Hi my name is Kristin Dence and I work for the Income Franchise Field Audit Bureau for the Department of Taxation and Finance. Today I'm going to talk about Federal Updates for tax year 2014.

These are some fairly new things that you will need to know for your clients and the preparation of their tax returns.

As always you should refer to IRS.gov for additional details for any update to date information.

The affordable care act was signed into law on March 23, 2010. It was enacted with goals of increasing quality and affordability of health insurance. Lowering the uninsured rate and reducing the cost of health care for individuals and the government. The IRS administers the tax provisions included in this act. The tax provisions I'm going to talk about today are the Individual Shared Responsibility Provision, Premium Tax Credit, Net Investment Income Tax, Additional Medicare Tax and Small Business Healthcare Tax Credit.

There are also tax provisions included in the Affordable Care Act which may be of interest to you; and tax provisions for other organizations types that may impact you if you prepare tax returns for more than just individuals.

The individual share responsibility provision requires individuals and each member of a family to have qualified health insurance for each month, also known as minimum essential coverage. So what does this mean for your clients? In preparing your tax returns for 2014 you are going to need to ask a couple of additional questions. The first being did you have qualified health insurance for each month during tax year 2014? If not, you will need to find out if they qualified for an exemption from the responsibility of having minimum essential coverage.

Things such as being a member of a federally recognized Indian Tribe, if they suffer a hardship, such as casualty event, they were evicted, they were a victim of domestic violence, things like that will qualify them for an exemption.

How you get the exemption depends upon type of exemption from which you are eligible. Some you get directly from the market place in the area you live, others are only issued from the IRS, and others can be from either the market place or the IRS.

Coverage exemptions are claimed on form 8965 and taxpayers who are granted an exemption from the market place will receive an exemption certificate number and will enter this number on part one of the form.

If they do not qualify for an exemption they will be required to make a shared responsibility payment when filing their federal income tax return. Individuals will report the coverage, the exemptions or the payment on their federal income tax return. Form 8965 is also where the shared responsibility payment is calculated and the amount due is reported on the 1040 in the other tax section.

In 2014 the individual share responsibility payment is the greater of 1% of household income above the filing threshold or the family's flat dollar amount. The flat dollar amount is $95 per adult, $47.50 per child and it is limited to a family maximum of $285. The payment is capped at $2,448 per individual and $12,240 for a family with five or more members.

As you can see the payment goes up in 2015 and 2016. In 2015 the payment is the greater of 2% of household income above the filing threshold or the family's flat dollar amount, which is $325 per adult and $162.50 per child.

In 2016 the payment is the greater of 2% of household income above the filing threshold or the family's flat dollar amount of $695 per adult or $347.50 per child.

After 2016 the payment will increase with inflation. Also of note a child is anyone under the age of 18.

On this screen I've given you the filing thresholds for 2014. So for example if you are single, under the age of 65 the first part of your calculation would be $10,150 which is your filing threshold.

Here is a simple example to show you the calculation. In this example the taxpayer is not married, has no dependents, and does not have minimum essential coverage for any month in 2014. They do not qualify for an exemption, the household income is $40,000 and the filing threshold is $10,150. So you subtract the filing threshold from the household income to come up with the result of $29,850, 1% of that is $298.50. You compare that to the flat dollar amount of $95.00. So this individual will owe a share responsibility payment of $298.50 or $24.87 for each month uninsured.

There is transition relief available for some individuals from the shared responsibility provision. The IRS has issued two notices which spells out who falls under this relief.

So if you have a client who is otherwise going to owe this money, I suggest you look at these notices and see if your client will under here.

One example is new employees; some employers do not offer health insurance to new employees until they have been there for 90 days. That individual will not be penalized for that and would not be subject to the shared responsibility payment.

There is also a good question and answer section on the IRS website of who is affected, information on minimum essential coverage, exemptions and who has to pay this provision. I've included the link on this screen.

Another item to note is that if taxpayers cannot afford to make the payment, the law prohibits the IRS from issuing liens or levy's to collect the tax. However, they may offset the liability against any refunds that may be due to them in the future years.

Your clients' that get their health insurance through the health insurance market place may be eligible for the premium tax credit. The amount of the premium tax credit will depend on the family size and income. This credit makes helps make purchasing health insurance coverage more affordable for people with moderate incomes. The open enrollment period to purchase health insurance coverage for 2014 through the health insurance market place ran from October 1, 2013 to March 31, 2014.

