HK Bulletin

WINTER 2013

Hall, Kistler & Company LLP — Volume 9, Issue 1

HALL, KISTLER & COMPANY LLP
CONSULTANTS AND CERTIFIED PUBLIC ACCOUNTANTS
soundideas. solidanswers.

Phone: 330-453-7633
220 Market Avenue South,
Suite 700
Canton, Ohio 44702

INSIDE THIS ISSUE:

Check us out online!
www.hallkistler.com

Follow us on LinkedIn.

Independent Member
BKR INTERNATIONAL
Firms In Principal Cities Worldwide

intuit Certified ProAdvisor QuickBooks

Tax Changes for Individuals in the 'Fiscal Cliff' Law

After months of arguing about the "fiscal cliff," Congress finally passed a law averting some of the tax increases that were set to take effect on January 1, 2013.

The *American Taxpayer Relief Act of 2012,* also known as the "fiscal cliff legislation," was signed into law by President Barack Obama on January 2, 2013. Despite the name of the law, all workers will pay higher federal taxes this year due to the demise of the so-called "payroll tax holiday."

The good news: The new law cancels income tax increases that would have added misery. It also makes several provisions permanent, which will result in less uncertainty (see list of nine items listed on the next page).

The bad news: Higher-income taxpayers will face higher tax rates, starting this year. In addition, there are a couple other new taxes kicking in this year (not part of the new law), which may take you by surprise.

This article summarizes the most important changes for individual taxpayers.

The Payroll Tax Holiday Is Over

For 2011 and 2012, the Social Security tax withholding rate on an employee's salary was temporarily reduced from the normal 6.2 to 4.2 percent. If you're self-employed, the Social Security tax component of the self-employment tax was reduced from the normal 12.4 to 10.4 percent. Last year, this payroll tax holiday could have saved one person up to $2,202 (up to $4,404 for a married couple with two incomes). Unfortunately, for working individuals, the new law does not extend the payroll tax cut through 2013.

Key Point: For this year, the Social Security tax can hit up to $113,700 of salary at a 6.2 percent rate and up to $113,700 of self-employment income at a 12.4 percent rate.

Tax Increases for Higher-Income Individuals

Rates on Ordinary Income: For most individuals, the federal income tax rates for 2013 will be the same as they were for 2012: 10, 15, 25, 28, 33, and 35 percent. However, the maximum rate for higher-income taxpayers increases to 39.6 percent (up from 35 percent). This change only affects:

Filing status	Taxable income
Single	$400,000
Married joint filer	$450,000
Head of household	$425,000
Married filing separately	$225,000

Rates on Long-Term Gains and Dividends: The tax rates on long-term capital gains and dividends will also remain the same as last year for most individuals. However, the maximum rate for higher-income taxpayers increases to 20 percent (up from 15 percent). This change only affects singles with taxable income above $400,000, married joint-filing couples with income above $450,000, heads of households with income above $425,000, and married individuals who file separate returns with income above $225,000. These changes are permanent (until further notice).

Continued on page 2

Tax Changes for Individuals …(continued from page 1)

Important: These higher-income taxpayers can also get hit with the new 3.8 percent Medicare surtax on investment income, which can result in a maximum 23.8 percent federal tax rate on 2013 long-term gains and dividends.

The 3.8 percent Medicare surtax on net investment income and a new 0.9 percent Medicare tax on wages and self-employment income both affect higher income taxpayers and became effective on January 1, 2013. They were not part of the new fiscal cliff law.

