

# THE VET GAZETTE

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**American Recovery and Reinvestment Act of 2009 – provides energy incentives for business.**

**American Recovery and Reinvestment Act (ARRA) of 2009 Provides Energy Incentives for Business**

The American Recovery and Reinvestment Act 2009 of 2009 provides a number of energy tax incentives for both small and large businesses. Businesses and individuals who take advantage of these energy-saving steps this year may, as a result, see bigger tax savings next year.

Following are some of the major provisions that apply:

1. **Extension of Renewable Energy Production Tax Credit:** This law extends the “eligibility dates” of a tax credit for business facilities that use wind, closed-loop biomass, open-loop biomass, geothermal energy, municipal solid waste, qualified hydropower and marine and hydrokinetic renewable energy. The “placed in service date” is now December 31, 2012 for wind facilities and December 31, 2013 for the other facilities.
2. **Election of Investment Credit in Lieu of Production Credit:** Businesses that operate facilities that produce electricity from wind and some other renewable resources after Dec. 31, 2008 can now choose either the energy investment tax credit or the production tax credit.
3. **Repeal of Certain Limits on Business Credits for Renewable Energy Property:** ARRA repeals the \$4,000 limit on the 30 percent tax credit for small wind energy property and the limitation of property financed by subsidized energy financing for property placed in service after Dec., 31, 2008.
4. **Coordination with Renewable Energy Grants:** Business taxpayers can apply for a grant in lieu of claiming either the energy investment tax credit or the renewable energy production tax credit for prop-

5. **Temporary Increase in Credit for Alternative Fuel Vehicles Refueling Property:** Qualified property placed in service in 2009 and 2010 is now eligible for a 50 percent credit; and the pre-business location limit increases to \$50,000. Property relating to hydrogen remains at the 30 percent rate, but the pre-business location limit raises to \$200,000.

In addition, there are several other energy credits available that small businesses should be aware of, such as:

6. **Residential Energy Property Credit:** The new law increases the energy tax for homeowners who make energy efficient improvements to their existing homes. The new law increases the credit to 30 percent of the cost of all qualifying improvements and raises the maximum credit limit to \$1,500 for improvements placed in service in 2009 and 2010. The credit applies to improvements such as adding insulation, energy efficient exterior windows and energy efficient heating and air conditioning systems.
7. **Plug-in-Electric Drive Vehicles Credit:** The new law modifies the credit for qualified plug-in electric drive vehicles purchased after Dec. 31, 2009.
8. **Plug-In-Electric Drive Vehicle Credit:** The new law also creates a special tax credit for two types of plug-in vehicles—certain low-speed electric vehicles and two- or three-wheeled vehicles.

For more information business energy tax incentives, visit <http://www.irs.gov/newsroom/article/0,,id=209564.00.html>.

Helping small businesses



Your Small Business Resource

## Work Opportunity Tax Credit

The Internal Revenue Service (IRS) under Section 51 of the Internal Revenue Code provides for a Work Opportunity Tax Credit (WOTC) for employers who hire individuals who are members of targeted groups.

Section 1221 of the American Recovery and Reinvestment Tax Act of 2009 (ARRTA), enacted February 17, 2009 added two new targeted groups for the purpose of the WOTC. The amendment provides that unemployed veterans and disconnected youth who begin work for an employer during 2009 and 2010 shall be treated as members of a targeted group for the purpose of the work opportunity tax credit.

IRS issued an Internal Revenue Bulletin on June 28th outlining the provisions governing the criteria for a worker to be considered a member of one of the two new target groups. The bulletin also included the timeframes an employer or employers will have to submit the Standard IRS Form 8850 (pre-screening notice) for workers in the new target group hired after December 31, 2008 and before July 17, 2009 to receive the WOTC tax credit. The deadline for employers to submit Form 8850 is August 17, 2009.

For additional information on the Work Opportunity Tax Credit visit [www.irs.gov](http://www.irs.gov).

