

Dear Valued Tax Customer:

Our Offices Will Open Monday January 5, 2015 Accepting Your Tax Information For Filing. Feel Free To Fax or Email Your Information As You Receive So You Will Have An Early Start To Be Ready To Go Electronically When The IRS Opens! . The IRS Will Open For Electronic Filing On Friday, January 23, 2015!

*****EARLY BIRD DISCOUNT*****

Bring This Letter in between January 17th – January 31st & Receive 20% Discount off Your ELECTRONIC FILING FEE!!

*(***Copies Accepted For Multiple Clients In One Family***)*

Once again a new year is behind us and income taxes are coming. I offer you the best wishes for the New Year and along with that wish comes a very important season that should also bring you as much joy and anticipation as 2015: **Large Income Tax Returns**. Thanks to your loyalty, we will be celebrating our **22nd Season!** With many businesses filing across the country, I can't thank you enough for your commitment to our business!

In this most unusual tax season of 2015, all Americans will be seeing changes on their tax returns. Congress continues to discuss last minute income tax bills as of the date of this letter, and you can be assured we stay abreast of all the latest changes as they occur! This is a longer letter than usual, as I want you to know of the many changes that are going to take place this year, so read carefully.

I. Important Changes For Upcoming 2105 Tax Season

Personal Exemptions. The personal exemption amount also goes up for 2015. The personal exemption for 2015 is \$4,000, up from \$3,950 in 2014. Phase-outs for personal exemption amounts (sometimes called "PEP") begins with adjusted gross incomes of \$258,250 (\$309,900 for married couples filing jointly); they phase out completely at \$380,750 (\$432,400 for married couples filing jointly.)

And now, onto more updates!

Earned Income Tax Credit (EITC). For 2015, the maximum EITC amount available is \$3,359 for taxpayers filing jointly with one child; \$5,548 for two children; \$6,242 for three or more children (up from \$6,143 in 2014) and \$503 for no children. Phaseouts are based on filing status and number of children and begin at \$8,240 for single taxpayers with no children and \$18,110 for single taxpayers with one or more children.

Child Tax Credit

For 2015, the value used to determine the amount of credit that may be refundable is \$3,000 (the credit amount has not changed). Keep in mind that this is the value of the expenses used to determine the credit and not the actual amount of the credit.

Kiddie Tax

For 2015, the threshold for the kiddie tax – meaning the amount of unearned net income that a child can take home without paying any federal income tax – is \$1,050.

Adoption Credit

For 2015, the credit allowed for an adoption of a child with special needs is \$13,400, and the maximum credit allowed for other adoptions is the amount of qualified adoption expenses up to \$13,400. Phaseouts do apply beginning at taxpayers with modified adjusted gross income (MAGI) in excess of \$201,010 and completely phased out for taxpayers with MAGI of \$241,010 or more.

Affordable Care Act

All Americans will be affected in some manner by the Affordable Care Act from 2010 (some people call it Obamacare) 5 new tax forms were released by the IRS as a result of this act for 2014. If you received a Form 1095 from any issuer or agency, we **MUST** have all copies to prepare your tax return. If you did not receive a 1095, we must ask you a number of additional questions about insurance coverage so that we can help you avoid any penalties for failure to have health insurance.

Health Care Deductions

Last year's tax bill reduced your deduction for medical costs, including health insurance for 2014. We will see very few deductions available for medical costs now unless you have substantial bills. The amount of your medical expenses in most cases must now be more than 10% of your income before we can deduct anything, so weigh carefully whether to go to the trouble of summarizing these costs. If you are self-employed, we still need to know how much you paid for health insurance.

Charity

ALL deductions of any amount must have a receipt. Any individual contribution over \$250 must also have an acknowledgement letter from the charity, and the letter must be dated by the date we file your return. The letter should show the date and amount of any individual contribution over \$250 and should also state that no goods or services were received in return for the contribution.

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Foreign Accounts

If you have read any news in the last year, you know that the IRS is looking closely for offshore accounts. If you have an account, retirement account, or business interest with a value over \$10,000 in a foreign country, or a foreign business ownership (not through a mutual fund), please let us know as some special rules will apply to you. There are substantial penalties for failure to disclose these items.

Mortgage Interest

We must obtain Form 1098 from you when you pay mortgage interest. Additionally we must obtain refinancing closing statements, and if you drew money out on a home mortgage or refinancing we must have general information on the use of the money according to the IRS.

Children/Student Tax Returns

Under absolutely no circumstances can you allow your dependent children or college students to file their own returns this year. We must file their return because of the Affordable Car Act. Allowing a child to file their own return, particularly a student, can cost the child and parent literally thousands of dollars in Health Care penalties and/or credits.