Several Tax Breaks Made Permanent

One of the most confusing and frustrating aspects of the tax code is lawmakers' practice of making tax breaks available for a year or two -- and then deciding whether or not to extend them. Thankfully, the new law makes several provisions "permanent." This doesn't mean that Congress will never discontinue these tax breaks but we now have some certainty that the following will stick around for awhile:

1. Relatively Favorable Gift and Estate Tax Rules - For 2013 and beyond, the new law permanently installs a unified federal estate and gift tax exemption of $5 million -- adjusted annually for inflation -- and a 40 percent maximum tax rate (up from last year's 35 percent rate). For 2012, the exemption amount was $5.12 million after being adjusted for inflation. For 2013, the inflation-adjusted exemption amount is expected to increase. The new law also makes permanent the right to leave your unused federal estate and gift tax exemption to your surviving spouse (the so-called "exemption portability" feature).

2. Alternative Minimum Tax Patch - It had become an annual ritual for Congress to "patch" the AMT rules to prevent millions more households from getting hit with this add-on tax. The patch consisted of allowing larger inflation-indexed AMT exemption amounts and allowing various personal tax credits to offset the AMT. Thankfully, the new law makes the patch permanent, starting with 2012. As a result, about 30 million households a year will be kept out of the AMT zone.

The new law increases AMT exemption amounts for 2012 to $50,600 for single taxpayers; $78,750 for married joint filers; and $39,375 for married taxpayers filing separately. (For 2013, these amounts are projected to be $51,900, $80,750 and $40,375, respectively.)

3. Marriage Penalty Relief - Getting married can cause a couple's combined federal income tax bill to be higher than when they were single. The Bush tax cut legislation eased the so-called marriage penalty by tweaking the lowest two tax brackets for married couples and by giving them bigger standard deductions. These fixes were scheduled to disappear after 2012, but the new law makes them permanent.

4. Larger Child Tax Credit - The $1,000 maximum credit for each eligible under-age-17 child was made permanent. Without the new law, the maximum credit would have dropped to only $500 for 2013 and beyond. In addition, provisions that allow the child credit to be refundable for more households were extended through 2017.

5. Favorable Child and Dependent Care Tax Credit Rules - Under the Bush tax cut legislation, most working parents have been able to claim a credit of up to $600 for costs to care for one under-age-13 child, or up to $1,200 for costs to care for two or more under-age-13 kids. Lower-income parents have been able to claim larger credits of up to $1,050 and $2,100, respectively. The new law makes these credit amounts permanent for 2013 and beyond (without the new law, they would have dropped to $480 and $960 for most parents; $720 and $1,440 for lower-income parents).

6. Favorable Student Loan Interest Deduction Rules - This write-off, which can be as much as $2,500 (whether you itemize or not) was scheduled to fall under less-favorable rules in 2013 and beyond. There would have been a 60-month limit on deductible interest, and a stricter phase-out provision would have reduced or eliminated the deduction for many middle-income taxpayers. The new law permanently extends the favorable rules that have applied in recent years.

7. Favorable Coverdell Education Savings Account Rules - For 2013 and beyond, the maximum annual contribution to these federal-income-tax-free college savings accounts was scheduled to drop from $2,000 to a paltry $500, and a stricter contribution phase-out rule would have applied. The new law makes permanent the favorable rules that have applied in recent years.

8. Employer Education Assistance Plans - In recent years, employers could provide up to $5,250 in annual federal-income-tax-free educational assistance payments to an eligible employee. Both undergraduate and graduate school costs were eligible and the education did not need to be job-related. This was scheduled to expire at the end of 2012, but the new law makes it permanent.

Continued on page 3

Tax Changes for Individuals …(continued from page 2)

9. Tax Breaks for Adoptive Parents -The Bush tax cut package included a major liberalization of the adoption tax credit and also established tax-free employer adoption assistance payments. These taxpayer-friendly provisions were scheduled to expire at the end of 2012. The credit for up to $10,000 of expenses (indexed for inflation) would have been halved and limited to special needs children only. Tax-free adoption assistance payments from employers would have disappeared. The new law permanently extends the favorable rules.

Higher Education Tuition Deduction
This tuition write-off, which can be $4,000 or $2,000 depending on income, expired at the end of 2011. The new law retroactively restores it for 2012 and extends it through 2013. (You cannot claim this deduction and the American Opportunity credit for the same student in the same tax year.)

