

# Important Tax Considerations

## January 2015

On Tuesday, December 16, 2014, Congress finally passed *The Tax Increase Prevention Act of 2014* (Tax Extender Bill). See a partial list of extended items below.

### Important Considerations for Tax Year 2014 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 were required to obtain basic health care or pay a fee via their 2014 income tax return to help offset the costs of care for uninsured individuals. Medicare is still available for retirees and they are exempt from the ACA. 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:**

20% for taxpayers in the 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 for 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 Employer Health Insurance Credit. The credit is specifically targeted to help small businesses and tax-exempt organizations that employ 25 or fewer workers with average wages of \$51,000 or less. If you think you qualify, please call us to discuss.

**For Businesses:** In early 2015, 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 2014. **Make sure you include your 1099K in the data you provide to us!**

### **Items that Congress has extended for the 2014 Tax Reporting Year:**

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

Deduction for state and local sales taxes in lieu of state and local income taxes

Tuition and fees deduction/credit

Tax-free distribution from retirement accounts for charitable purposes

Exclusion for personal residence cancellation of debt income

50% bonus depreciation for qualified purchases