

NEW RATES	2015	2016
Personal exemption	\$4,000	\$4,050
Cars - depreciation limit	\$3,160	TBA
Trucks - (except w/ 6' beds)	\$3,460	TBA
SUV >6000 lbs.	No Limit	TBA
IRA Contribution ***	\$5,500	\$5,500
Traditional Roth IRA ***	\$5,500	\$5,500
Simple Plan Cont ***	\$12,500	\$12,500
401(k) Contribution ***	\$18,000	\$18,000
SEP-IRA ***	\$53,000	\$53,000
403(b) ****	\$18,000	\$18,000
Caf Plan contribution	\$2,550	\$2,550
HSA/MSA contribution	\$3350/\$6650	\$3350/\$6750
Annual Gift Limitation *	\$14,000	\$14,000
Section 179 limits**	\$25,000	\$25,000
Domestic Prod Ded	9%	9%
FICA Wage limit	\$118,500	\$118,500
Item. Ded. AGI limit (MFJ)	\$309,900	\$311,300
Estate Exclusion limits	\$5,430,000	\$5,450,000
Capital Gain Rates	10%/20%	same

*plus can pay someone's tuition or medical bills
 **Congress may act in Dec to increase Sec 179
 ***Plus catch-up contributions if >=50 (\$1K IRA; \$6K 401(k))
 ****May be limited by income & employer pension plan

New tax return due dates (for 2016 returns):

Congress recently approved new due dates for specific returns:
 1040 (individual): April 15th (same)
 1120 (corporation): April 15th (new)
 1120S (S corporation): March 15th (same)
 1065 (partnership): March 15th (new)
 FINCEN Form 114: April 15th (new)
 Extension timeframes vary for each.

Standard Deduction		
	2015	2016
HOH	\$9,250	\$9,300
MFJ	\$12,600	\$12,600
MFS	\$6,300	\$6,300
Single	\$6,300	\$6,300

AFFORDABLE CARE ACT ('Obamacare')- Individuals

Beginning in the 2014 tax year, most individual taxpayers are required to obtain health insurance, either through their employer or independently on a health insurance exchange marketplace, or risk facing a tax penalty (some exemptions apply):

	HIGHER OF	OR
2015	2%	\$325/adult
	Household Income	\$162/child Up to \$975
2016	2.5%	\$695/adult
	Household Income	\$347/child Up to \$2085

Note: if household income is low, you may qualify for a reduced health insurance rate thru the ACA credit

AFFORDABLE CARE ACT ('Obamacare')- Employers

2015 is the first year some of the ACA requirements kick in for employers:

- Small (<50 employees):**
- W-2 reporting of value of insurance optional for <250 W-2's
 - Self-insurance plans – file 1095-B for each employee by Jan 31st and excise tax return due July 31st
 - Purchase employee HI thru SHOP and eligible for 50% credit (only for <25 employees)
- Large (>=50 employees):**
- W-2 reporting of value of insurance required for 2015
 - 1095-B or 1095-C required by Jan 31st (if >250, efile required)
 - ESRP (employer shared responsibility payment) may apply if minimum essential coverage is not offered

IRS Standard Mileage Rates

"Keep Your Log"	2015	2016
Business	57.5¢	TBA
Charity	14¢	TBA
Medical	23¢	TBA
Depr Rate	24¢	TBA

MANAGE YOUR PENALTIES

	VA	IRS
	The higher of:	The higher of:
Failure to file		
1040	>\$100 or 30%	>\$135 or 5% /mth
1065	>\$1200 or 30%	\$195/K-1
1120S	>\$1200 or 30%	\$195/K-1
1120	>\$100 or 30%	>\$135 or 5% /mth
1099's	NA	\$30/\$60/\$100
Late filing (1040,1120, 941, 940)	6% /mth up to 30%	5% /mth up to 30%
Failure to pay		
1040	2% /mth up to 12%	.5% /mth
1120		.5% /mth
941/940		2%-15%
Note: in most instances, pay 90% of expected tax by <u>original</u> due date to avoid failure to pay penalty		
Other civil and criminal penalties may apply		
Federal interest is ST federal plus 3%; VA interest is federal interest plus 2%		

TAX CREDITS (Money in your pocket):

- Child tax credit: \$1,000 for each qualifying child who is under 17 (income limitations apply).
- Dependent care credit \$3000 per child up to \$6000 (max 20% of child care exp) if you pay child care expenses so you (and your spouse) can work
- Adoption tax credit for up to \$13,190 in qualified adoption expenses (income limitations apply).
- Small business health insurance credit for employers with 25 or fewer employees if purchase insurance on SHOP.
- Tuition Credits: American Opportunity \$2500 per student or Lifetime Learning \$2000 per return (various requirements must be met)

Tax Planning

- Subject to 3.8% Investment Tax? Consider gifting investment items to your children. Be sure to file your gift tax return.
- Be sure to take your RMD by 4/1/16 if turned 70 ½ in 2015
- Section 179 limited to \$25K now, but look for Congress to act to increase before end of year.

Beware of identity theft! Respond to IRS notices immediately if they indicate a return has been filed in your name.

- Be charitable but remember contributions are not deductible without documentation. All donations must be substantiated by a bank record or receipt from the charity. > \$250 requires a statement from charity.
- Lower AGI to keep itemized deductions, personal exemptions, and credits from being limited. Lower income and bunch deductions.

Helpful Numbers

EFTPS Payment by Phone (800) 555-3453
SSA Benefits Questions (800) 772-1213



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Sarah, Robby, Eric & Emily Wish For You
And Your Family A Joyful Holiday
Season. There Is No More Appropriate
Time To Say "Thank You!" We Encourage
You To Be Especially Mindful of God's
Blessings During This Special Season.

Happy Holidays!

Adams & Co., P.C.

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DOLLARS
& SENSE
2015



Adams & Co., P.C.

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