Option to Deduct State and Local Sales Taxes
In past years, individuals who paid little or no state income taxes were given the option of instead claiming an itemized deduction for state and local sales taxes. The option expired at the end of 2011, but the new law restoratively restores it for 2012 and extends it through 2013.

Earned Income Tax Credit
Legislation enacted in previous years increased the earned income credit for families with three or more qualifying children and allowed married joint-filing couples to earn more without having their credits reduced. These changes, which help lower-income families, were extended through 2017.

American Opportunity Higher Education Credit
The American Opportunity credit, which can be worth up to $2,500 and can be claimed for up to four years of undergraduate education, was extended through 2017. The full credit is available to single individuals whose modified adjusted gross income (MAGI) is $80,000 or less ($160,000 for married couples filing jointly).

Charitable Donations from IRAs
In past years, IRA owners who had reached age 70½, were allowed to make tax-free charitable donations of up to $100,000 directly out of their IRAs. The donations counted as IRA required minimum distributions. Charitably inclined seniors could reduce their income taxes by arranging for tax-free IRA donations to take the place of taxable required distributions.

This break expired at the end of 2011, but the new law retroactively restores it for 2012 and extends it through 2013. To take advantage of the retroactive deal, you can treat donations made in January of this year as having been made in 2012. You can also donate IRA distributions taken in December of last year to charities and treat them as 2012 IRA donations. You must transfer such amounts to qualified charities by January 31, 2013.

Tax-Free Treatment for Forgiven Principal Residence Mortgage Debt
For federal income tax purposes, a forgiven debt generally counts as taxable cancellation of debt (COD) income. However, a temporary exception applied to COD income from cancelled mortgage debt that was used to acquire a principal residence. Under the temporary rule, up to $2 million of COD income from principal residence acquisition debt that was cancelled in 2007-2012 was treated as a tax-free item. The new law extends this break to cover eligible debt cancellations that occur in 2013.

Deduction for K-12 Educators' Expenses
The $250 deduction for teachers and other K-12 educators for school-related expenses paid out of their own pockets was retroactively restored for 2012 and extended through 2013.

Energy-Efficient Home Improvement Credit
In past years, taxpayers could claim a tax credit of up to $500 for certain energy-saving improvements to a principal residence. This break expired at the end of 2011, but the new law retroactively restores it for 2012 and extends it through 2013.

Mortgage Insurance Premium Write-off
Premiums for qualified mortgage insurance on debt to acquire, construct, or improve a first or second residence can potentially be treated as deductible qualified residence interest. Before the new law, this break was only available for premiums paid through 2011. The new law retroactively restores the break for premiums paid in 2012 and extends it to cover premiums paid in 2013. However, the deduction is only available for premiums for qualifying policies issued after December 31, 2006 and premium amounts allocable to periods before 2014 and it is phased out for higher-income taxpayers.

New Law Brings Back Many Popular Business Tax Breaks

The *American Taxpayer Relief Act of 2012* also modifies or extends many business tax breaks. Here are the highlights.

Depreciation and Cost Recovery Provisions

Bonus Depreciation Extended - The new law extends 50 percent first-year bonus depreciation for an additional year to cover qualifying new assets that are placed in service in calendar year 2013. However, the placed-in-service deadline is extended to December 31, 2014 for certain assets that have longer production periods including transportation equipment and aircraft. Under the extended deadline privilege, only the portion of a qualifying asset's basis that is allocable to costs incurred before January 1, 2014 is eligible for 50 percent bonus depreciation. Used assets are not eligible for bonus depreciation.

