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We continue to strive to bring relevant tax topics to your attention. This newsletter discusses potential fuel tax credits and refunds.

Fuel Tax Credits and Refunds

You may be eligible to claim a fuel tax credit or refund for nontaxable uses of the following fuels:

- Gasoline and Aviation Gasoline
- Undyed Diesel Fuel and Undyed Kerosene
- Diesel-Water Fuel Emulsion
- Other Fuels (Including Alternative Fuels)
 - LP gas, includes propane, butane, pentane, or mixtures of those products
 - "P Series" fuels
 - Compressed natural gas (CNG)
 - Liquefied hydrogen
 - Liquid fuel derived from coal or biomass
 - Liquefied natural gas (LNG)
 - Liquefied gas derived from biomass

There are sixteen types of nontaxable uses of fuel that may qualify for a credit or refund under certain situations. One type of nontaxable use that is most common to the general business entity is Off-Highway Business Use. (Please contact our office for a full list). Off-Highway Business Use means fuel used in a trade or business or in an income-producing activity other than as a fuel in a highway vehicle registered or required to be registered for use on public highways. Some off-highway business uses include the following activities:

- In stationary machines such as generators, compressors, power saws, and similar equipment
- For cleaning purposes
- In forklift, bulldozers, and earthmovers
- For farming equipment

Examples of off-highway business use:

- Manufacturing company uses LP gas (propane) for forklift
- Landscaping company uses gasoline in lawn mowers and chain saws
- Meat packaging company uses undyed diesel in refrigerated truck

The amount of the credit or refund depends on the type of fuel and ranges from \$.183 to \$.50 per gallon of nontaxable use.

If you use any of the fuel mentioned above in a manner other than in a highway vehicle registered for use on public highways, you may qualify for the credit or refund. For more information, please call our office.

Wisconsin New Tax Law

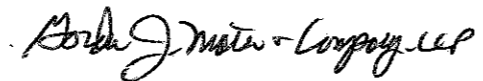
Individual Income Taxes

- Health Savings Account - Effective for taxable years beginning on or after January 1, 2011, Wisconsin has adopted federal law treatment of health savings accounts. Contribution to a HSA is now deductible for Wisconsin tax purposes.

Business Income Taxes

- Job Creation Tax Deduction - Effective for taxable years beginning on or after January 1, 2011, a subtraction from federal income is allowed for an amount equal to the increase in the number of full-time equivalent employees employed by the taxpayer in Wisconsin during the taxable year, multiplied by \$4,000 for a business with gross receipts of no greater than \$5,000,000 in the taxable year or \$2,000 for a business with gross receipts greater than \$5,000,000 in the taxable year.

Please contact our office if you have any questions about the tax provisions discussed in this letter. Our office can help you plan a strategy to maximize your tax savings.



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