## Veterans Business Outreach Centers - SBA's Resource for Veteran Entrepreneurs

Veterans Business Outreach Centers are regionally based facilities that provide business, technical, and financial assistance to veteran and service-disabled veteran small business owners/entrepreneurs; to transitioning military personnel exploring the career options small business ownership offers.

The centers are funded by the Office of

Veterans Business Development, in the headquarters office of the U.S. Small Business Administration, and are tasked in aiding veterans and reservists in acquiring the skills necessary to start or improve business operations and performance while effectively managing staff, finances, and resources.

All centers provide programs and services, which either impart or enhance core competencies small business owners need in managing the day-to-day operations of the business, while simultaneously ensuring that these business owners have the knowledge and aptitude essential to making informed business decisions.

Core services range from counseling and training to special outreach initiatives, such as procurement training or business matchmaking opportunities to directed referrals and e-based assistance.

In addition to core programs and services, the centers offer specialized programs and services tailored to meet the specific business needs of the local veteran business communities they serve. These specialized services include, but are not limited to, concept assessment, market analysis, use of the Internet as a tool for developing and expanding businesses, strategic planning, comprehensive feasibility analysis, cost projections, and more.

VBOC staff, working in conjunction with other SBA resource partners, target entrepreneurial projects and counseling sessions that are tailored specifically to address the needs and concerns of the service-disabled veteran entrepreneur.

Because of their level of commitment in helping veterans and reservists succeed as small business owners, and in assuring that their clients have the best possible assistance, VBOC staff conduct onsite visits with clients to ensure adherence to their business plans. In addition to these onsite visits, staff perform monthly reviews of financial statements

to determine whether a revision of the business plan is warranted or if desired results are being attained.

VBOCs also offer training in areas such as international trade, franchising, accounting, marketing, developing an effective market-entry strategy, and other business management-related topics.

Since the inception of the Veterans Business Outreach Program (VBOP) in 1999 and establishment of the VBO Centers to carryout its charge serving more than 134,000 veterans, service-disabled veterans, reserve component members and transitioning military personnel have received counseling, training, directed referral and e-based assistance.

To date, there are eight centers operating regionally. These centers and their areas of coverage are:

### Massachusetts

Northeast Veterans Business Resource Center:

Telephone: [617.938.3933](tel:617.938.3933)

States covered: Massachusetts, Maine, Vermont, Rhode Island, Connecticut

### New York

The Research Foundation of the State University of New York:

Telephone: [1-800-732-7232](tel:1-800-732-7232)

State/territories covered: New York, New Jersey, Puerto Rico, Virgin Islands

### Pennsylvania

Robert Morris University

Telephone: [412-397-6842](tel:412-397-6842)

States covered: Pennsylvania, Maryland, Virginia, West Virginia, Delaware, District of Columbia

### Florida

The University of West Florida in Pensacola

Telephone: [1-800-542-7232](tel:1-800-542-7232) or [850-271-1108](tel:850-271-1108)

States covered: Florida, Georgia, Alabama, South Carolina, North Carolina, Mississippi, Tennessee, Kentucky

### Michigan

VetBiz Central, Inc.

Telephone: [810-767-8387](tel:810-767-8387)

States covered: Michigan, Minnesota, Wisconsin, Illinois, Ohio, Indiana

### Texas

University of Texas—Pan American

Telephone: [956-292-7547](tel:956-292-7547)

States covered: Texas, New Mexico, Arkansas, Louisiana, Oklahoma

### Missouri

Veterans Advocacy Foundation, Inc-VBOC

Telephone: [314-531-8387](tel:314-531-8387)

States covered: Missouri, Kansas, Iowa, Nebraska

### California

Vietnam Veterans of California-VBOC

Telephone: [916-393-1690](tel:916-393-1690)

States/territory covered: California, Arizona, Guam, Hawaii, Nevada

### EPA's Partnership Programs

The Environmental Protection Agency has partnership programs designed to address a wide variety of environmental issues by working collaboratively with companies, organizations, communities, and individuals. These partnerships are intended to improve stewardship of the environment while creating new products, processes and technologies that reduce pollution and harm to the environment.