- For a new passenger auto or light truck that is subject to the luxury auto depreciation limitations, the 50 percent bonus depreciation provision increases the maximum first-year depreciation deduction by $8,000.
- For new autos, the maximum first-year depreciation deduction for 2012 is $11,160 ($8,000 plus $3,160). We don't yet know the allowance for 2013, but it will be close to the 2012 figure.
- For new light trucks and vans, the maximum first-year deduction for 2012 is $11,360 ($8,000 plus $3,360). We don't yet know the allowance for 2013, but it will be close to the 2012 figure.

Corporate Election to Claim Credits in Lieu of Bonus Depreciation - Previous legislation allowed corporations that are otherwise eligible to claim bonus depreciation to elect to forego bonus depreciation and instead "free up" otherwise unusable minimum tax credit carryovers. Credit carryovers freed up by this election are refundable (meaning they can be collected even if they exceed the electing corporation's tax liability).

The Act allows the election with respect to bonus depreciation on qualified assets that are placed in service by December 31, 2013 or by December 31, 2014 for certain assets that have longer production periods including transportation equipment and aircraft. Therefore, additional freed-up credits can be claimed in lieu of bonus depreciation deductions that would have otherwise have been allowed by the law. Special rules apply to taxpayers that have previously taken advantage of this election.

Making the election does not result in lost deductions. It just postpones them for affected assets.

Generous Section 179 Rules Extended and Qualifying Real Estate Expenditures Are Eligible Again - For qualifying assets placed in service in tax years beginning in 2012 and 2013, the Act restores the maximum Section 179 deduction to $500,000 (same as for tax years beginning in 2011). Without this change, the maximum deduction would have been only $139,000 for 2012 and only $25,000 for 2013.

The new law also restores the Section 179 deduction phase-out threshold to $2 million for tax years beginning in 2012 and 2013 (same as for tax years beginning in 2011). Without this change, the phase-out threshold would have been only $560,000 for 2012 and only $200,000 for 2013.

Somewhat surprisingly, the temporary rule that allowed up to $250,000 of Section 179 deductions for qualifying real property placed in service in tax years beginning in 2010 and 2011 was retroactively restored for tax years beginning in 2012 and extended through tax years beginning in 2013.

Note: For tax years beginning in 2014, the maximum Section 179 deduction is scheduled to be only $25,000, the phase-out threshold is scheduled to fall to $200,000, and the Section 179 deduction privilege for real estate is scheduled to be eliminated.

Depreciation for Leasehold Improvements, Restaurant Property, and Retail Space Improvements - The Act retroactively restores the 15-year straight-line depreciation privilege for qualified leasehold improvements, qualified restaurant buildings and improvements, and qualified retail space improvements for property placed in service in 2012 and extends the deal to cover property placed in service in 2013.

Key Point: Without the favorable 15-year depreciation rule, leasehold improvements, restaurant building improvements, restaurant buildings, and retail space improvements generally would have to be depreciated straight-line over 39 years.

Expensing for Film and TV Productions - The Act retroactively restores the election to claim current deductions (within limits) for qualified film and television production costs to cover productions commencing in 2012 and extends the deal to cover productions commencing in 2013.

Tax Credit Provisions

Research Credit - The new law modifies and retroactively restores the research credit for 2012 and extends it through 2013 to cover qualifying expenses paid or incurred in those years.

Work Opportunity Credit - The Act retroactively extends the general deadline for employing eligible individuals for purposes of claiming the Work Opportunity Tax Credit to cover qualifying hiring that occurred in 2012 and further extends the deadline to cover qualifying hiring that occurs in 2013.

New Markets Credit - The Act retroactively restores the credit for qualified equity investments in certain community development entities for 2012

Continued on page 5

New Law Brings Back …(continued from page 4)

and extends it through 2013.

Credit for Building Energy-Efficient Homes - The new law retroactively restores the $2,000 per-home contractor tax credit for building new energy-efficient homes in the U.S. (including manufactured homes) for 2012 and extends it through 2013. The credit can also be claimed for substantially reconstructing and rehabilitating an existing home and making it more energy-efficient. Homes that don't fully meet the energy-efficiency standards may qualify for a reduced $1,000 credit. To qualify for this credit, a home must be sold by December 31, 2013 for use as a residence.

