



The JPT Financial Newswire

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Analytical Consultation • Tax Return Preparation • General Accounting Services

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● **PREPARATION OF 2014 INCOME TAX RETURNS**

Happy New Year! We wish you God's blessings in 2015. To those clients who are returning to us once again for tax preparation, we sincerely thank you for your past patronage and ask that you spread the word to your friends and family of our tax preparation services. To our new clients, we thank you in advance for your business and pledge to serve you with quality and professional customer service.

Stay tuned for our next newsletter later this month for further guidelines on the tax preparation process.

● **TAX SEASON OPENS**

Following the passage of the extenders legislation, the Internal Revenue Service announced it anticipates opening the 2015 filing season as scheduled in January. The IRS will begin accepting tax returns electronically on Jan. 20. Paper tax returns will begin processing at the same time.

The decision follows Congress renewing a number of "extender" provisions of the tax law that expired at the end of 2013. These provisions were renewed by Congress through the end of 2014. The final legislation was signed into law Dec 19, 2014.

"We have reviewed the late tax law changes and determined there was nothing preventing us from continuing our updating and testing of our systems," said IRS Commissioner John Koskinen. "Our employees will continue an aggressive schedule of testing and preparation of our systems during the next month to complete the final stages needed for the 2015 tax season."

The IRS reminds taxpayers that filing electronically is the most accurate way to file a tax return and the fastest way to get a refund. There is no advantage to people filing tax returns on paper in early January instead of waiting for e-file to begin.

Source: IRS Newswire IR-2014-119, 12/29/14

● **NEW IRS PUBLICATION HELPS YOU UNDERSTAND THE HEALTH CARE LAW**

There is a new publication that will help you learn about how the Affordable Care Act affects your taxes. IRS [Publication 5187](#), Health Care Law: What's New for Individuals and Families is now available on IRS.gov/aca. While the health care law has several parts, this publication breaks down what's new for the 2014 federal tax return you will be filing in 2015.

This new publication provides important information for taxpayers who:

- Had health insurance coverage for the entire year
- Did not have health coverage for each month of the year
- Purchased health insurance from the Marketplace
- Might be eligible for an exemption from the coverage requirement
- Had advance payments of the premium tax credit sent to their insurance provider
- Is claiming the premium tax credit on their tax return

The publication includes a glossary that will help you understand new terms related to ACA. It also addresses the new lines for reporting ACA information on Forms 1040, 1040-A and 1040-EZ.

Source: IRS Tax Tips HCTT-2014-23, 12/24/14

● **FEEDING YOUR EMPLOYEES – WHAT CAN YOU DEDUCT?**

It's common for companies to pay for employee meals under a variety of circumstances, from being on the road for company business or snacking in the lunchroom. From a tax perspective, the circumstances under which you furnish food determine the extent to which you can write off your costs.

<https://www.sba.gov/blogs/feeding-your-employees-what-can-you-deduct-0>

Source: Small Business Administration Updates, 11/23/14

● **5 WAYS TO BUILD TRUST IN A BUSINESS**

Integrity is the barometer by which your customers, lenders, potential business partners and employees evaluate you and your business. Here are five ways you can build trust in your business.

<https://www.sba.gov/blogs/5-ways-build-trust-business>

Source: Small Business Administration Updates, 12/14/14

● **TAX PLANNING TIPS FOR ARMED FORCES PERSONNEL**

Those who serve our country — and their families — should be aware that there are special tax benefits available to them. Here are some tips on how to make the most of these tax benefits.

<http://www.moneymattersnj.com/story.cfm?sid=15941>

Source: e-CPA, 12/10/14

● **BASIC TAX TIPS ABOUT HOBBIES**

On an average day, 95 percent of Americans age 15 and older engage in some sort of leisure activity. Many of these leisure activities are considered hobbies, which turn into major sources of income for millions of Americans. Those who do earn income from hobbies must report the income on tax returns. However, there are special rules and limits for deductions you can claim.

<http://www.moneymattersnj.com/story.cfm?SID=15933>

Source: e-CPA, 11/10/14

● **WHO TAKES THE DEPENDENCY TAX DEDUCTION – PARENT OR COLLEGE STUDENT?**

If you or a member of your household is a college student or returned to school for additional training in the past year, there are important tax considerations to discuss with your CPA as you organize your state and federal income tax return information for 2014.