Rental Property

If you own rental property, this year the IRS has demanded substantially more information. We now need, **FOR EACH PROPERTY SEPARATELY**, the physical location, the type of property (single-family, duplex, etc), and Forms 1099-K received, and a record, by property, of the number of days rented and the number of days used for personal purposes.

Roth IRA Conversions

You will be continue to hear from lots of “experts” this year that you need to convert your retirement accounts to Roth IRAs. While there are a number of advantages to conversions, there are an equal number of disadvantages that carry some major tax consequences. ***All conversions for 2014 must have occurred by December 31, 2014 to qualify.***

Surtaxes

If you are in what the press has called the 2% club, be aware that the rest of America will soon be joining you! When the surtaxes on this group of Americans were passed, Congress purposefully did not adjust the thresholds for inflation, and in 6 years, over 50% of all Americans will pay these surtaxes based on estimated inflation rates.

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Begin planning now whether you are a 2% club member or not by -in order- maximizing 401-k contributions; utilizing employer-sponsored cafeteria plans to their fullest limit; investigating and using employer sponsored fringe benefits such as child care and education; turn in job expenses for reimbursement; and consider your marital status as your income increases because of the incredible marital penalty built in to the surtaxes.

Future Income Tax Rates & Other

We highly recommend that when you are getting your information to us for your 2014 Federal tax return, that you set an appointment for an after tax season “Tax Tune Up” to examine tax and estate planning strategies. If your income is over \$200,000, it is almost mandatory that we meet for future tax planning because of surtaxes.

If you receive any Form 1099-k, please be sure to bring it to us. It may have a direct impact on your return. There are literally hundreds of other changes, extensions and deletions that we will consider this year while preparing your return. Because of these changes, we are requesting everyone to try to have their tax information in to us at least two weeks earlier than normal, and no later than March 21, 2015. Please rest assured that we will utilize our best resources to once again provide you with timely, complete and accurate service while keeping your tax burden to the lowest legal amount. Thank you again for your continued support.

II. WHAT'S NEW FOR OUR OFFICES IN 2015?

QUESTIONNAIRE FORMS CAN BE COMPLETED VIA EMAIL

With so many changes this year, I have put together a questionnaire that will help me prepare your taxes better to help find you more money. But in order to do this, I had to ask more questions. Instead of being on the phone with our Accountants for a long period of time, you can just complete our NEW FORMS via email and send back to me. This new process will go into effect this tax season. This form can be completed BEFORE you come in with your taxes. Just call the office and ask for your form, complete, and submit your tax information with the questionnaire form! **Simple Process, More Money!!!**

TAXES CAN BE RETURNED VIA ENCRYPTED EMAIL

Last year was the first year that we offered Encrypted Emails for returning your Tax Folder for the year. Although many chose to have their taxes returned via normal email, you can make the choice which way you prefer. If you choose to receive via Encryption, the office will supply you with a password and help you with the process to help you along the way.

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PERSONAL FINANCIAL COACHING SESSION FREE!

Last year was very successful as I took time to offer a FREE 21-Day (3 Week) Financial Class to you, my clients. We met once a week for only 1-hour, for 3 weeks and had a great time. I enjoyed helping others learn about their money habits that I have decided to do this again this year. I am proud to work with Primerica, the #1 Financial Planning & Insurance Company in America. I can assure you this season that I will be able to service your Financial needs better by offering the Class and giving the Personal Financial Assessment upon completion of the course. (For those that took last year's class, and we never connected to give the Personal Financial Assessment, call me anytime!)

UPDATED COSTS FOR FOLLOWING SERVICES:

- Folders Picked Up In Office: **FREE!**
- Tax Returned Via Email or Encrypted Email: **FREE!**
- Form 1040 For College Purposes – (Pages 1&2 Only) – **FREE!**
- Folders Mailed US Postal First Class: **\$4.50**
- Fed-ex Next Day Service: **\$35.00**
- Duplicate Returns: **\$25.00**

Our extended office hours will begin **January 23, 2015**, and we will be open from Monday thru Friday 9:00 am to 8pm. Saturday's from 10:00 am to 5:00pm. We are open **24 Hours For Our "Faxing and Mailing Customers"**. **All hours are by Appointment Only.** So call me at your earliest convenience for an appointment. I look forward to helping you again save the most money with the Internal Revenue Service this year, and investing more money for your future! So Tell A Friend, and See Ya This Year!

Sincerely Yours,

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