There are now 13,000 firms and other organizations participating in EPA Partnership Programs. What specifically are EPA's Partnership Programs? These programs offer participating enterprises a wide variety of valuable services and

resources to help reduce their overall environmental impact. Some of the services and resources offered through the EPA Partnership Programs are:

- Benchmarking and Recognition
- National Research and Collaboration
- Services and Resources
- Regulatory Role
- Early Credit and Regulatory Developments

In addition to the above services and resources, EPA has established partnerships specifically to help businesses reduce their environmental impact by reducing greenhouse gas emissions, conserving water, and developing a comprehensive climate change strategy, etc. Consequently, the Green Suppliers Network is one such partnership.

### Green Suppliers Network (GSN)

The Green Suppliers Network is a collaborative effort with the U.S. Department of Commerce (DoC) to help small and medium-sized manufacturers stay competitive and profitable while reducing their impact on the environment.

This is accomplished through reviews conducted by the Green Suppliers Network. Such GSN reviews can help large, small and medium-sized manufacturers 1) find customized solutions to their manufacturing challenges, 2) save money and increase capacity, 3) see immediate results through hands-on training on the shop floor, 4) achieve additional savings and efficiencies beyond traditional lean techniques, and 4) improve supply chain relationships.

In addition to the reviews, GSN works with large manufacturers to engage their suppliers in low-cost technical reviews to identify strategies for improving process lines and using materials more efficiently. *The Lean and Clean Advantage* targets and eliminates the root cause of waste. The result — a stronger bottom line.

For more information on the Green Supplier Network and other EPA Partnership programs, visit [www.epa.gov](http://www.epa.gov).

### IRS's Top Seven Tips for Taxpayers Who Have Started or Are Thinking of Starting a New Business

Anyone starting or thinking of starting a new business should be aware of their federal tax responsibilities. To aid new business owners in understanding their federal tax responsibilities, IRS has identified the top seven things you should know if you plan on opening a new business this year.

These tips are as follows:

1. First, you must decide what type of business entity you are going to establish. The type of tax your business pays will determine which tax form you have to file. The most common types of business legal structures are the 1) sole proprietorship, 2) partnership, 3) corporation, and 4) S corporation.
2. The type of business you operate determines what taxes you must pay, and how you pay them. The four general types of business taxes are 1) income tax, 2) self-employment tax, 3) employment tax, and 4) excise tax.
3. An *Employer Identification Number* is used to identify a business entity. Generally, businesses need an EIN. For more information of whether you will need an EIN, visit [IRS.gov](http://IRS.gov); where you can also apply for an EIN online.
4. Good records will help you ensure successful operation of your new business entity. You may choose any recordkeeping system suited to your business that clearly shows your income and expenses. Except in a few cases, the law does not require any special kind of records.

However, the business you are in affects the type of records you need to keep for federal tax purposes.

5. Every business taxpayer must figure taxable income on an annual accounting period called a tax year. The calendar year and the fiscal year are the most common tax years used.
6. Each taxpayer must also use a consistent accounting method, which is a set of rules for determining when to report income and expenses. The most commonly used accounting methods are the cash method and an accrual method. Under the cash method, you generally report income in the tax year you receive it and deduct expenses in the tax year you pay them. Under the accrual method, you generally report income in the tax year you earn it and deduct expenses in the tax year you incur them.
7. Visit the Business section of IRS.gov for resources to assist entrepreneurs with starting and operating a new business.

To get the latest IRS news, products, and services; subscribe to e-News for Small Businesses on [IRS.gov](https://www.irs.gov).

