

APRIL 2008



# McBulletin

A Monthly Update for McDonald's Owner/Operators from Gray, Gray & Gray, LLP

## HOT TOPICS

**TAX DEADLINE IS APPROACHING!** If you have not mailed your tax materials to us, please make sure you do it ASAP!

**McDONALD'S WORLDWIDE** is scheduled for April 14-17, 2008 in Orlando, FL. If you are attending the convention, it is important that you provide us with your monthly information before you leave so that we can process it prior to the 25th. Otherwise we may not have your financials ready in time. If you are not attending the convention, you can provide your information in the usual timely manner.

Gray, Gray & Gray will be in attendance at the convention in Orlando. Please stop by our booth (with the National Franchise Consultant's Alliance) and say hello!

**STORE INSURANCE POLICIES** - Please remember to send a copy of your new store insurance policy with your monthly package, so that we can book them on your stores.

**REAL ESTATE & PERSONAL PROPERTY TAX BILLS** - Always remember to send us copies of your real estate and personal property tax bills when they are paid so that we can adjust the accruals accordingly.

## DATES TO NOTE

April 15 - Tax Filing Deadline

April 15 - First Estimated Tax Payment Due

April 14-17 - McDonald's Worldwide Convention 2008

April 29 - GG&G Spring Swing Golf Tournament, Granite Links, Quincy, MA

## TAX TOPICS

Gray, Gray and Gray is happy to pass on to you some new information regarding the Economic Stimulus Package Act of 2008.

The U.S. House and Senate agreed to economic stimulus legislation (the Economic Stimulus Package Act of 2008) which will put rebate checks in most people's pockets. The following is a summary of some key portions of the legislation:

Rebate checks of \$300 - \$600 for individuals and \$600 - \$1,200 for joint filers with earned income of at least \$3,000. Earned income includes Social Security payments and veterans disability benefits. The rebates phase out for individuals with adjusted gross income of \$75,000 (\$150,000 for joint filers) and higher.

An increase of \$300 per child in the "child tax credit."

An increase in the amount of assets qualifying for immediate expensing, under §179 from \$128,000 to \$250,000, and an increase in the overall investment limit from \$250,000 to \$800,000 for 2008.

Qualifying assets placed in service after January 29, 2008 and before January 1, 2009 will qualify for 50% bonus depreciation. (If you have a question on whether assets qualify please contact our franchise department.)

The important part of this legislation to McDonald's franchisees is the provision for small business incentives. Increasing Section 179 allows owner operators to expense up to \$250,000 of qualifying property (5 year property - equipment, seating and decor, signs, furniture and fixtures, etc.). This was increased from \$128,000 to \$250,000. The overall investment limit was raised from \$500,000 to \$800,000. What that means is that Section 179 expensing applies to qualifying assets purchased up to \$800,000. Any amount over \$800,000 would be phased out dollar for dollar up to \$1,050,000. Also, any qualifying assets (5-15 year MACRS property - includes equipment, etc - as well as qualifying leasehold improvements) will qualify for 50% bonus depreciation.

These new provisions, which are in effect for calendar year 2008, allow owner operators to write off significant amounts of depreciation in 2008. With the CBB initiative looming for most, as well as many stores being rebuilt, relocated and re-imaged, this provision couldn't come at a better time.

### **PARTING SHOT**

"To change and to improve are two different things."

- German proverb

For more information, please contact Mark Kashgegian at (781) 407-0300, or e-mail Mark at: [mkashgegian@gggcpas.com](mailto:mkashgegian@gggcpas.com).

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Please consult your tax and accounting advisor before making any decisions.

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