

Summer Daze

Hope you all had a great 4th of July!

As the summer bakes along things are not really hopping in legislative quarters. The only legislation that has been passed in the last two months has been:

1. Extension of Home Buyers Credit
2. Repeal of the “Doc Fix” law.

Extension of Home Buyers Credit

On July 2, 2010 President Obama signed into law the **HOME BUYER ASSISTANCE AND IMPROVEMENT ACT OF 2010**. The law extended the closing date on the homebuyer credit from June 30, 2010 to September 30, 2010 for those homebuyers who had entered into a contract to purchase a new home by prior to May 1, 2010. This law was originally part of a much larger general extenders package that Congress was trying to get through. However, because of the extended costs of all of the provisions, the original bill ultimately got clogged down in the Senate preventing overall passage.

Apparently frustrated by the futile attempts to jam through the original bill (because of excessive costs) and desiring to show some progress in passing legislation, Congress separated the Homebuyer Assistance portion of the bill to pass it, alone.

The new law does not extend the “prior to May 1, 2010” contract requirement. While there have been several bills introduced to extend the homebuyer credit through December 31, 2010, the cost of such an extension has so far proven an insurmountable roadblock.

A credit of up to \$8000 for first time homebuyers (\$6500 for longtime homeowners) generally has been available to qualified taxpayers on homes purchased prior to May 1, 2010. The extension until September 30, 2010 covers both first time homebuyers and long time homeowners.

Implementation of the “Doc Fix” law

On June 25, 2010 President Obama signed into law the **PRESERVATION OF ACCESS TO MEDICARE BENEFICIARIES AND PENSION RELIEF ACT OF 2010** – a package of defined benefit pension funding relief measures and the so called Medicare “Doc Fix”.

The “Doc Fix” reverses a 21% cut in Medicare physician reimbursements that took effect June 1, 2010. The new law not only reverses the payment reductions to physicians, it also provides a 2.2%

update to physician payment rates through November 30, 2010. The “Doc Fix” is retroactive to June 1, 2010.

According to Senate Finance Committee Chairman, Max Baucus (D – Mont), “This bill ensures seniors and military families get the access they depend on to the doctors they trust”

***** Special Note: Had the Medicare payment cuts remained, many physicians’ offices would have had to refuse taking any additional Medicare patients due to insufficient revenues to offset the additional expenses created by servicing additional Medicare patients.*****

House leaders had initially resisted taking up the “Doc Fix” bill unless the Senate pass an enormously expensive jobs bill. However, when Senate Republicans again blocked the jobs bill on June 24, 2010, the House caved in and approved the “Doc Fix”.

The Pension Funding Relief side of the legislation quite simply gives sponsors of defined benefit plans additional time to amortize pension shortfalls. “These relief provisions...will help many large American employers manage artificially inflated pension obligations and reduce layoffs” said American Benefits Council President James Klein. Additionally, he said “This legislation will allow employers to responsibly fund their retirement plans while also driving economic growth.”

As can be seen with these two pieces of legislation, Congress is being dragged kicking and screaming into passing legislation that is designed to benefit the taxpayer and business, instead of saddling future generations with overwhelming debt.

We so desperately need legislators who truly desire to represent the taxpayers who send them to Washington. Our only hope is that we take back this country by electing principled legislators who sincerely have our welfare at heart and agree to be held accountable by the very people who elect them. Without such potential future leaders the promise of life, liberty and the pursuit of happiness will be forever lost in this great nation.

Till next time,

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