The open enrollment period for 2015 began on November 15, 2014 and will run to February 15, 2015.

States have the option to either set up a market place or allow the IRS to set up one in their state. New York has chosen to set up their own market place which is called New York State of Health and it is administered by the Department of Health. The website https://nystateofhealth.ny.gov.

So who is eligible for the premium tax credit? To be eligible you must buy health insurance through the health insurance marketplace; be ineligible for coverage through an employer or government plan; be within certain income limits; not filed a married filing separately return; and not be claimed as a dependent by another person.

One of the criteria is that the individual be within certain income limits. This limit is household income between 100% and 400% of the federal poverty limit for family size.

For 2013 the household income would be between 100% and 400% of the federal poverty limit for one individual is $11,490 up to $45,960, for a family of two is $15,510 up to $62,040 and for a family of four will be $23,550 up to $94,200.

For purposes of the premium tax credit, eligibility is based on most recently published poverty guidelines of the first day of the open enrollment period. Therefore the tax credit for 2014 will be based on the 2013 guidelines and the 2015 will be based on the 2014 guidelines.

If you are eligible for the credit, you can get it now or get it later. Individuals can choose to have some or all of the estimated credit paid in advance to their insurance company to lower their monthly premiums; or they can get it when they file their federal income tax return.

If advanced payment of the premium tax credit is received, recipients should report changes in circumstances such as income and family size to the market place as they happen.

Reporting changes will make sure individuals get the correct amount of advanced payment of the credit. Receiving too much or too little can affect the refund or balance due in filing their tax return.

Whether a person chooses to get it now or get it later, they must file a federal income tax return and attach Form 8962 even if they do not otherwise have a filing requirement. You will subtract the total of any advanced payments received during the year from the amount of the premium tax calculated on the tax return which may affect the refund or balance due.

The 1040EZ does not have a place to claim the premium tax credit. Clients claiming this credit, must file a 1040 or a 1040A.

Early in 2015 individuals who bought insurance through the market place, should receive form 1095A, Health Insurance Market Place Statement. This will include information about their coverage and any premium assistance received. This form will help individuals complete their tax return.

Beginning in 2016 every taxpayer that has minimum essential coverage should receive one of three forms; either a 1095A, a 1095B or a 1095C.

Up next is the net investment income tax. For those who have clients who have net investment income; you will need to know about this. Effective January 1, 2013 for individual estates and trusts, the taxes 3.8 percent net investment income tax on the lesser of the net investment income or the amount by which modified adjusted gross income exceeds threshold amounts based on the filing status.

You will compute the tax on Form 8960; and report and pay on the 1040 or the 1041.

In general, net investment income includes, but is not limited to, interest dividends, capital gains, rental and royalty income and non-qualified annuities' reduced by certain expenses allocable to the income.

It does not include wages, unemployment, social security benefits, alimony and most self- employment income. It also does not include the gain on the sale of a personal residence that is excluded from gross income for regular income tax purposes.

The Statutory threshold amounts are presented on the slide. These amounts are not adjusted for inflation. A person could be subject to an estimated tax penalty if the individual has too little withholding or does not pay enough quarterly estimated tax payments to cover the net investment income tax.

Also note that there are special rules for nonresident aliens, dual residents and dual status individuals.

If you have any clients that fall into that category, you will want to make sure that you are familiar with these special rules; but in general, they are not subject to the net investment income tax.

Estates and trusts are subject to the tax if they have undistributed net investment income and adjusted gross income over $12,150 in 2014.

There are special computational rules that apply for certain unique types of trusts such as charitable remainder trust and electing small business trust.

It is also important to note that not all trusts are subject to the net investment income tax. For example grant trusts or perpetual care trusts would not be subject to the tax.

A new additional Medicare tax went into effect January 1, 2013. This is a 0.9% tax on wages, Railroad Retirement Act compensation and self-employment income that exceeds threshold amounts. The tax is computed on Form 8959 and you would report and pay it on Form 1040.

The Statutory Threshold Amounts are shown on the slide. The employer is responsible for withholding from wages or compensation in excess of $200,000 in a calendar year. There are no special rules for nonresident aliens for U.S. citizens living abroad.

If it is subject to Medicare tax, it is also subject to the additional Medicare tax.

For those who may file some small business tax returns, you should know about the Small Business Health Care Tax Credit. This credit helps small businesses and small Tax Exempt Organizations afford the cost of covering their employees and it is specifically targeted for those moderate income workers.

