



**Accutek Solutions**  
Doug Beecher, C.P.A.

51 North 1000 West, Suite 5  
Hurricane, UT 84737  
Tel: (435) 635-3684  
Fax: (435) 635-5454  
E-mail: [dougbeecher@yahoo.com](mailto:dougbeecher@yahoo.com)  
Website: [www.accuteksolutions.com](http://www.accuteksolutions.com)

## **December 2001 - Save With The 2001 Tax Law Changes! (Part 3)**

Part 3 of my 2001 Tax Law series looks at the big increase in the adoption credit. It also reviews recent IRS announcements about the car mileage rate, tax rebate checks, and helping active military personnel who are having a difficult time paying back taxes.

### Adoption Tax Credit Increase

The maximum adoption tax credit increases in 2002 to \$10,000 (from \$5,000 currently) and is phased out beginning at \$150,000 in adjusted gross income (up from \$75,000 under prior tax law). The \$10,000 adoption tax credit is allowed regardless of the amount of adoption expenses incurred for special needs adoptions finalized beginning in 2003.

The adoption credit became permanent in the 2001 tax law. It had been scheduled to expire after this year for all but special needs adoptions.

### IRS Announces 2002 Mileage Rates

Beginning January 1, 2002, the business use mileage rate will increase to 36.5 cents per mile. It is 34.5 cents per mile in 2001. This applies to both employees and self-employed individuals who use their vehicles in their businesses. The medical mileage rate will increase to 13 cents per mile in 2002. Medical mileage is 12 cents per mile in 2001. The charitable mileage rate remains unchanged at 14 cents per mile. These increases were allowed because of rising gasoline costs.

### Contact IRS Before December 5 If You Are Missing Your Tax Rebate Check

**IRS refund checks are not forwarded by the postal service if you move.** File Form 8822 to notify the IRS of a change of address to receive your refund checks on time. You can get this form free of charge from my office or on the Internet at [www.irs.gov](http://www.irs.gov). The IRS reports that over 295,000 of the rebate checks it began mailing out in July have been returned undeliverable. If you believe one of those checks belongs to you, call 1-800-829-1040 before December 5 so that a replacement check can be mailed to you this year. After that you will have to wait to file a claim with your 2001 tax return to receive this money.

### Active Duty Military May Qualify for Back Taxes Deferral

Military reservists called to active duty in the Army, Navy, Air Force, Marines, or Coast Guard may be allowed up to six months after the end of military service to pay back taxes without additional penalties or interest. New enlistees are also eligible.

You must apply under the Soldiers and Sailors Civil Relief Act to receive this extra time to pay your taxes. You must also show that military service directly caused your inability to pay back taxes sooner.

**The information in this article is intended to inform you of some of the tax savings opportunities available in the 2001 tax law. It is not intended to give you specific tax advice for your personal situation. If you need such advice, please contact a qualified professional!**

If you have a question you'd like to have answered in a future article, please contact me in care of the **Hurricane Valley Journal**.