## What Are DUNS Numbers?

Small business owners may wonder why it is necessary to have DUNS numbers, and if there is a benefit to having such numbers?

If your small business is a for-profit entity and you are interested in bidding on federal government contracts, or if your firm is a nonprofit entity submitting proposals for federal grants; then you must be registered in the Federal Contractor Registration (CCR) Database, at [www.bnp.gov/ccr](https://www.bnp.gov/ccr), and you must have a DUNS number issued by Dun and Bradstreet (D&B).

D&B is a company that provides business information for credit, marketing, and purchasing decisions. Its “data universal numbering system,” known as DUNS, issues unique 9-digit numbers that are used by businesses and the federal government to keep track of more than 100 million businesses worldwide.

All business regardless of size that sell to the federal government or receive federal grants must have a DUNS number and be registered in the CCR to either access fedbizopps, where federal contracting opportunities are posted, [www.fbo.gov](https://www.fbo.gov) or grants.gov, where federal grants are posted, [www.grants.gov](https://www.grants.gov). Without registering and the DUNS number small, medium-sized or large business owners or nonprofit organizations will not be able to access federal business opportunities or grants.

DUNS numbers make it easier for prospective customers and suppliers to do business with you and they:

1. enhance the credibility of your business in the marketplace,
2. Enable potential customers, suppliers and lenders to easily identify and learn about your company,
3. Ensure that your company is listed in D&B’s database,
4. Use D&B as a credit reference,
5. Receive your D-U-N-S Number within in 30 business days, using the online application process.

Obtaining a DUNS number is a fairly easy process. It takes only a day to get a DUNS number from D&B by phone (866-785-0428), but Internet applications may take up to 30 days.

For additional information on obtaining a DUNS number, visit D&B at [www.dnb.com/USduns](https://www.dnb.com/USduns).

## Income Statement in a Snapshot

What are income statements, how do businesses use them, and are they beneficial to small businesses? These are

common questions that perhaps numerous small business owners ask particularly, when the enterprise is a new business, and they are learning how to manage the finances of the firm.

If a small business, or any business for that matter, is to be successful in the long-term, then the owner must develop an understanding of financial concepts and techniques, such as income statements, balance sheets, cash-flow statements, breakeven analysis, operating budgets, operating capital, or return on investment, etc. Without an understanding and knowledge of these financial tools, the firm may at some point in time be faced with a budget crises or financial shortfall that could ultimately result in business failure.

Financial management is one of the most important keys to operating and sustaining successful small businesses. Therefore, understanding the income statement, how it works, and its benefits are important in managing the finances of a firm.

An income statement shows all income and expense accounts over a period of time, e.g., a month, quarter, or year. It is an indication of the firm’s profitability and is also known as the profit and loss statement. The income statement shows how much money the company will make after all expenses are accounted for; however, it does not reveal hidden financial problems such as insufficient cash flow.

The income statement reflects when sales are made and expenses incur and draws information from the firm’s other financial operations, such as revenue (sale of goods or services), expenses, cost of goods, and depreciation.

In addition to capturing revenues and expenses over a specific time, the income statement also is used to drive tax returns and as a comparison of the month-to-month and year-over-year performance of a firm.

Income statements include the following financial projections:

- Income
- Cost of goods
- Operating costs
- Depreciation
- Net profit
- Interest
- Earnings before interest and taxes
- Taxes
- Total expenses, and
- Net profit after taxes

Business owners use income statements primarily to review the firm's profitability, for determining the major revenues earned through income, and for planning purposes based on revenues generated, such as identifying potentially new investments to make and the risks associated with such investments; determining if sales are increasing or declining; evaluating the return on investment (ROI); evaluating the effectiveness of a specific marketing/promotional strategy implemented during the period of time the statement covers; or analyzing operating revenue streams.

