income through an S Corporation or LLC.
- Senate and House working together to get bill passed.
- What is carried interest (or promoted interest)?
- What does this mean to the real estate industry?

Effect of the Carried Interest Bill

Tax Rate	2009	2010	2011
Federal – highest marginal	35%	35%	39.6%
Oregon	9%	11%	11%
Long-term Capital Gains	15%	15%	20%
Max. Effective Tax Rate (ignoring state tax deduction)	44%	46%	50.6%
Carried Interest Income Rate	24%	26%	45.7%
Percentage Increase in Tax Liability		8%	76%

Disclaimer

This presentation is a summary and is not intended as tax or legal advice. You should consult your tax advisor to obtain specific advice with respect to your fact pattern.

Based on the most recent “best practice” standards for tax advisors issued by the Treasury Department, commonly referred to as Circular 230, we wish to advise you that this presentation as not been prepared to be used, and cannot be used, to provide assurance that penalties which may be assessed by the IRS or other taxing authority (including specifically section 6662 understatement penalties) will not be upheld.



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