This credit is designed to encourage small employers to offer health insurance to their employees.

To be eligible for this credit a taxpayer must be a:

Small employer with fewer than 25 full-time equivalent employees

Pay an average wage of less than $50,000 a year

Pay half the cost of single coverage for their employees

This credit is claimed on Form 8941.

The small business market place is opened all year to get a health care plan and you can find that information on healthcare.gov.

In 2014 the small business health care tax credit is up to 50% of premiums paid for small business employers, and 35% for small tax-exempt employers.

You must pay premiums on behalf of employees enrolled in a qualified health plan offered through a Small Business Health Options Program.

It is available for two consecutive taxable years.

Taxpayers can carry the credit back or forward to other tax years.

Small businesses can still claim a business expense for the premiums paid in excess of the credit.

However, only small tax-exempt employers can receive the credit as a refund but this refund is subject to sequestration. This means that refund payments processed on or after October 1, 2014 and on or before September 30, 2015, issued to a tax exempt employer claiming the Small Business Health Care Tax credit will be reduced by fiscal year 2015 rate of 7.3%. Effected taxpayers are notified by correspondence that a portion of their requested payment was subject to the reduction and the amount of the reduction.

The amount of credit you receive works on a sliding scale. The smaller the business or charity, the larger the credit received.

Some other tax provisions of the Affordable Care Act that may be of interest:

IRC Section 7216, Disclosure or Use of Information by Tax Return Preparers. This is a criminal provision that prohibits tax return preparers from knowingly and recklessly disclosing tax return information or using tax return information for purposes other than preparing or assisting in preparing an income tax return.

This provision also applies to tax return preparers who offer services and education relating to the Affordable Care Act.

In general if you use tax information to solicit and facilitate health care enrollment services, you must get taxpayer consent first. Violators are subject to a $1,000 fine or a year in prison or both. Civil penalties could also be imposed.

The Affordable Care Act also requires employers to report the cost of coverage under an employer sponsored group health plan on the W2 box 12 using code DD. The amount reported does not affect the tax liability and it is for informational purposes only to show employees the value of their health care benefits.

The Affordable Care Act market reforms also apply to group health plans. See Notice 2013-54, which explains how the Affordable Care Acts market reforms apply to certain types of group health plans. Including, Health Reimbursement Arrangements, Health Flexible Spending Arrangements and Other Employer Health Care Arrangements.

Starting in 2013, manufacturers and importers will pay a 2.3% medical device excise tax on sales of certain medical devices.

If you have any clients that are subject to this tax, I would pay close attention. There is a push to appeal this tax so just take note of that.

Lastly I just want to note that the Affordable Care Act does contain tax provisions for other types of entities, these include:

Insurers

Miscellaneous business types such as pharmaceutical manufacturers and importers, and businesses offering indoor tanning services.

Tax exempt and government organizations

E-file for Affordable Care Act report filers allows certain providers, health insurance providers, drug manufacturers and importers to do business with the IRS electronically. Again, if you have any clients that are one of these entity types, you will want to become familiar with the tax provisions within the Affordable Care Act that apply to them.

IRS.GOV has a large section of the website devoted to the Affordable Care Act. There are numerous publications, questions and answers, and links to guidance that are very helpful. In fact, there are pages devoted to tax professionals, which is the second link provided on the screen. It helps you navigate through the Affordable Care Act and determine the impact to your clients, which is needed in preparing their tax returns. Also included is the federal and New York State websites for information on the marketplace. The last two are links to publications that the IRS puts out for their volunteers. They provide a great amount of information on the Affordable Care Act and how the provisions may impact your clients.

Moving on, Revenue Ruling 2013-17 was issued September 16, 2013 and it recognizes marriages of same sex individuals that were lawfully married under state law even if the married couple is domiciled in a state that does not recognize same sex marriages. It does not include individuals who have entered into a registered domestic partnership, civil union, or other formal relationship recognized under state law.

So what does this mean for federal tax filings? The individuals are treated as married for all federal tax purposes, including income and gift and estate taxes. It applies to all federal tax provisions where marriage is a factor, including filing status, personal and dependency exemptions, the standard deduction, employee benefits, IRA contributions, earned income tax credits or child tax credits.

Clients can file 2013 federal income tax returns using either the married filing joint or married filing separate filing status. They may, but are not required to, file original or amended returns to be treated as married for prior tax years still open under the statute of limitations. Generally the statute of limitations for filing a refund claim is three years from the date the return was filed or two years from the date the tax was paid, whichever is later.

