



51A Middle Street Newburyport, MA 01950
Phone: 800-588-7039 Fax: 877-902-4284
contact@bhfe.com www.bhfe.com

Course Information

Course Title: *2015 Tax Overview #4218 (CFP Board Course ID# 195455) **

Recommended CPE credit hours for this course

In accordance with the standards of the CFP Board, the National Registry of CPE Sponsors and the IRS, CPE credits have been granted based on a 50-minute hour.

CFP® 2 (All states) CFP Board sponsor number: 1008.

CPA 3 (All states)

National Registry of CPE Sponsors ID Number: 107615.

Sponsor numbers for states requiring sponsor registration:

Florida Division of Certified Public Accountancy: 4761 (Ethics #11467)

Hawaii Board of Public Accountancy: 14003

New York State Board of Accountancy: 002146

Ohio State Board of Accountancy: M0021

Texas State Board of Accountancy: 009349

EA/OTRP/ERPA 3 (All States) IRS: Qualified Sponsor number: *FWKKO*.

CLU, ChFC/PACE Recertification 3

Course Description

This mini-course examines key individual, business, retirement, and estate tax provisions recently enacted or indexed for inflation in an overview format that is easy to reference. The emphasis is on quick access to major tax changes having special meaning to the tax practitioner and return preparer. The course is a great resource and way for professionals and staff alike to easily get the "big chunks" and bring their professional knowledge up to speed.

Program Delivery Method: Self-Study (NASBA QAS Self-Study/interactive)

Subject Codes/Field of Study

NASBA (CPA), CFP Board of Standards, Inc.: Taxes.

IRS (EA, OTRP): Federal Tax Law Update

NAPFA: Taxes

*Note: CFP Board title for this course is "This Year's Tax Overview"

Course Level, Prerequisites, and Advance Preparation Requirements

Program Level: CFP Board: Intermediate; NASBA/CPA, IRS: Overview.

This program is appropriate for professionals at all organizational levels.

Prerequisites: Basic familiarity with federal taxation

Advance Preparation: None

Course Content

Publication/Revision Date: 2/25/2015.

Author: Danny Santucci, J.D.

Final exam (online): Twenty questions (multiple-choice).

Instructions for taking this course

In order to receive CPE credit for this course, you must complete the course within one year of the date of purchase. This includes achieving a passing grade of at least 70% on the final exam. Exams may be retaken if not passed on the first attempt (no charge).

Complete the course by following the learning assignments and objectives listed on the following page and studying the review questions after each major section in the text. Once you have completed each learning assignment and you are confident that the learning objectives have been met, answer the final exam questions (online).

Instructions for Taking the Final Exam Online

- Login to your account online at www.bhfe.com.
- Go to "My Account" and view your courses.
- Select "Take Exam" for this course and follow instructions.

Have a question? Call us at 800-588-7039 or email us at contact@bhfe.com.

Learning Objectives

As a result of studying the assigned materials, you should be able to meet the objectives listed below.

ASSIGNMENT

At the start of the materials, participants should identify the following topics for study:

- * Tax brackets
- * Tax credits
- * Deductions
- * Education credits
- * Energy credits
- * Retirement plan contribution and phaseout limits
- * Gift and estate taxes

Learning Objectives

After reading the materials, participants will be able to:

1. Recognize the various issues affected by inflation and recent tax law changes especially as they relate to individual income taxes noting the various income tax brackets, the kiddie tax, the AMT phaseout limits and contribution limits to HSAs, and identify the mechanics of selected income tax credits, including education and energy credits.
2. Determine the key business tax issues affected by inflation adjustments and recent legislative changes, including bonus depreciation, expensing, standard mileage rates, work opportunity credit, and S corporation developments.
3. Specify differences between various retirement plans, including inflation adjusted contribution limits and phaseout limits, and determine estate taxes by identifying trust income tax rates and determining interest on estate tax installments.

Notice

This course and test have been adapted from materials and information contained in the above text and any supplemental material provided. This course is sold with the understanding that the publisher is not engaged in rendering legal, accounting, or other professional advice and assumes no liability whatsoever in connection with its use. Since laws are constantly changing, and are subject to differing interpretations, we urge you to do additional research and consult appropriate experts before relying on the information contained in this course to render professional advice.

