

TAX ALERT

Port Businesses Entitled to State and Federal Tax Refunds

Many companies overlook the significant tax breaks associated with their California operations - 45 geographic regions, including virtually all California ports, qualify.

In the majority of cases, port operators, stevedores, and other tenants can eliminate virtually all of their California income taxes by documenting the tax credits associated with the following:

- **Union and Non-Union**

Labor (up to \$12,500 per “qualified” employee per year);

- **Air and Water ~~Pollution~~ Control Equipment** (9.25% credit);

- **Energy Conservation Equipment** (e.g. cold ironing, co-generators, fuel cells, etc.) (9.25% credit);

- **Computers, Scanners, Copiers** (9.25% credit);

- **Phone, Wireless, and Communication Equipment** (9.25% credit);

- **Security Equipment** (9.25% credit).

These credits can be documented and claimed on your 2008 tax return. Plus, **refunds can be claimed for the past four years.**



Even if you think you are already claiming these benefits, 90% of California businesses grossly understate the credit amounts.

To determine if you are claiming all of the benefits you are entitled to, review your California business tax return and look for Form 3805Z (Enterprise Zone Credits). If this form is not in your return, you are missing a significant tax credit opportunity. Partnerships and S-Corporations also generate credits for their equity owners.

In addition to tax breaks in California, there are 40

other states with state-level programs, and most states also offer Federal zone benefits.

Please call us before you file your next tax return or issue your next earnings release. We will work with your existing CPA to maximize these benefits.

Contact Blake Christian, CPA (blakec@hcv.com) or Anita Lee, CPA (anital@hcv.com) at (562) 590-9535 to discuss your specific situation.