<http://www.moneymattersnj.com/story.cfm?sid=15938>

Source: e-CPA, 11/10/14

● **HOW TO GUARD AGAINST CHILD IDENTITY THEFT**

Your child begins to receive offers for pre-approved credit cards. It sounds annoying, but nothing to be worried about, right? In fact, it could be one of the warning signs that your family is the victim of child identity theft. Here's how to prevent or respond to this crime.

<http://www.moneymattersnj.com/story.cfm?SID=15934>

Source: e-CPA, 11/10/14

● **IN 2015, VARIOUS TAX BENEFITS INCREASED DUE TO INFLATION ADJUSTMENTS**

For tax year 2015, the Internal Revenue Service announced annual inflation adjustments for more than 40 tax provisions, including the tax rate schedules, and other tax changes. The tax items for tax year 2015 of greatest interest to most taxpayers include the following dollar amounts –

- The tax rate of 39.6 percent affects singles whose income exceeds \$413,200 (\$464,850 for married taxpayers filing a joint return), up from \$406,750 and \$457,600, respectively. The other marginal rates – 10, 15, 25, 28, 33 and 35 percent – and the related income tax thresholds are described in the revenue procedure.
- The standard deduction rises to \$6,300 for singles and married persons filing separate returns and \$12,600 for married couples filing jointly, up from \$6,200 and \$12,400, respectively, for tax year 2014. The standard deduction for heads of household rises to \$9,250, up from \$9,100.
- The limitation for itemized deductions to be claimed on tax year 2015 returns of individuals begins with incomes of \$258,250 or more (\$309,900 for married couples filing jointly).

- The personal exemption for tax year 2015 rises to \$4,000, up from the 2014 exemption of \$3,950. However, the exemption is subject to a phase-out that begins with adjusted gross incomes of \$258,250 (\$309,900 for married couples filing jointly). It phases out completely at \$380,750 (\$432,400 for married couples filing jointly.)
- The Alternative Minimum Tax exemption amount for tax year 2015 is \$53,600 (\$83,400, for married couples filing jointly). The 2014 exemption amount was \$52,800 (\$82,100 for married couples filing jointly).
- The 2015 maximum Earned Income Credit amount is \$6,242 for taxpayers filing jointly who have 3 or more qualifying children, up from a total of \$6,143 for tax year 2014.
- Estates of decedents who die during 2015 have a basic exclusion amount of \$5,430,000, up from a total of \$5,340,000 for estates of decedents who died in 2014.
- For 2015, the exclusion from tax on a gift to a spouse who is not a U.S. citizen is \$147,000, up from \$145,000 for 2014.
- For 2015, the foreign earned income exclusion breaks the six-figure mark, rising to \$100,800, up from \$99,200 for 2014.
- The annual exclusion for gifts remains at \$14,000 for 2015.
- The annual dollar limit on employee contributions to employer-sponsored healthcare flexible spending arrangements (FSA) rises to \$2,550, up \$50 dollars from the amount for 2014.
- Under the small business health care tax credit, the maximum credit is phased out based on the employer's number of full-time equivalent employees in excess of 10 and the employer's average annual wages in excess of \$25,800 for tax year 2015, up from \$25,400 for 2014.

Source: IRS Newswire IR-2014-104, 10/30/14

NEW STANDARD MILEAGE RATES

The Internal Revenue Service issued the 2015 optional standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes.

Beginning on Jan. 1, 2015, the standard mileage rates for the use of a car, van, pickup or panel truck will be:

- 57.5 cents per mile for business miles driven, up from 56 cents in 2014
- 23 cents per mile driven for medical or moving purposes, down half a cent from 2014
- 14 cents per mile driven in service of charitable organizations

The standard mileage rate for business is based on an annual study of the fixed and variable costs of operating an automobile, including depreciation, insurance, repairs, tires, maintenance, gas and oil. The rate for medical and moving purposes is based on the variable costs, such as gas and oil. The charitable rate is set by law.

Taxpayers always have the option of claiming deductions based on the actual costs of using a vehicle rather than the standard mileage rates. A taxpayer may not use the business standard mileage rate for a vehicle after claiming accelerated depreciation, including the Section 179 expense deduction, on that vehicle. Likewise, the standard rate is not available to fleet owners (more than four vehicles used simultaneously). Besides the standard mileage rates, [Notice 2014-79](#), posted on IRS.gov, also includes the basis reduction amounts for those choosing the business standard mileage rate, as well as the maximum standard automobile cost that may be used in computing an allowance under a fixed and variable rate plan.