2015/2014 Tax Overview

(Plus Inflation Adjustments and Reminders on Select Provisions)



**Edited By
Danny C. Santucci**

The author is not engaged by this text, any accompanying electronic media, or lecture in the rendering of legal, tax, accounting, or similar professional services. While the legal, tax, and accounting issues discussed in this material have been reviewed with sources believed to be reliable, concepts discussed can be affected by changes in the law or in the interpretation of such laws since this text was printed. For that reason the accuracy and completeness of this information and the author's opinions based thereon cannot be guaranteed. In addition, state or local tax laws and procedural rules may have a material impact on the general discussion. As a result, the strategies suggested may not be suitable for every individual. Before taking any action, all references and citations should be checked and updated accordingly.

This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is sold with the understanding that the publisher is not engaged in rendering legal, accounting, or other professional service. If legal advice or other expert advice is required, the services of a competent professional person should be sought.

—From a Declaration of Principles jointly adopted by a committee of the American Bar Association and a Committee of Publishers and Associations.

No copyright is asserted on government materials.

**Copyright January 2015
Danny Santucci**

Table of Contents

Individual	1
Income Tax Rates - §1	1
Marriage Penalty	2
Same-Sex Marriage	3
Innocent Spouse Relief - §6015(f).....	3
Standard Deduction - §63	3
Dependent Limit - §63(c)(5).....	4
Personal Exemptions & Phaseout (Expired & Reinstated) - §151	4
Limitation on Itemized Deductions (Expired & Reinstated) - §68	5
Kiddie Tax - §1(g)	5
Election to Report on Parent’s Return - §1(g)(7)	6
AMT Exemption for Children - §59(j)	6
AMT - §55	6
Exemption Amounts & Permanent “Patch” - §55(d)(1).....	7
AMT Exemption Phaseout - §55(d) & §59(j).....	7
AMT & Personal Credits	8
Sales Tax Deduction for Qualified Vehicles (Expired) - §164	8
Wage Base for Social Security & Medicare Taxes.....	8
“Making Work Pay” Credit (Expired) - §36A	9
Earned Income Tax Credit - §32.....	9
Disqualified Income	10
Means-Tested Programs	10
Child Tax Credit - §24.....	10
AGI Phaseout	10
Dependent Care Tax Credit - §21	10
State & Local Sales Taxes - §164.....	11
Educator Expenses - §62	11
Higher Education Tuition Deduction - §222	11
Dollar Limitation & Phase Out.....	11
Tuition Deduction Or Education Credit Allowed.....	12
Hope/Lifetime Election If Lower Tax	12
Long-Term Capital Gains & Dividends - §1(h).....	12
Tax on Net Investment Income - §1411	13
Final Regulations – TD 9644.....	13
Reduced Home Sale Exclusion - §121	13
Computation	14
Nonqualified Use.....	14
Post-May 6, 1997 Depreciation	14
Surviving Spouse Home Sale Exclusion - §121	14
Residential Mortgage Debt Relief (Reinstated) – §108.....	14
Deductible Mortgage Insurance Premiums (Reinstated)- §163	15
Phaseout	15
Household Employees - §3121	15
Adoption Credit - §23 & §137.....	15
Coverdell Education Savings Accounts - §530	18
Hope & Lifetime Learning Credits - §25A.....	18