Clients can file form 1040X to claim a refund for income tax and form 843 to claim a refund for gift or estate tax.

As you know, the tax code includes many provisions subject to annual inflation adjustments. Next I will go over these inflation adjusted items for 2014. These items can be found in Rev Proc 2013-35. On the next couple of slides, I've included the 2014 tax rate schedules for the various filing statuses for reference only. I'm not going to take the time to go over them.

Here are the rates for

Single

Head of Household

Married filing joint and surviving spouse

Married filing separately

Next, the standard deduction amounts are also adjusted annually for inflation. After the adjustment for inflation, the standard deduction amounts for tax year 2014 are shown here. I've also included tax year 2013 amounts for comparison. You will see this on a lot of subsequent slides.

If an individual can be claimed as a dependent on another taxpayers return, the basic standard deduction for that dependent is limited. For tax year 2014, a dependent's basic standard deduction is limited to the lesser of the basic standard deduction for single taxpayers, which is $6,200, or the greater of $1,000; or the dependent's earned income plus $350. Earned income includes all taxable income or wages you get from working or from certain disability payments.

After adjustment for inflation, the 2014 exemption amount is $3,950. Under the exemption phase out provision, all exemption amounts are reduced by 2% for each $2,500 or fraction thereof adjusted gross income in excess of the threshold amount based on the filing status. After adjustment for inflation, the adjusted gross income threshold amounts for 2014 are shown on the chart provided.

Total itemized deductions are reduced by 3% of adjusted gross income exceeding threshold amounts based on the filing status. These amounts are shown on the chart.

The alternative minimum tax exemption amounts increase for 2014 providing some AMT relief. These amounts are shown on the chart and are based on filing status.

The alternative minimum tax exemption is phased out as alternative minimum taxable income exceeds the specified base amount. Under the phase out provision, the alternative minimum tax exemption is reduced by 25% of alternative minimum taxable income over the base amount until it reaches 0.

The base amounts for 2014 are shown on the chart by filing status.

The amount to which the 28% tax rate applies is also adjusted for inflation. In 2014, the 28% rate bracket for all taxpayers except married filing separate begins at $182,500. For married filing separate, the 28% rate bracket will begin at $91,250.

Unearned income of a minor child. Unearned income is an individual's income that is derived from sources other than employment, such as interest and dividends from investments.

The federal tax liability of a minor child having income is computed in the same manner as any other taxpayer. However, interfamily transfers of income producing property cannot reduce the family's overall tax liability by shifting income from the parent's marginal tax rate to the child's. Instead, the net unearned income of a minor child is taxed at the parent's marginal tax rate. For 2014, net unearned income is computed as follows: unearned income minus $1,000, less the greater of $1,000 of the standard or itemized deduction or the amount of allowable deductions that are directly connected with the production of the unearned income. If the net unearned income is $0 or below, the child's tax is computed without regard to this provision.

If requirements are met, a parent may elect to include the unearned income of a minor child on their return. Form 8814 is used to make the election and making the election eliminates the need for the child to file the tax return.

Included is the tax computation should you have such a situation.

Minor children with unearned income face a reduced alternative minimum tax exemption amount. The AMT exemption amount is limited to the child's earned income plus $7,250 but no more than the AMT exemption for single taxpayers, which was $52,800 in 2014.

The child tax credit allows taxpayers to take a tax credit based on the number of eligible dependent children; $1,000 per child through 2017, but is scheduled to be decreased to $500 in 2018.

The credit begins the phase out when adjusted gross income reaches $110,000 for married filing joint.

$55,000 for married filing separate and $75,000 for all other filing status. These threshold amounts are not indexed for inflation.

For lower income taxpayers the credit is refundable to the extent of 15% of the earned income over $10,000. This earned income floor has been reduced to $3,000 through 2017.

But absent any congressional intervention the $10,000 earned income floor will return in 2018.

The earned income credit applies to working taxpayers that have income falling below certain thresholds.

The thresholds depend on the number of persons in each family and the thresholds of 2014 to qualify for this credit are shown in the last column. So for example, for a married filing joint couple with no children once the income hits $20,020 the earned income tax credit is completely phased out. The tax credit itself has increased in 2014 with the maximum amount received shown in the maximum credit column. The earned income tax credit is computed by multiplying the maximum amount income earned by a credit percentage which is based on the number of qualifying children. The credit is reduced by the percentage income over a phase out amount. The earned income base amount and the phased out base amount is adjusted for inflation.

