



GROCO WEEKLY

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Weekly Wealth Building Tips

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The Importance of an Independent Valuation



Not only is an independent valuation a good idea when getting involved in a transaction, it is also a statutory requirement in many circumstances that involve Employee Stock Ownership Plans, Estate/Gift Taxes, Charitable Contributions or, most recently, the granting of Stock Options. And, in most circumstances, a solid independent valuation can be an insurance policy against tax assessments and accuracy-related penalties.

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Sec 1202: Small Business Stock Gain Exclusion

To encourage investment in new ventures, small businesses, and specialized small business investment companies, Section 1202 of The Internal Revenue Code grants relief to investors who risk their funds in these businesses.

Noncorporate investors may exclude up to 50 percent of gain they realize on the disposition of qualified small business stock issued after August 10, 1993 and held more than five years.

The exclusion is 60 percent if the qualified small business stock is issued by a corporation in an empowerment zone. The exclusion is 75 percent for stock acquired after February 17, 2009 and before January 2011.



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How to Successfully Sell Your Company



Be clear about your motivation for selling. Reason for the sale is among the first questions buyers will ask. Your personal and professional reasons should be more than simply wanting to cash out for a certain magical dollar value. Before you decide to sell your company, focus on your true objectives.

Engage experts to ensure confidentiality. A breach of confidentiality surrounding the sale of a business can change the course of the transaction, and may impact ongoing operations. Also, confidentiality works both ways.

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2010 Standard Mileage Rates



The Internal Revenue Service issued the 2010 optional standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes.

Beginning on Jan. 1, 2010, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

- 50 cents per mile for business miles driven
- 16.5 cents per mile driven for medical or moving purposes
- 14 cents per mile driven in service of charitable organizations

The new rates for business, medical and moving purposes are slightly lower than last year's. The mileage rates for 2010 reflect generally lower transportation costs compared to a year ago.

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Upcoming Due Dates

[Upcoming Tax and Accounting Deadlines](#)

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