Lifetime Learning Credit	18
Phase Out	18
Hope (American Opportunity) Credit.....	18
Phase Out	19
Refundable.....	19
Educational Savings Bonds - §135	19
Student Loan Interest Deduction - §221	19
Phase Out.....	19
Scholarships with Service Requirements - §117	20
Foreign Earned Income Exclusion - §911	20
Conservation Base Expansion - §170(b)	20
Grandfathered Archer Medical Savings Accounts - §220	20
Medical Expense Deduction - §213.....	21
Health Savings Accounts (HSAs) - §223	21
High Deductible Health Plan (HDHP)	21
Annual Limit On Contributions.....	21
Interaction with Obamacare.....	21
Health Coverage Tax Credit (Expired) - §35(a)	22
Long-Term Care Premiums - §213(d)(10).....	22
Long-Term Care Payments - §7702B(d)(4).....	22
ABLE Accounts - §529A.....	23
Qualified ABLE Program.....	23
Contributions	23
Distributions	23
Rollover	24
Affordable Care Act (Obamacare).....	24
Supreme Court Upholds Health Care Act.....	24
Mandates	24
Individual.....	24
Health Plan Coverage Credit - §36B	25
Employers.....	25
Small Employers - Fewer Than 50 Employees	25
Large Employers - 50 or More Full-time Employees.....	25
Large Employer Mandate Regulations.....	26
Energy	26
Credit for Energy New Efficient Home - §45L	26
Energy Efficient Appliance Credit (Expired) - §45M	27
Residential Energy-Efficient Improvements & Property - §25C.....	27
Amount, Percentage & Caps	27
Personal Solar Property - §25D	27
Energy-efficient Commercial Property Expenditures - §179D.....	27
Renewable Energy Production Tax Credit - §45	28
Investment Credit in lieu of Production Credit - §45 & §48	28
Alternative Fuel Vehicle Refueling Property - §30C	28
Plug-In Electric Drive Motor Vehicle Credit - §30	29
2- & 3-Wheeled Plug-In Electric Vehicles (Expired) - §30D(g)	29
Legislative History.....	29
Advanced Energy Investment Credit - §48C	30
Business.....	30
Expenses for Child Care Facilities & Services - §45F.....	30
Uniformed Services Wage Credit - §45P	31

Health Care Coverage.....	31
Credit - §45R.....	31
Reporting - §6051(a)(14).....	32
Shared Employer Health Coverage Responsibility - §4980H	32
Bonus (or Additional First-year) Depreciation - §168(k).....	32
Initial 50% Additional First-year Depreciation	32
Temporary 100% Additional First-year Depreciation	32
Back to 50% Additional First-year Depreciation	33
Qualified Property - §168(k)(2).....	33
Depreciation Limits on Business Vehicles - §168(k)(2)(F).....	33
Nonqualified Property - §168(k)(2).....	34
Home Office Square Footage Safe Harbor - §280A.....	34
Vehicle Depreciation “Caps” - §280F(a).....	34
Expensing - §179.....	35
Special Film & TV Production Expensing - §181	37
Reporting Rental Property Expenses (Repealed) - §6041	38
Reporting Business Expense Payments (Repealed) - §6041	38
Estimated Tax Payments - §6654	38
Temporary 90% Limit (Expired).....	39
Standard Mileage Rates.....	39
Self-Employment Tax & CRP Payments - §1402	40
Final Repair Regulations - §162.....	40
Health Insurance Deduction in Computing SE - §162.....	40
General Business Credit - §38.....	40
Five-Year Carryback of Business Credits (Expired) - §38(b)	40
AMT Exemption for Business Credit - §38(c)(4).....	41
Social Security, Medicare & FUTA (or Payroll) Taxes.....	41
FICA - §3111 & §3121.....	41
Temporary Employee OASDI Cut.....	42
SECA - §1401	42
Temporary Sole Employer OASDI Cut.....	42
Wage Base.....	42
Additional Hospital Insurance Tax On Certain High-Income Individuals	42
Final Regulations – TD 9645.....	43
FUTA - §3301 & §3306	43
Credit for Retention of Newly Hired (Expired) - §38(b).....	43
Research Tax Credit - §41	44
Low-Income Housing Tax Credit Rate Freeze - §42.....	44
Military Allowances & Low-Income Housing - §42(h) & §142(d).....	45
Employer-Provided Educational Assistance - §127	45
Parking Exclusion & Passes - §132.....	45
Bicycle Commuters Fringe Benefit - §132(f)	45
Cents-per-Mile Valuation Method - §61	46
Work Opportunity Tax Credit (WOTC) - §51	46
Targeted Groups	46
Two Temporary Additional Groups (Expired) - §51(d)(14).....	47
Credit Amount.....	47
Enhanced Veteran Opportunity to Work (“VOW”) Tax Credits	47
Returning Heroes Tax Credit.....	48
Wounded Warrior Tax Credit.....	48
Leasehold Improvement, Retail Improvement & Restaurant Property - §168	48