Something to note, the American Recovery and Reinvestment Act of 2009 created the additional category of three or more children; this has been extended to 2017.

Here are the amounts for all other taxpayers besides married filing joint.

The next two slides show what the amount was in 2013 just for comparison purposes. Here is married filing joint and here are all other taxpayers.

The earned income tax credit is not allowed in investment income if it exceeds $3,350 in 2014. Again investment income includes interest income; both taxable and tax exempt; dividends, capital gains and royalties.

If a taxpayer incurs expenses related to the adoption of a child; such as adoption fees, attorney, court costs, social review costs, and/or transportation costs, an adoption expense credit is available.

For 2014 the credit will cover the first $13,190 of expenses paid by the taxpayer and this credit phases out when the adjusted gross income exceeds $197,880 and is completely phased out when the adjusted gross income reaches $237,880.

Interest income on qualified U.S. Series EE savings bonds to finance the higher education of the taxpayer, spouse or dependent is excluded from gross income.

The tax exclusion subject to a phase out is tied to a modified AGI and this calculation is included on the slide for reference.

The exclusion is completely phased out for modified adjusted gross income of $143,950 or more for joint returns and $91,000 or more for all other returns. No exclusion is allowed to married individuals filing separate returns.

The American Recovery and Reinvestment Act of 2009 replaced the HOPE Scholarship credit with the American Opportunity tax credit for 2009 through 2010.

The tax relief unemployment insurance reauthorization and job creation act, and the American taxpayer relief act of 2012 extended this change through 2017.

Both the American Opportunity tax credit and the Lifetime Learning credit are available to help qualifying individuals defray the costs for higher education.

The American opportunity tax credit allows for course related expenses for books, supplies and equipment purchased anywhere. Whereas the Lifetime Learning credit only allows for course related expenses for books, supplies and equipment that must be paid to the educational institution. They are considered required fees and qualify as an expense for the credit. Room and board are ineligible for both credits.

For the American Opportunity Tax Credit it is the maximum credit of $2,500 per year for the first four years of postsecondary education. It is partial refundable and may be used to offset the AMT liability.

The Lifetime Learning Credit is 20% of qualifying expenses or $2,000. It is incurred in a year that the American Opportunity tax credit is not claimed.

So the Lifetime Learning Credit is usually used for individuals who are beyond their first four years of postsecondary education.

Should Congress not extend the American Opportunity tax credit and the HOPE credit into 2018? This credit is available during the first two years of the postsecondary education and the $1,000 qualifying expense base is adjusted annually for inflation.

The education tax credits are subject to a phase out that is tied to the modified adjusted gross income. The formula shown on the slide should be used to calculate the phase out of the credit. The American Opportunity credit amount is phased out beginning when modified AGI reaches $80,000 or $160,000 for married filing joint. This amount is not adjusted for inflation.

The Lifetime Learning credit is phased out when the amount reaches $54,000 or $108,000 for married filing joint.

Up to $2,500 of interest expense paid on qualified education loans may be deducted for AGI. This is subject to a phase out by applying the formula on the slide. The maximum deduction for interest paid on qualified education loans begins to phase out for taxpayers with modified AGI in excess of $65,000, or $130,000 for married filing joint taxpayers and is completely phased out for taxpayers with modified adjusted gross income of $80,000 or more, or $160,000 or more for joint returns.

To encourage the use of mass transit for commuting some employee benefits called qualifying transportation fringe benefits are excluded from income. Expenses related to transportation from the employee’s residence to work in a commuter highway vehicle, a transit pass or qualified parking qualify to be excluded from income. There are monthly limitations which are shown here on the chart. So for a commuter vehicle and transit pass the limitation is $130 and for qualified parking $250.

Medical savings account refers to a program which tax deferred deposits can be made for medical expenses. Withdrawals from a medical savings account are tax free if used for a qualified medical expense. An individual is eligible for a medical savings account also known as an Archer MSA if they are self-employed or elect to be covered under a high deductible plan of a small employer which on average employ's 50 or fewer workers.

These plans are mostly obsolete after 2007, but I did include the deductible and limitation of out of pocket expenses for your reference.

The amount that can be contributed to a medical savings account is a function of the deductible of the high deductible plan. For individuals the contribution limit is 65% of the deductible. For family coverage the contribution limit is 75% of the deductible. The contribution ranges for 2014 and 2013 are displayed in the chart. Again these are mostly obsolete.