The income statement is one of three major financial statements business owners use in measuring a firm's financial performance, and it is divided into two parts: 1) the operating and 2) non-operating sections. The operating section discloses information about revenues and expenses that are a direct result of the regular business operations while the non-operating section discloses revenue and expense information about activities not tied directly to a company's regular operations.

An example of an operating item on an income statement is the cost of an advertising campaign. The operating section of the income statement would reflect the revenues and expenses involved in production of the campaign and its outcome. Because marketing campaigns are regular business operations, such activities would be part of the operating items on an income statement.

A non operating item would be the purchase of a new advertising agency. This type of item would not be included on the operating section of the income statement because purchasing a company is not considered part of a firm's regular business operations. As a result, this type of purchase is reflected on the non-operating section of the income statement.

The Income statement is one of three major important financial tools business owners need to effectively manage the finances of their firms. If you need assistance with managing and operating your small enterprise, SBA has numerous resources to aid small business owners in acquiring the skills needed to operate solvent, successful small businesses. The agency through its Small Business Training Network (SBTN) offers free online courses, to view and participate in these courses visit <http://www.sba.gov/services/training/index.html>, or visit our website at [www.sba.gov/vets](http://www.sba.gov/vets).

### Disability.gov Launched

On Monday, July 27, 2009, the U.S. Department of Labor launched Disability.gov a redesigned federal website that connects the more than 50 million Americans with disabilities to thousands of trusted resources on disability-related issues, programs and services. Formerly known as DisabilityInfo.gov, the site has been completely redesigned and updated with new social media tools to encourage feedback and interaction among visitors. Disability.gov is not just for Americans with disabilities but also for parents of children with disabilities, employers, work-

### OTHER RESOURCES

<http://www.irs.gov/>  
[www.military.com](http://www.military.com)  
[www.vetjobs.com](http://www.vetjobs.com)  
[www.publicforuminstitute.org](http://www.publicforuminstitute.org)  
[www.commerce.gov](http://www.commerce.gov)  
[www.hirevetsfirst.gov](http://www.hirevetsfirst.gov)  
[www.hirevestfirst.gov/smallbizown.asp](http://www.hirevestfirst.gov/smallbizown.asp)  
[www.dol.gov](http://www.dol.gov)  
[www.ssa.gov/emergency](http://www.ssa.gov/emergency)  
[www.ssa.gov](http://www.ssa.gov)  
[www.sba.tmonline](http://www.sba.tmonline)  
[ESGR Programs](http://www.esgr.gov)  
[ESGR Tips for Military Members](http://www.esgr.gov)  
[Veterans Business Outreach Center: Serving the Veterans of New York State](http://www.veteransbusinessoutreachcenter.org)  
[Veterans Business Outreach Center – University of West Florida](http://www.veteransbusinessoutreachcenter.org)  
[Veterans Business Outreach Center – Robert Morris University](http://www.veteransbusinessoutreachcenter.org)  
[Veterans Business Outreach Center – The University of Texas-Pan American](http://www.veteransbusinessoutreachcenter.org)  
[Veterans Business Outreach Center – California VBOC](http://www.veteransbusinessoutreachcenter.org)  
[Office of Advocacy](http://www.aptac-us.org/new/)  
<http://www.nchv.org>  
[Kauffman eVenturing \[www.eVenturing.org\]\(http://www.eVenturing.org\)](http://www.eVenturing.org)

force and human resource professionals, veterans, educators, caregivers and many others.

Disability.gov features comprehensive information from 22 federal agencies, as well as educational institutions, non-profit organizations, and state and local governments. Topics covered on the site include: benefits, civil rights; community life; education; emergency preparedness; employment; health; housing; technology; and transportation. For more information, visit [Disability.gov](http://Disability.gov).

**NEWS Alert: Attention existing users—**CCR login procedures have changed. If you currently have a CCR record, but do not have a user ID and password, you will not be able to access your record until you create a user account. The CCR has extended the deadline to make this change to December 21, 2009. You will need to create your user account prior to your renewal date!