

## BUSINESS REVIEW

## STIMULUS' BUSINESS TAX BENEFITS

*Kenneth A. Miles, CPA, Partner, NSBN LLP*

The Economic Stimulus Act of 2008, which has been officially signed into law, provides businesses with two tax incentives for 2008. At NSBN, we don't want any qualified Chamber members to miss out on these important saving opportunities for your business.

**50% bonus depreciation is back for a limited time.** The rules behind bonus depreciation are a bit complex. Under the new law, a taxpayer is entitled to depreciate 50 percent of the adjusted basis of certain qualified property during the year that the property is placed in service. To qualify for the 50 percent special depreciation allowance under the new law, the property must be placed in service after Dec. 31, 2007, but generally before Jan. 1, 2009. The property must be eligible for depreciation under MACRS with a depreciation period of 20 years or less; or water utility property; or off the shelf computer software; or qualified leasehold property.

Limitations have also been raised under this act for Luxury Autos. The new law raises the cap to \$8,000 if bonus depreciation is claimed for a qualifying vehicle. This may result in a first year depreciation of up to \$11,060.

**Section 179 expensing limit has nearly doubled** so that the maximum amount business may write off under IRS code section 179 goes from \$128,000 in 2007 to \$250,000 during 2008. The \$250,000 amount provided under the new law is reduced if the cost of all qualified property placed in service by the taxpayer during the tax year exceeds \$800,000. Businesses not on a calendar year should note that the new expensing limits apply to tax years beginning in 2008.

California law has not conformed to either of these provisions.

**About NSBN LLP:** NSBN LLP is a full service CPA and business consulting firm that has been in practice in Beverly Hills, California, for over 50 years. The firm ranks among the top 25 in LA County. NSBN has particular expertise in various industries, including real estate, escrow, nonprofit organizations, entrepreneurial businesses, entertainment, employee benefit plans, and high net worth individuals. For more information, please visit [www.nsb.com](http://www.nsb.com).

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## CVB reaches out to International Market



*From left, Shaw McPherson, Marcia Murphy, Alberto del Hoyo, Kathryn Smits, Allan Matus and Scott Mills at 2008 Mexico Sales Mission in Mexico City*

Beverly Hills Conference & Visitors Bureau (BHCVB) is dedicated to enhancing the economic vitality of Beverly Hills through destination marketing, targeting consumers, trade and media in key markets throughout the world. The CVB's 2004 Economic Impact Study found that 40% of visitors to Beverly Hills are international; results from the Bureau's 2007 Economic Impact Study will be available in spring 2008, but preliminary data suggests that international visitors continue to represent roughly 40% of the market. During 2008, the CVB efforts continue to target the international market, which plays a large role in the travel industry's success in Beverly Hills.

This year, BHCVB teamed up with the California Travel & Tourism Commission (CTTC) to promote Beverly Hills to several key international markets. CTTC's budget has increased to \$50 million through an assessment of tourism-related businesses. They have partially directed the funding towards the organization of several international sales missions in which BHCVB has participated. BHCVB has and will participate in the missions to Japan, Australia and the UK. In Japan, sales mission events took place in Osaka, Tokyo and Nagoya during mid-February. The Australia mission targeted Sydney, Melbourne and Brisbane in late February, and the UK mission, held in early April, will be concentrated in London, the hub of the UK market. The primary objectives of these missions are to increase the amount and duration of travel, boost market share and maintain a brand presence. This is accomplished through a wide range of public

relations efforts and travel trade activities, targeting travel agents and tour wholesalers.

Another key international market for Beverly Hills is Mexico. The Mexican traveler is sophisticated and interested in luxury and shopping - a perfect fit for Beverly Hills. To increase visitation of Mexican travelers to Beverly Hills, a BHCVB sponsored sales mission to Mexico was conducted March 10-13, 2008. The success of past BHCVB missions to Mexico has increased the number of local partners' participation. This year's partners included Avalon Hotel, The Beverly Hills Hotel, The Crescent, Luxe Hotel Rodeo Drive, Maison 140, The Mosaic Hotel and Platinum Collection by Midway Car Rental. BHCVB and partners worked together to make sales calls to the travel trade and hosted receptions for both media and trade representatives. The receptions presented up-to-date information about Beverly Hills and allowed individual partners to highlight their properties and services. The trip produced qualified leads as well as positive feedback from delegates and guests.

Beverly Hills Conference & Visitors Bureau works throughout the year to enhance the Beverly Hills brand and increase visitors to the city. In 2007, the average daily rate for Beverly Hills hotels was up nearly 12% to \$410, and occupancy was up 4.5% to 78.3%, which is just one measurement of success for the Beverly Hills CVB. Beverly Hills hotels and the CVB are expecting a successful 2008, and coordinated efforts to reach out to international markets will be essential to achieving that success.