Health savings accounts are available to everyone who participates in a qualified high deductible health plan, not just the self-employed or small corporations.

The funds contributed to the account are not subject to federal income tax at the time of deposit. And unlike flexible spending accounts, funds roll over and accumulate year after year if not spent.

A high deductible plan is a health plan with deductibles and limitations on out of pocket expenses shown on the slide.

The maximum annual contribution to a health savings account is the sum of the limits determined separately for each month based on the status, eligibility and the health plan coverage as of the first day of the month. The maximum monthly contributions are displayed on the chart.

Cafeteria plans, otherwise known as flexible spending accounts, are also available. The dollar limitation on voluntary employee salary reductions for contributions to health flexible spending arrangements is $2,500.

Long term care insurance premiums that do not exceed specified dollar limits based on the insured's age qualify it as a medical expense. After adjustments for inflation, the 2014 limitations are shown on the chart and are based on the insured's age before the close of the tax year.

Long term care insurance policies are treated the same as accident and health plans. When benefits are received from a long term care policy, an exclusion from income is provided. The exclusion is the greater of the daily rate or the actual cost of the care and the daily rate is adjusted annually for inflation.

In 2014, the daily rate was $330.

Any individual under the age of 70 and a half can establish an IRA.

The contribution ceiling is the lessor of the statutory dollar limit of $5,500, increased to $6,500 for age 50 and older or 100% of the individual's compensation for that year.

The tax treatment of the contribution depends if they are an active or not an active participant. If they're not an active participant, the contribution is fully deductible. If they're an active participant, the deduction is phased out based on the filing status shown below.

A Roth IRA allows individuals to make nondeductible contributions but the earnings and distributions are tax free.

The contribution ceiling is the lessor of the statutory dollar limit of $5,500 or 100% of the individual's compensation for that year.

The maximum annual contribution is subject to income limits which are shown on the chart below based on the filing status.

Section 179 allows taxpayers to expense business property that normally would be capitalized and depreciated. This Section limits the amount of property that can be expensed to $25,000 and phases this amount out dollar for dollar once the acquisition cost ceiling exceeds $200,000. The Small Business Jobs Act of 2010 increased these amounts, so for 2010 through 2013, the amount of property that could be expensed was $500,000 and the acquisition cost ceiling was $2 million dollars. In 2014, absent a legislative change, the amounts will return to the original amounts without any inflation adjustment.

Also remember, you cannot expense and depreciate the same piece of property.

The annual gift tax exclusion for 2014 is $14,000.

The Unified estate and gift tax exclusion is $5.34 million and the Generation-skipping transfer tax exemption is $5.34 million for tax year 2014.

The standard mileage deductions for 2014 are 56 cents per mile for business, 14 cents per mile for charitable services and 23.5 cents per mile for medical travel.

Up next are lists of federal tax provisions that are currently set to expire in 2014 which may impact personal income tax filings for the following year.

The first one is the Alternative motor vehicle credit for qualified fuel cell motor vehicles. These are vehicles propelled by power derived from one or more cells which convert chemical energy directly into electricity.

30% credit rate with a maximum credit of $30,000. The credit is claimed on form 8910. The Alternative fuel vehicle refueling property for hydrogen refueling property is also set to expire on December, 31 2014. The credit is $4,000 to $40,000, depending on vehicle weight. And there is an additional $1,000 to $4,000 credit available based on fuel economy. And this credit is claimed on form 8911.

For 401K and 403B plans, the contribution limits remain at $17,500 and the catch up contributions remain at $5,500. For SIMPLE retirement plans, the contribution limit remains at $12,000 and the catch up contribution is $2,500.

Coverdell savings accounts were set to expire at the end of 2012 but were made permanent.

Taxpayers with modified adjusted gross income less than $110,000, or $220,000 if filing a joint return, may be eligible to contribute to a Coverdell Education Savings Account.

There are no limits on the number of Coverdell accounts that can be established for a beneficiary but the total of all contributions to a single beneficiary cannot exceed $2,000 in each year.

Just as a reminder, the filing deadline for tax year 2014 is Wednesday, April 15th 2015. I have included here the IRS websites which you should continually check for updates for tax year 2014, especially the reporting under the Affordable Care

Act. I’ve also included the links for information on the Affordable Care Act that were included in an earlier slide. Thank you.