

REAL ESTATE



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Q What impact will the new California budget have on my rental properties that I own in an LLC?

A The California budget, signed into law 85 days late, accelerates the LLC fees due for 2009. The fee you owe for 2009 will be due early, an interesting gimmick state legislators are using to try to balance their budget which will likely unbalance yours. The fee for 2009 will now have to be paid on June 15, 2009 as an estimated fee. Before this change, the fee would have been due April 15, 2010 after the year end to which it applies. This will mean that you will have two LLC fees to pay in 2009, the one from 2008 will be due April 15, 2009. It does not increase the total tax due but it does accelerate when it is due by ten months and creates a doubling effect in 2009.