Credits for Renewable Energy Production Facilities - The Act modifies and extends credits for facilities that produce energy from certain renewable resources, including wind, to cover facilities placed in service through 2013.

Biodiesel and Renewable Diesel Fuel Credits - The new law retroactively restores the income tax and excise tax credits for biodiesel and renewable diesel fuels for 2012 and extends it to cover qualifying fuels produced, sold, or used through 2013.

Alternative Fuel Credits - The Act retroactively restores the alternative fuel and alternative fuel mixture excise tax credits for 2012 and extends them to cover qualifying fuels sold or used through 2013.

Employer Child Care Facility Credit - Under the new law, the employer credit for eligible costs to provide child care for employees is made permanent. Certain costs to acquire, construct, rehabilitate, or expand child care facilities can qualify.

Employee Benefit Provisions

Favorable Rules for Employer-Paid Adoption Expenses Made Permanent - The Bush tax cut legislation increased the cap on tax-free employer adoption assistance payments and raised the income phase-out ranges to allow more employees to benefit. However, tax-free treatment for adoption assistance payments was scheduled to expire at the end of 2012. The new law makes the Bush tax cut provisions permanent for 2013 and beyond.

Employer Educational Assistance Plans Made Permanent - Section 127 of the Internal Revenue Code allows employers to set up plans that provide up to $5,250 in annual federal-income-tax-free educational assistance to each eligible employee. Both undergraduate and graduate school costs can be covered by the plan, and the education need not be job-related. The employer can deduct the cost as an employee benefit expense. This taxpayer-friendly deal was scheduled to expire at the end of 2012, but the Act makes it permanent for 2013 and beyond.

Qualified Retirement Plan Balances Can Be Transferred into Plan Designated Roth Accounts - Some qualified retirement plans [typically 401 (k) plans] allow participants to make salary-reduction contributions to designated Roth accounts. These accounts are similar to Roth IRAs, but they are operated by the retirement plan rather than the individual. Previous legislation also allowed a plan participant to roll over amounts that are eligible for distribution from the "regular" part of the plan into his or her designated Roth account. The Act extends the concept by allowing participants to transfer amounts into designated Roth accounts without the requirement that such amounts be eligible for distribution. This favorable change is available for transfers after December 31, 2012.

Key Point: For the plan participant, the federal income tax impact of transferring an amount into a designated Roth account is the same as receiving the amount as a plan distribution and then rolling it over into a Roth IRA, thereby effecting a Roth conversion with respect to the transferred amount. In other words, the taxable portion of the transferred amount must be included in the participant's gross income -- just like with a garden-variety Roth conversion transaction.

Business Charitable Contribution Provisions

Enhanced Deduction for Food Donations - The new law retroactively restores for 2012 and extends through 2013 the enhanced charitable contribution deduction for non-C-corporation businesses that donate food (it must be apparently wholesome when donated). This provision is intended for non-C-corporation businesses that have food inventories, such as restaurants. For non-C-corporation taxpayers, deductions for donated food are normally limited to the taxpayer's basis in the food or FMV, whichever is lower. In contrast, the enhanced deduction equals the lesser of:

1. Basis plus one-half the value in excess of basis or
2. Two times the basis (the same enhanced deduction rule has been available to C corporations for years). The taxpayer's total charitable contribution deduction for food donations under this provision generally cannot exceed 10 percent of net income for the tax year from sole proprietorships, S corporations, partnerships (or other non-C corporation entities) from which the food donations are made.

