

# Important Tax Considerations

## January 2014

The IRS has delayed the start of the 2014 filing season to allow adequate time to program and test tax processing systems following the 16-day federal government closure. The IRS will start accepting and processing 2013 individual tax returns no earlier than Jan 28<sup>th</sup> and no later than Feb 4<sup>th</sup>.

### Changes for Tax Year 2013 and Beyond:

**Affordable Care Act:** The act's intent is to simplify health care so you can easily compare health care plans and choose the right one for you and your family. Open enrollment began in the fall of 2013. In 2014 uninsured individuals are required to obtain basic health care or pay a fee to help offset the costs of care for uninsured individuals. Medicare will still be available for retirees. State and Federal websites are in place to help answer your questions at [wahealthplanfinder.org](http://wahealthplanfinder.org) and at [healthcare.gov](http://healthcare.gov)

### **Capital Gains and Dividends Tax:**

Increased from 15% to 20% for taxpayers in the new 39.6% tax bracket

The 15% rate will continue for taxpayers in the 25%, 28%, 33% and 35% brackets

The 0% rate will continue for taxpayers in the 10% and 15% brackets

### **Investment Surtax:**

3.8% tax on net investment income primarily of singles with a *modified adjusted gross income (MAGI)* over \$200,000 and couples over \$250,000.

**For Businesses:** Many small employers that pay at least half of the premiums for employee health insurance coverage may be eligible to claim the Small Business Health Care Tax Credit. The credit is specifically targeted to help small businesses and tax-exempt organizations that primarily employ 25 or fewer workers with average wages of \$50,000 or less. If you think you qualify, please call us to discuss.

**For Businesses:** In early 2014, you will be receiving a **1099-K** from a *Payment Settlement Entity (PSE)*. This informational form (furnished to both you and the IRS) will report money you **received** via credit cards and on-line payments in 2013. **Make sure you include your 1099K in the data you provide to us!**

### **Items that Congress has extended:**

\$250 Deduction of out-of-pocket expenses for schoolteachers

Deduction for state and local sales taxes instead of state and local income taxes

Tuition and fees deduction/credit

Tax-free distribution from retirement accounts for charitable purposes.

Plug-in electric vehicle and plug-in conversion vehicle credit continues but credit is dependent on vehicle type and units sold

Renewable energy incentives are still in effect. Go to [EnergyStar.com](http://EnergyStar.com) for specifics

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