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## HIGHLIGHTS OF THE AMERICAN TAXPAYER RELIEF ACT OF 2012 FOR BUSINESS CLIENTS

### Business Tax Extenders

The act also extended many business tax credits and other provisions. Notably, it extended through 2013 and modified the Sec. 41 credit for increasing research and development activities, which expired at the end of 2011. The credit is modified to allow partial inclusion in qualified research expenses and gross receipts those of an acquired trade or business or major portion of one.

Other business provisions extended through 2013, and in some cases modified, are, but not limited to:

- **The increased expensing amounts under Sec. 179 are extended through 2013.**
- **The availability of an additional 50% first-year bonus depreciation was also extended for one year by the act. It now generally applies to property placed in service before Jan. 1, 2014 (Jan. 1, 2015, for certain property with longer production periods).**
- Temporary minimum low-income tax credit rate for non-federally subsidized new buildings;
- New markets tax credit;
- Employer wage credit for employees who are active duty members of the uniformed services;
- Work opportunity tax credit;
- Enhanced charitable deduction for contributions of food inventory;
- Special expensing rules for certain film and television productions;
- Modification of tax treatment of certain payments to controlling exempt organizations;
- Treatment of certain dividends of regulated investment companies;
- Regulated investment company qualified investment entity treatment under the Foreign Investment in Real Property Tax Act;
- Temporary exclusion of 100% of gain on certain small business stock;
- Basis adjustment to stock of S corporations making charitable contributions of property;
- Reduction in S corporation recognition period for built-in gains tax.

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