Favorable Rules for C Corporation Farm and Ranch Qualified Conservation Contributions - Liberalized deduction rules for qualified conservation contributions expired at the end of 2011. The Act retroactively restores them for tax years beginning in 2012 and extends them through tax years beginning in 2013. Qualified conservation contributions are charitable donations of real property interests, including remainder interests and easements that restrict the use of real property. For qualified C corporation farming and ranching operations, the maximum write-off for qualified conservation contributions is increased from the normal 10 percent of adjusted taxable income to 100 percent of adjusted taxable income.

Continued on page 6

New Law Brings Back ...(continued from page 5)

Qualified conservation contributions in excess of what can be written off in the year of the donation can be carried forward for 15 years.

Favorable Rule for S Corporation Donations of Appreciated Assets - The Act retroactively restores for tax years beginning in 2012 and extends through tax years beginning in 2013 the favorable shareholder basis rule for stock in S corporations that make charitable donations of appreciated assets. For such donations, each shareholder's tax basis in the S corporation's stock is only reduced by the shareholder's pro-rata percentage of the company's tax basis in the donated assets. Without the extended provision, a shareholder's basis reduction would equal the passed-through write-off for the donation (a larger amount than the shareholder's pro-rata percentage of the company's tax basis in the donated asset). The extended provision is taxpayer-friendly because it leaves shareholders with higher tax basis in their S corporation shares, which is almost always beneficial to shareholders.

Small Business Corporation Provisions

Qualified Small Business Corporation Stock - The Act retroactively restores the temporary 100 percent gain exclusion (within limits) for sales of qualified small business corporation (QSBC) stock issued in 2012 and extends the deal to cover eligible shares issued in 2013. QSBC shares must be held for more than five years to be eligible for the gain exclusion privilege.

S Corporation Built-In Gains - When a C corporation converts to S corporation status, the corporate-level built-in gains tax generally applies when built-in gain assets (including receivables and inventories) are turned into cash or sold within the *recognition period*. The recognition period is normally the 10-year period that begins on the conversion date.

Previous legislation established an exception for built-in gains recognized in S corporation tax years beginning in 2011 if the fifth year of the recognition period had gone by before the beginning of the tax year beginning in 2011. Gains that fall under this exception were not hit with the built-in gains tax.

The *American Taxpayer Relief Act* retroactively restores the five-year exception for tax years beginning in 2012 and extends it for tax years beginning in 2013. In other words, for gains recognized in those years, the built-in gains tax won't apply if the fifth year of the recognition period has gone by before the start of the year. The Act also clarifies the treatment of installment sale gains for purposes of qualifying for the five-year exception.

Please contact your tax adviser at Hall, Kistler & Company if you have questions about these business provisions and your situation.

Phase-Out Rules Are Back

Before 2010, higher-income taxpayers had their itemized deductions and personal exemption write-offs "phased out." This means that they didn't get the full benefit of the most popular tax breaks.

The phase-out rules were deactivated for 2010 through 2012. Regrettably, the new law brings them back on a permanent basis.

Personal and Dependent Exemption Deductions: Your personal and dependent exemption write-offs can be reduced or even eliminated.

Itemized Deductions: You can potentially lose up to 80 percent of your write-offs for mortgage interest, state and local income and property taxes, and charitable contributions if your adjusted gross income (AGI) exceeds the applicable threshold.

Specifically, the total amount of your affected itemized deductions is reduced by 3 percent of the amount by which your AGI exceeds the threshold. However, the reduction cannot exceed 80 percent of the total affected deductions you started off with.

For both personal/ dependent exemptions and itemized deductions, the AGI thresholds are $250,000 for singles, $300,000 for married joint-filing couples, $275,000 for heads of households, and $150,000 for married individuals filing separately.

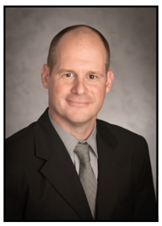
Hall, Kistler & Company Promotes Four and Hires Two

Hall, Kistler & Company congratulates **Katie Fuetter, CPA, MT, Manager, Anthony Schuster, CPA, CFE, Supervisor, Andy Griffin, CPA Supervisor** and **Seth Turner, AVA, Supervisor** on their recent promotions.

