CRAFT, NOBLE & COMPANY

Welcome to Craft, Noble and Company's e-news update. We hope that everyone is surviving tax season, if you still need to file you return or request an extension call our office today so we can help you avoid additional penalties and interest. With that said, here's the most current news. If you would prefer to receive a print copy of each quarterly e-newsletter, please call our office to place that request.

Be sure to follow us on social media, we are on Facebook and Google+. Our partner Jared Noble is also on twitter (@JaredNobleCPA). Get connected for more up-to-date news and information.

Likewise, if you know a friend or colleague who might be interested in receiving this e-newsletter, just click the "Forward to a Friend" button. Privacy and confidentiality is a hallmark of our business, so you can be assured your name or address will not be shared with anyone.

Major Tax Deadlines for April & May

April 15- This is the most important date of the year for many individuals but business also need to pay attention to this date. The following items are all due on April 15th:

- Individual Income Tax Returns for 2014
- Any tax due on federal, state, and local returns is due
- The first of the four quarterly estimates are due for tax year 2015
- Calendar-Year Partnership Returns for 2014
- Gift Tax Returns for any gifts given in 2014
- Income Tax Returns for all 2014 calendar-year trusts and estates
- IRA Contributions to be made for the calendar year 2014
- Employer contributions to certain employee retirement plans
- Amended individual income tax returns for the tax year 2011 (unless an extension was filed in 2011)
- The filing of any 2011 individual income tax returns in which you claim a refund of taxes. If you did not file a return for 2011 and would have been due a refund, this is the last chance before the refund is lost.

April 16- This may not be a major tax deadline, but our office will be closed on this day

May 15- This is the deadline for all tax-exempt organizations who operate on a calendar year to file their tax return (990) for the year, or request an extension.

Note- Businesses are required to make federal tax deposits on dates determined by various factors that differ from business to business.

Payroll Tax Deposits- Employers must make their deposits for the Form 941 payroll taxes (federal income tax withheld and the employee and employers share of the social security taxes). These deposits should be made either monthly or semiweekly depending on your deposit schedule. Exceptions apply if you owe $100,000 or more on any day during the deposit period, if you owe $2,500 or less for the calendar quarter, or if you estimated annual liability is $1,000 or less.

> **Monthly deposits**- These deposits are required to be paid within a calendar month by the fifteenth of the following month.

> **Semiweekly deposits**- These deposits are required to be paid on Wednesdays or Fridays, depending on when wages are paid.

For any questions you may have on these deadlines, contact our office.

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How the ACA affects your Household Employees

The Affordable Care Act has brought changes in all of healthcare, and household employers need to keep up with these changes. Should you have any household employees here are some topics that are relevant to your situation.

Household employers are not required to offer health insurance to their household employee(s). As stated in the Affordable Care Act employers with less than 50 full-time employees are not required to provide health insurance coverage to their staff. However, household employers must provide a Notice of Coverage Options. All employers must provide this notice to all current and any future employees. This informs your employees about the coverage options that are available to them. The Department of Labor has provided sample notices for employers to ease this process.

Starting in the tax year 2014 all individuals were required to carry minimum essential health coverage or face a tax penalty. Therefore, if you do not offer health insurance your employee has purchased their insurance elsewhere. The most effective option is the Health Insurance Marketplace. The requirements to be eligible for health coverage through the Marketplace are pretty simple. The employee must live in the United States and be a U.S. citizen or national; noncitizens can also obtain coverage by satisfying additional listed requirements (we can provide these for you if necessary). Plans and coverage will vary greatly from person to person.

Household employers are not able to purchase insurance for their employees through the marketplace unless they operate under a Health Insurance Reimbursement Arrangement. Household employees can purchase insurance through the marketplace and may qualify for additional tax credits depending on their other income.

If you have additional questions on how to make sure you are covered as an employer or employee give us a call. We would love to sit down with you and make sure that you are in compliance with all of the newest laws and regulations.

Filing requirements for Tax Returns

Taxes are a frequent topic of conversation at this time of year. Even though tax season is almost over, if you have not filed but meet these requirements, let us help you get your return finished. The rules for filing 2014 tax returns are straightforward for most people.

- Single taxpayers (including those who are divorced or legally separated): If you're under 65 and had gross income of at least $10,150 in 2014, you must file. If you're 65 or older, the cutoff is $11,700.

- "Head of household" taxpayers (generally, unmarried people who provide a home to a child or other dependent): If you're under 65 and had income of at least $13,050, you'll need to file. If you're 65 or older, the cutoff is $14,600.

- Married taxpayers filing jointly: Filing is required if both spouses are under 65 and income is at least $20,300. If one spouse is 65 or older, the cutoff is $21,500. If both spouses are 65 or older, gross income must be at least $22,700 to require filing. If you were married but not living with your spouse at the end of 2014, filing is required if you have income of $3,950 or more, regardless of your age.

- Married taxpayers filing separately: If you made at least $3,950, you must file, regardless of your age.

