Quarterly Tax Update

VOLUME 1, ISSUE 1 JANUARY 2015

Scott Stephens, CPA
Stephens Tax Advisory, LLC

Passage of The Tax Increase Prevention Act

On December 19, 2014 President Obama signed H.R. 5771, The Tax Increase Prevention Act into law. This tax extender bill extends for 2014 a number of tax provisions popular among both individual taxpayers, and businesses.

Individual taxpayers can benefit from provisions including:

- The deduction for mortgage insurance premiums paid during 2014.
- An above-the –line deduction of up to $4, 000 for higher education expenses.
- A tax credit for energy-efficient home improvements.

Business taxpayers will benefit from provisions including:

- The additional 50% bonus depreciation deduction for assets placed in service prior to Jan. 1, 2015.
- The Sec. 179 deduction allowing businesses to deduct the cost of qualified assets purchased in 2014 as opposed to depreciating the asset over its useful life.
- The Work Opportunity Tax Credit for businesses that hire veterans or other qualified individuals.

Upcoming tax filing deadlines:

- *January 20, 2015: The IRS will begin processing tax returns.*
- *February 2, 2015: deadline for employers to mail out forms W-2 and 1099 to employees.*
- *March 2, 2015: deadline for paper-filing with the IRS forms 1099 and 1096 (March 31 for electronically filed forms).*
- *March 16, 2015: deadline for filing corporate tax returns or requesting extension.*
- *April 15, 2015: deadline for filing individual tax returns , and partnership tax returns, or for requesting extensions.*

2014 Phase-in of Individual Mandate

Penalties for individuals that did not maintain “minimum essential coverage” as defined under the Affordable Care Act (Obamacare) began in 2014.

The penalty for not having adequate insurance coverage in 2014 will be calculated as the higher of 1% of household income, or $95 per person ($47.50 for each child under the age of 18).

Starting in 2015 that penalty will increase to the higher of 2% of your yearly household income, or $325 per person ($162.50 for each child under the age of 18).

Scott Stephens, CPA
Stephens Tax Advisory, LLC

111 Petrol Point
Suite 102
Peachtree City, GA 30269

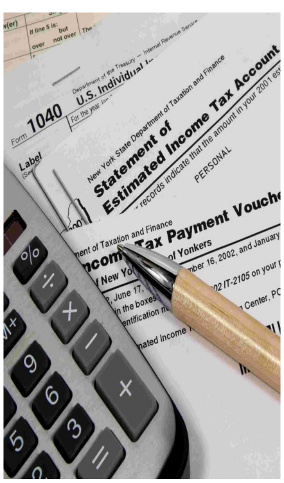
Phone: 404-819-2467
Email: scott.stephens@stephenstaxadvisory.com
Web: www.stephenstaxadvisory.com

Stephens Tax Advisory, LLC is a CPA firm founded by Scott Stephens, and located in Peachtree City, GA. The firm specializes in meeting the accounting needs of small business and individuals. The mission at Stephens Tax Advisory is to partner with area businesses and individuals to provide excellent services in a timely, personalized manner.

- Areas of expertise, include:
- Federal and state income tax filings for small businesses and individuals.
- Resolution of disputes with federal and state taxing authorities.
- Implementation of financial systems.
- Financial advisory services.
- Compilation of financial statements.

News and Notes

- The IRS has recently identified two scams targeting taxpayers. The first scam involves callers claiming to work for the IRS that tell individuals that they owe the IRS money, and that they need to pay via pre-loaded debit cards or wire transfers. In addition, these callers occasionally claim that the individuals are due a refund and then trick the taxpayer into sharing personal information. The second scam is an email phishing scam asking taxpayers to “Update your IRS e-file”. These emails appear to be from the IRS and contain a link to a website that mirrors the IRS website. The emails mention USA.gov and IRSgov (without a dot between IRS and gov). DO NOT respond to these emails. These emails should be forwarded to phishing@irs.gov.



- There will be new lines added to Form 1040 beginning in 2014 related to the Affordable Care Act. In addition there are two new forms that will need to be included with certain returns. The new forms include Form 8965 used to report health coverage exemptions, and Form 8962 used to claim the premium tax credit.