Katie M. Fuetter, CPA, MT-Manager

After working part-time at Hall, Kistler in the area of tax preparation, **Fuetter** joined the firm full time in 2005. With a concentration in the area of tax, her experience includes partnerships, corporations, individual trusts and estates. She also has experience in nonprofits, bookkeeping and payroll.

Fuetter earned her Masters of Taxation from the University of Akron and her bachelor of science in Accounting from Ohio State University and serves on the firms' tax committee. She is a member of the American Institute of Certified Public Accountants (AICPA), the Ohio Society of Certified Public Accountants (OSCPA), the Tax and Estate Planning Council of Akron and is a member of the Institute of Management Accountants (IMA).

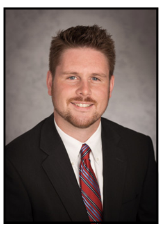


Anthony D. Schuster, CPA, CFE-Supervisor

Schuster joined Hall, Kistler in 2006 and has experience in providing accounting, assurance and tax services for clients in the oil and gas, service, manufacturing and retail industries. He has worked extensively in the area of partnership taxation within the oil and gas industry and has a thorough understanding of issues affecting flow through entities.

Completed training in fraud investigation, criminology and the legal elements of fraud has given Schuster a unique perspective to the audit and accounting services Hall, Kistler provides. He earned the Certified Fraud Examiners credential in December 2009.

Schuster is a graduate of Walsh University with a bachelor's of arts in accounting (summa cum laude) and a bachelor of arts in political science. Anthony was named the outstanding senior in both disciplines during his graduating years. He is a member of the American Institute of Certified Public Accountants (AICPA), the Ohio Society of Certified Public Accountants (OSCPA), the Council of Petroleum Accountants Societies (COPAS) – Appalachia and the Association of Certified Fraud Examiners (ACFE).



Andy M. Griffin, CPA-Supervisor

Griffin joined Hall, Kistler & Company LLP in 2004 after receiving his bachelor of science in Accounting and Business from Malone University. He practices in the areas of accounting, audit and tax for clients in the oil and gas, manufacturing and distribution and wholesale industries as well as other closely held companies. Griffin has a thorough understanding of the issues affecting oil and gas companies, as well as publicly traded companies. He serves on several firm committees including the oil and gas and audit and accounting committees.

Griffin is a member of the American Institute of Certified Public Accountants (AICPA), the Ohio Society of Certified Public Accountants (OSCPA), and the Council of Petroleum Accountants Society (COPAS) - Appalachia. He is a graduate of the 2007 Spotlight Stark County program and is a member of the Canton Regional Chamber of Commerce and the Canton Preservation Society.

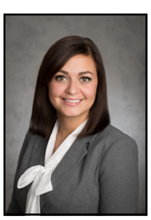
Seth A. Turner, AVA-Supervisor

Turner practices in the areas of accounting, audit and tax for clients in the manufacturing, construction, wholesale and retail industries, medical practices and closely held companies. In addition, he has experience in business valuation engagements, working extensively in estate and gift tax, mergers and acquisitions and divorce.

In 2012, Turner earned his Accredited Valuation Analyst (AVA) certification from the National Association of Certified Valuators and Analysts (NACVA).

After graduating from Stark State College of Technology in 2004 with an associate of applied business degree in accounting (with distinction), Turner joined Hall, Kistler. He is also a graduate of the 2007 Spotlight Stark County program and is a member of the Canton Chamber of Commerce and Ohio Society of Certified Public Accountants (OSCPA).

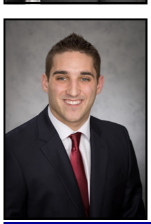
Welcome to the firm Elaine Kilker and Alex Ferrara!



