

South Florida tax experts predict rate hikes in the near future

BY BILL FROGAMENI

While death and taxes are certain, tax codes are forever changing. That's a theme echoed by South Florida tax professionals looking ahead to 2010 and beyond.

The tax code is influenced by everything from ideology to the economy to the election cycle, so it's often tough to predict, the experts say.



Mielnicki

One thing that seems certain, said Daniel Mielnicki, a tax attorney with Berger Singerman in Boca Raton, is that the U.S. is going to have to raise tax rates in the not-so-distant future. With record deficits, spending run amok and a persistent fear of inflation, the government

has to look for additional tax revenue to cover the nut.

"What's going to happen, in my view, in my humble opinion, is you're going to see significant rate increases," he said. "I think it has to happen very soon because the closer Barack Obama gets to the end of his term, the less likely he is going to want to do it."



Ploucha

With an aging population driving more spending for programs like Social Security and Medicare, tax hikes are on the way, agreed Lawrence Ploucha, a tax attorney with Fort Lauderdale-based law firm Atkinson, Diner, Stone, Mankuta & Ploucha.

"The economic condition of our country says we have to raise taxes," he said. "It has to happen, but nobody wants it on their watch."

On the personal income tax side, Ploucha guessed that there would be a rate hike in two to three years. He was less certain about business taxes.

The potential changes in 2010 for small businesses, Ploucha's client base, aren't looking that major right now.

"From the small business perspective, there are not many earth-shaking proposals out there," he said.

There is a proposal to provide relief from the alternative minimum tax for 2010, Ploucha noted.

Also, small businesses have to watch out for changes in how they can expense certain property such as furniture, computers and office equipment, said Saul Silverman, an ac-

countant with Goldstein Schechter Koch in Coral Gables.

"If you put in up to \$250,000 in equipment, you can deduct it currently," he said. "That's scheduled to go down to \$133,000."

Congress may step in to change that at the last minute, but, in the meantime, business owners may be wise to move capital expenditures up before the end of the year, Silverman said.

A deduction known as the "bonus depre-

FROM THE small business perspective, there are not many earth-shaking proposals out there.

Lawrence Ploucha | Tax attorney

don't know."

If the bonus depreciation and expensing changes happen as scheduled, medium-size businesses – those with annual revenue in the range of \$10 million to \$15 mil-

lion – would be the hardest hit, Silverman said. In South Florida, businesses most likely to feel the pinch include commercial real estate investors, such as hotel and apartment owners, and restaurant owners, he said.

lion – would be the hardest hit, Silverman said. In South Florida, businesses most likely to feel the pinch include commercial real estate investors, such as hotel and apartment owners, and restaurant owners, he said.

lion – would be the hardest hit, Silverman said. In South Florida, businesses most likely to feel the pinch include commercial real estate investors, such as hotel and apartment owners, and restaurant owners, he said.

lion – would be the hardest hit, Silverman said. In South Florida, businesses most likely to feel the pinch include commercial real estate investors, such as hotel and apartment owners, and restaurant owners, he said.

lion – would be the hardest hit, Silverman said. In South Florida, businesses most likely to feel the pinch include commercial real estate investors, such as hotel and apartment owners, and restaurant owners, he said.

lion – would be the hardest hit, Silverman said. In South Florida, businesses most likely to feel the pinch include commercial real estate investors, such as hotel and apartment owners, and restaurant owners, he said.

lion – would be the hardest hit, Silverman said. In South Florida, businesses most likely to feel the pinch include commercial real estate investors, such as hotel and apartment owners, and restaurant owners, he said.