Qualified 15-Year Leasehold Improvement Property - §168(e)(3)(E)(iv)	49
Qualified Leasehold Improvement Property.....	49
Subsequent Owner.....	49
Qualified 15-Year Retail Improvement Property - §168(e)(E)(ix)	49
Qualified Retail Improvement Property.....	49
15-Year Restaurant Improvement Property - §168(e)(3)(E)(v).....	50
Qualified Restaurant Property	50
Expensing & Bonus Depreciation Permitted	50
Expensing - §179	50
Bonus Depreciation - 168	50
Recapture Considerations - §1245 & §1250.....	50
Enhanced Charitable Deduction for Food - §170	51
Enhanced Charitable Deduction for Books (Expired) - §170.....	51
Corporate Donation of Computer Equipment (Expired) - §170	51
Delay of Certain Cancellation of Debt Income (Expired) - §61	51
Qualified Small Business Capital Gains - §1202.....	52
75% Exclusion - February 17, 2009 to September 27, 2010	52
100% Exclusion - September 27, 2010, to December 31, 2014	52
Domestic Production Activities Deduction - §199	53
New Markets Tax Credit - §45D	53
Qualified CDE.....	53
Credit Amount.....	53
Motorsports Entertainment Complexes - §168.....	54
Imputed Interest Small Transaction Exception - §1274.....	54
S Corporation Built-In Gain Period - §1374.....	54
S Corporation Charitable Contributions - §1367.....	55
Payments To Controlling Exempt Organizations - §512(b)	55
Dividends Of Regulated Investment Companies (RIC's) - §871	55
Retirement Plans	56
Defined Benefit Plans - §415(b)(1)(A).....	56
Defined Contribution Plans - § 415(c)(1)(A).....	56
Compensation Limit - §401, §404 & §408.....	56
IRA Contribution Limit - §219.....	56
IRA AGI Phaseout Limits - §219	57
Charitable Distributions from IRAs - §408	57
Roth Contribution Limit - §408A(c)(2) & §219.....	57
Roth AGI Phaseout Limits - §408A(c)(3)	58
Rollovers to Roth IRAs	58
In-Plan Rollovers to Roth Accounts.....	58
Roth IRA Conversions for Retirement Plans.....	59
Designated Roth Accounts for §457 Plans	59
§401(k), §403(b) & §457 Elective Deferral Limit.....	59
SIMPLE Plans	59
Simplified Employee Pensions (SEPs).....	59
Contribution Limit.....	59
Compensation Limit	60
Retirement Savings Credit - §25B	60
Nonspouse Rollovers - §402.....	60
Estate, GST & Gift Taxes - §2001, §2601 & §2501	61
Estate Tax - §2001.....	61
Repeal & Reinstatement of Estate & GST Taxes.....	61

Applicable Exemption Amount - §2010.....	61
Basis of Inherited Property - §1014.....	61
2010 Special Election.....	62
Portability - §2010(c).....	62
State Death Tax Credit Replaced with Deduction - §2058.....	62
Real Property Valuation - §2032A	62
Interest on Estate Tax Installments - §6166 & §6601.....	62
Estate & Trust Income Tax Rates - §1(e)	62
GST Tax - §2601	63
Rates	63
Applicable Exemption Amount - §2010.....	63
Gift Tax - §2501	63
Reunification of Estate & Gift Taxes	63
Applicable Exemption Amount - §2505.....	64
Annual Exclusion for Gifts - §2503	64
Noncitizen Spouse Exclusion - §2523(i)(1).....	64
Notice of Large Gifts Received from Foreign Persons - §6039F	64
Expiring Tax Provisions	64
Glossary.....	75
Index of Keywords & Phrases.....	76

Learning Objectives

After reading the materials, participants will be able to:

1. Recognize the various issues affected by inflation and recent tax law changes especially as they relate to individual income taxes noting the various income tax brackets, the kiddie tax, the AMT phaseout limits and contribution limits to HSAs, and identify the mechanics of selected income tax credits, including education and energy credits.
2. Determine the key business tax issues affected by inflation adjustments and recent legislative changes, including bonus depreciation, expensing, standard mileage rates, work opportunity credit, and S corporation developments.
3. Specify differences between various retirement plans, including inflation adjusted contribution limits and phaseout limits, and determine estate taxes by identifying trust income tax rates and determining interest on estate tax installments.