Source: IRS Newswire IR-2014-114, 12/10/14

● **IMPORTANT DATES - MARK YOUR CALENDAR**

The IRS Tax Calendar for Small Businesses and the Self Employed is follows:

➤ **JANUARY 2015**

01/05/2015

- Deposit payroll tax for payments on Dec 27-30 if the semiweekly deposit rule applies.

01/07/2015

- Deposit payroll tax for payments on Dec 31-Jan 2 if the semiweekly deposit rule applies.

01/09/2015

- Deposit payroll tax for payments on Jan 3-6 if the semiweekly deposit rule applies.

01/12/2015

- Employers: Employees are required to report to you tips of \$20 or more earned during Dec 2014

01/14/2015

- Deposit payroll tax for payments on Jan 7-9 if the semiweekly deposit rule applies.

01/15/2015

- Individuals: Pay the final installment of your 2014 estimated tax. Use Form 1040-ES.
- Farmers and fishermen: Pay your estimated tax for 2014. Use Form 1040-ES.
- Employers: Deposit payroll tax for Dec 2014 if the monthly deposit rule applies.

01/16/2015

- Deposit payroll tax for payments on Jan 10-13 if the semiweekly deposit rule applies.

01/22/2015

- Deposit payroll tax for payments on Jan 14-16 if the semiweekly deposit rule applies.

01/23/2015

- Deposit payroll tax for payments on Jan 17-20 if the semiweekly deposit rule applies.

01/28/2015

- Deposit payroll tax for payments on Jan 21-23 if the semiweekly deposit rule applies.

01/30/2015

- Deposit payroll tax for payments on Jan 24-27 if the semiweekly deposit rule applies.

➤ **FEBRUARY 2015**

02/02/2015

- File Form 720 for the fourth quarter of 2014.
- Furnish Forms 1098, 1099 and W-2G to recipients for certain payments during 2014.
- Furnish Form W-2 to employees who worked for you during 2014.
- File Form 730 and pay the tax on wagers accepted during Dec 2014.
- Deposit any FUTA tax owed through Dec 2014.
- File Form 2290 and pay the tax for vehicles first used in Dec 2014.
- File Forms 940, 941, 943, 944 and/or 945 if you did not deposit all taxes when due.
- File your tax return if you did not pay your last installment of estimated tax by January 15th

02/04/2015

- Deposit payroll tax for payments on Jan 28-30 if the semiweekly deposit rule applies.

02/06/2015

- Deposit payroll tax for payments on Jan 31-Feb 3 if the semiweekly deposit rule applies.

02/10/2015

- Employers: Employees are required to report to you tips of \$20 or more earned during Jan.
- File Forms 940, 941, 943, 944 and/or 945 if you timely deposited all required payments.

02/11/2015

- Deposit payroll tax for payments on Feb 4-6 if the semiweekly deposit rule applies.

02/13/2015

- Deposit payroll tax for payments on Feb 7-10 if the semiweekly deposit rule applies.

02/17/2015

- File a new Form W-4 if you claimed exemption from income tax withholding in 2014.
- Furnish Forms 1099-B, 1099-S and certain Forms 1099-MISC to recipients.
- Deposit payroll tax for Jan if the monthly deposit rule applies.

02/18/2015

- Begin withholding on employees who claimed exemption from withholding in 2014 but did not file a W-4 to continue withholding exemption in 2015.

02/19/2015

- Deposit payroll tax for payments on Feb 11-13 if the semiweekly deposit rule applies.

02/20/2015

- Deposit payroll tax for payments on Feb 14-17 if the semiweekly deposit rule applies.

02/25/2015

- Deposit payroll tax for payments on Feb 18-20 if the semiweekly deposit rule applies.

02/27/2015

- Deposit payroll tax for payments on Feb 21-24 if the semiweekly deposit rule applies.

Source: IRS Tax Calendar for Business & Self Employed

The JPT Financial Newswire is a periodic publication of JPT Financial Solutions Inc. We are accounting control consultants & solutions specialists who provide analytical consultation, tax return preparation, and general accounting services to business and consumer clients. As key internal consultants, we troubleshoot and enhance financial process coordination, internal control development, and bottom-line performance through our exemplary problem-solving, analytical, organizational and communication skills.

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We cultivate a one on one personal niche and relationship with acumen and expertise to uncover and resolve reporting and financial management issues, weaknesses in internal control, lack of organization and coordination, and budget and planning deficiencies.

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