Elaine R. Kilker-Staff Accountant

Kilker is a recent graduate of Walsh University, earned her Bachelor of Arts in Accounting (Cum Laude), and was a member of the Business Honors Society Fraternity, Sigma Beta Delta.

Kilker will practice in the area of general accounting and is a member of the Institute of Management Accountants (IMA), the Ohio Society of Certified Public Accountants (OSCPA) and a member of the Canton Regional Chamber of Commerce.

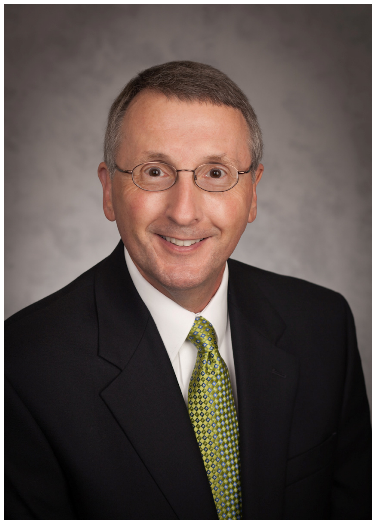


Alex M. Ferrara-Staff Accountant

Ferrara is a recent graduate of the University of Mount Union, earning his bachelor's in business administration with a minor in accounting. While at Mount Union, Alex participated in an internship through B.E.S.T (Bringing Executives and Student Together), went on a mission trip to El Salvador, and as a member of the football team, took a lead role in hosting Trick-or-Treat with the Raiders.

Ferrara will practice in the area of general accounting and is a member of the Ohio Society of Certified Public Accountants (OSCPA) and a member of the Canton Regional Chamber of Commerce.

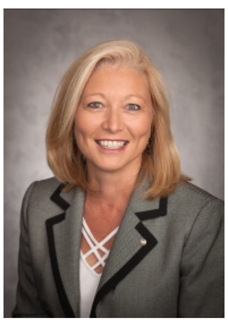
A Fond Farewell



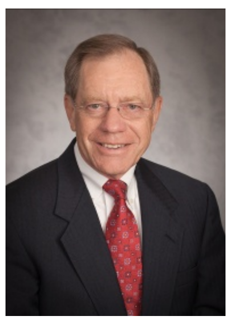
Hall, Kistler & Company helped **Kim I. Miller, CPA, MBA, Partner**, celebrate his retirement with a holiday celebration at the firm this past December. Kim was with the firm for 37 years. He plans to spend time with his wife Debbie, hiking, biking, golfing and enjoying time with the grandchildren.

HALL, KISTLER & COMPANY LLP
CONSULTANTS AND CERTIFIED PUBLIC ACCOUNTANTS
soundideas. solidanswers.

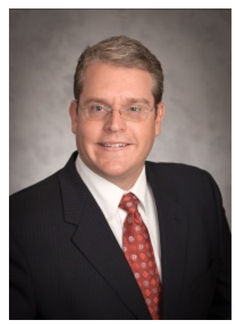
220 Market Avenue South, Suite 700 ● Canton, Ohio 44702-2100
(330) 453-7633 ● www.hallkistler.com



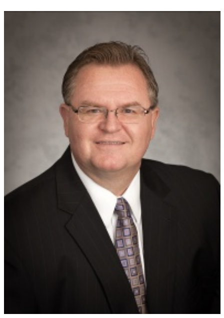
Karen M. Brenneman, CPA, MT
Managing Partner



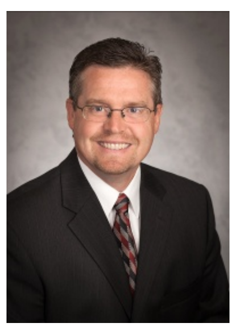
Michael G. Eberhart, CPA, CVA
Senior Partner



John J. Skakun, CPA
Partner



S. Franklin Arner, CPA
Partner



Keith A. Arner, CPA, CVA
Partner