



## THIS MONTH:

- ◆ Highlights of the Tax Increase Prevention Act of 2014
- ◆ 2015 Filing Season to Open January 20th!
- ◆ Be on the lookout for your Form 1095-A

### Highlights of the Tax Increase Prevention Act of 2014

The Tax Increase Prevention Act of 2014 (TIPA), was signed by President Obama on December 19, 2014, which extends for one year over 50 expiring tax provisions relating to individuals and businesses.

Extended individual provisions include:

- Above the line deduction for up to \$250 of educator expenses for books, classroom supplies, and computer equipment for eligible elementary and secondary school teachers.
- Above the line deduction for eligible individuals for higher education expenses including tuition and fees, up to \$4,000.
- Election to deduct state and local general sales tax as an itemized deduction instead of state and local income taxes.
- Itemized deduction for mortgage insurance premiums paid or accrued in connection with the acquisition of a qualified residence.
- Qualified principal residence indebtedness exclusion for debt discharge income up to \$2 million for MFJ and \$1 million for MFS.

- Tax-free charitable donation up to \$100,000 from an IRA for taxpayers 70½ or older.
- Monthly exclusion for employer-provided transit/vanpool benefits up to \$250, making it the same amount as employer-provided parking.

Extended business provisions include:

- Increased dollar limit to \$500,000 for §179 expensing, subject to a gradual reduction once capital expenditures exceed \$2 million.
- \$250,000 qualified real property §179 expense limit.
- 15-year straight line cost recovery period for qualified leasehold improvements, qualified restaurant property, and qualified retail improvements.
- 50% bonus depreciation for property acquired and placed into service in 2014.
- First-year depreciation cap for autos and trucks increased by \$8,000 for property that qualifies for bonus depreciation.
- The following credits have been retroactively extended: Research Credit, Work Opportunity Tax Credit, Indian Employment Credit, New Markets Tax Credit and Differential Wage Payment Credit.
- Enhanced charitable deduction for business owners for contributions of wholesome food inventory.
- Empowerment Zone Tax Incentives for businesses and individuals residing in an eligible zone.
- The S-Corp recognition period for built-in-gains tax is 5 years.
- 100% gain exclusion on the disposition of qualified small business stock.



## 2015 Filing Season to Open January 20th!

The IRS announced that it will begin processing tax returns January 20, 2015. For those anticipating a refund, as in the past, the fastest way to get your money is by electronically filing the return and using direct deposit. As a reminder, the April 15, 2015 tax deadline is set by statute and will remain in place. However, taxpayers can request an automatic six-month extension to file their tax return, by filing Form 4868.

### Be on the lookout for your Form 1095-A

Form 1095-A is the Health Insurance Marketplace Statement issued by the federal health care exchanges to individuals and the IRS to indicate proof of minimum essential coverage. This form will be used by your tax professional to report premiums paid and any advance payments received on your personal 2014 income tax return. If you purchased health insurance from the federal Marketplace, this form will be mailed to you no later than January 31st. Be on the lookout for this form and include it with your tax packet when meeting with your tax preparer to ensure a smooth filing season!

Form <b>1095-A</b>		<b>Health Insurance Marketplace Statement</b>			OMB No. 1545-2232
Department of the Treasury Internal Revenue Service		Information about Form 1095-A and its separate instructions is at <a href="http://www.irs.gov/form1095a">www.irs.gov/form1095a</a>			<input type="checkbox"/> CORRECTED
					<b>2014</b>
<b>Part I Recipient Information</b>					
1 Marketplace identifier		2 Marketplace-assigned policy number		3 Policy issuer's name	
4 Recipient's name			5 Recipient's SSN		6 Recipient's date of birth
7 Recipient's spouse's name			8 Recipient's spouse's SSN		9 Recipient's spouse's date of birth
10 Policy start date		11 Policy termination date		12 Street address (including apartment no.)	
13 City or town		14 State or province		15 Country and ZIP or foreign postal code	
<b>Part II Coverage Household</b>					
A. Covered Individual Name		B. Covered Individual SSN	C. Covered Individual Date of Birth	D. Covered Individual Start Date	E. Covered Individual Termination Date
16					
17					
18					
19					
20					
<b>Part III Household Information</b>					
Month	A. Monthly Premium Amount	B. Monthly Premium Amount of Second Lowest Cost Silver Plan (SLCSP)	C. Monthly Advance Payment of Premium Tax Credit		
21 January					
22 February					
23 March					
24 April					
25 May					
26 June					
27 July					
28 August					
29 September					
30 October					
31 November					
32 December					
33 Annual Totals					
For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.					
				Cat. No. 60703Q	Form <b>1095-A</b> (2014)

**PADGETT BUSINESS SERVICES®**  
WHERE YOUR SUCCESS TAKES ROOT<sup>SM</sup>



PADGETT BUSINESS SERVICES® is dedicated to meeting the tax, government compliance, profit & financial reporting and payroll needs of businesses with fewer than 20 employees in the retail and service sector of the economy. This publication suggests general business planning concepts that may be appropriate in certain situations. It is designed to provide complete and accurate information to the reader. However, because of the complexities of the tax law and the necessity of determining whether the material discussed herein is appropriate to your business, it is important you seek advice from your Padgett office before implementing any of the concepts suggested in this newsletter.