Different IRS rules govern filing for certain widows and widowers, dependents, those who owe special taxes (e.g., self-employment tax), children under age 19, and aliens. If you have a refund coming, you will want to file regardless of your income level. If you qualify for certain tax credits, you may need to file a return to claim the credit even if you otherwise wouldn't be required to file.

It's worth looking into your filing requirements. This year you may not have to file at all. The IRS doesn't want people to file income tax returns that aren't necessary. The reason is simple: Processing tax returns takes time and money. The IRS doesn't want to use its resources handling returns that weren't required in the first place. If you need more information or assistance with tax filing, please call our office.

Tax Treatments of Gifting Appreciated Stock

Here are a few things to consider when making gifts of appreciated stock.

If you are gifting to a qualified charity, you get a deduction for the fair market value of the stock even though your basis (cost) is less than the current value. When the charity sells the stock, there are no taxes due since qualified charities pay no taxes on contributions they receive. This is a win-win for both parties since the donor also pays no taxes on the appreciated value of the stock.

If you are making a gift to an individual, the rules are different. The one who receives your gift also takes your basis (cost) and holding period as his own. When he sells the stock, he will report the gain on his income tax return. If the recipient is in a low enough tax bracket, there may be no tax on the gain.

Take this example. Let's assume you purchased $2,000 worth of XYZ stock four years ago that is now worth $10,000. If you gift that stock to a qualified charity, you will get a deduction for $10,000, completely avoiding tax on the $8,000 of built in profit. If you gift the stock to an individual who sells it, he or she will report a gain of $8,000 on their income tax return. The tax, if any, is determined by the recipient's income tax bracket.

Which stocks you gift away, which stocks you sell, and those which you hold for another time should be determined by your long-range financial plans. Contact us for assistance in determining the best tax advantage of selling or gifting stocks.

Tax Planning for 2015, it’s never too early

If you got a big tax refund or owed the IRS a lot of money when you filed your 2014 tax return, it may be time to adjust your income tax withholding.

Many people like to receive a refund from the IRS, thinking of it as a form of forced saving. If you're of this opinion, that's fine. But too big a refund means you're wasting your money, giving an interest-free loan to the government. On the other side, if you underpay your taxes by more than $1,000 and don't meet certain exceptions, you could be hit with a penalty.

Adjusting your withholding is as simple as filing a new Form W-4 with your employer. The form comes with a worksheet to figure out how many allowances you should claim. Or you can increase withholding by specifying an extra dollar amount to be withheld from every paycheck.

When reviewing your 2015 tax payments, keep a couple of general rules in mind. Generally, you must pay (through withholding or quarterly estimated payments) at least 100% of last year's tax liability (110% if your adjusted gross income is over $150,000), or at least 90% of what you'll owe for this year.

However you do it, you should adjust your withholding to match the taxes you expect to owe. If you need assistance figuring out your 2015 tax payments, give us a call.

Need more time to file your 2014 tax return? Contact Us

If you need more time to file your 2014 income tax return, you can get an extension — and no explanation is necessary.

You may have a very good reason for wanting more time to file your 2014 individual income tax return. For instance, you might want to hold off funding a retirement plan such as a Keogh or SEP until you can save more money. Perhaps you're waiting for a tax form from a trust, a partnership, or an S Corporation. Or maybe you've just been busy. It doesn't matter. Whatever the cause or motivation, you can usually put off filing for up to six months beyond April 15. That means you could have until October 15, 2015, to finalize your return — assuming you follow the rules.

Here's what you need to do:

- Estimate your total tax liability for 2014, subtract what you've already paid in withholding or estimated payments and remit most or all of the balance, and

- File an extension request form (generally Form 4868 for an individual return) by April 15.

You can file the extension request form electronically, by phone, or by mailing it to the IRS. If you owe taxes, you can pay with an electronic funds transfer, your credit card, or a check.

Requesting an extension for your personal return also gives you additional time to file a gift tax return for 2014. The gift tax return extension is automatically included. You don't even have to check a box. But if you owe gift tax (or generation skipping transfer tax), or are requesting an extension only for a gift tax return, you'll need to use Form 8892.

One more quirk: If you live and work outside the United States, you may qualify for an automatic two-month extension of time to file without having to send in a form. If you have special circumstances such as military service, or think you might have difficulty paying the tax due with your extension, please contact us. We can help you work through the rules.

IRS releases 2015 business vehicle deduction limits

The IRS has published depreciation limits for business vehicles first placed in service this year. The limits for passenger autos remain the same as the 2014 limits, but the second year limit for light trucks and vans is $100 higher.

50% bonus depreciation is no longer allowed for business equipment purchases, including vehicles. Here's a quick review of the adjustments for 2014. For business cars first placed in service this year, the first-year depreciation limit is $3,160. After year one, the limits are $5,100 in year two, $3,050 in year three, and $1,875 in all following years.

The 2015 first-year depreciation limit for light trucks and vans is $3,460. Limits for year two are $5,600, in year three $3,350, and in each succeeding year $1,975.

For details relating to your 2015 business vehicle purchases, contact our office.