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Tax Season Opens As Planned Following Extenders Legislation

Following the passage of the extenders legislation, the Internal Revenue Service announced that it anticipates opening the 2015 filing season as scheduled in January.

The IRS will begin accepting tax returns electronically on January 20, 2015. Paper tax returns will begin processing at the same time.

The decision follows Congress renewing a number of "extender" provisions of the tax law that expired at the end of 2013. These provisions were renewed by Congress through the end of 2014. The final legislation was signed into law Dec 19, 2014.

The IRS reminds taxpayers that filing electronically is the most accurate way to file a tax return and the fastest way to get a refund. There is no advantage to people filing tax returns on paper in early January instead of waiting for e-file to begin.



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Tax-Free Transfers to Charity Renewed For IRA Owners 70½ or Older; Rollovers This Month Can Still Count For 2014

Certain owners of individual retirement arrangements (IRAs) have a limited time to make tax-free transfers to eligible charities and have them count for tax-year 2014, the Internal Revenue Service said today.

IRA owners age 70½ or older have until Wednesday, Dec. 31 to make a direct transfer of part or all of their IRA distributions to an eligible charity.

The Tax Increase Prevention Act, enacted Dec. 19, extended for 2014 the provision authorizing these qualified charitable distributions (QCDs). The provision had expired at the end of 2013. With this retroactive renewal, any eligible IRA distribution during 2014 properly transferred to a qualified charity counts as a QCD.

As a result, older IRA owners once again have a different way to give to charity. An IRA owner, age 70½ or over, can directly transfer, tax-free, up to \$100,000 per year to an eligible charity. This option, first available in 2006, can be used for distributions from IRAs, regardless of whether the owners itemize their deductions. Distributions from employer-sponsored retirement plans, including SIMPLE IRA plans and simplified employee pension (SEP) plans, are not eligible.

To qualify, the funds must be transferred directly by the IRA trustee to the eligible charity. Distributed amounts may be excluded from the IRA owner's income – resulting in lower taxable income for the IRA owner. However, if the IRA owner excludes the distribution from income, no deduction, such as a charitable contribution deduction on Schedule A, may be taken for the distributed amount.

Not all charities are eligible. For example, donor-advised funds and supporting organizations are not eligible recipients.

Amounts transferred to a charity from an IRA are counted in determining whether the owner has met the IRA's required minimum distribution (RMD).

QCDs are reported on Form 1040 Line 15. The full amount of the QCD is shown on Line 15a. Do not enter any of these amounts on Line 15b but write "QCD" next to that line.

"Worried about an IRS audit? Avoid what's called a red flag. That's something the IRS always looks for. For example, say you have some money left in your bank account after paying taxes. That's a red flag."

-- Jay Leno

CALENDAR OF EVENTS FOR HLA

JANUARY 13, 2015 11:00 AM

MARY LATIMORE WILL PRESENT "INTRODUCTION TO BUSINESS OWNERSHIP" AT BROWN MACKIE COLLEGE

JANUARY 12, 2015

TAX SEASON OPENS

NEW OFFICE HOURS 9:00 AM UNTIL 6:00 PM

MONDAY THROUGH FRIDAY

SATURDAYS 10:00 AM UNTIL 2:00 PM

OTHER APPOINTMENT TIMES ARE AVAILABLE

JANUARY 27, 2015 11:00 AM

LUNCH & LEARN

PLACE: HLA OFFICE 127 52ND STREET NORTH

"BASIC OVERVIEW OF ESTATE PLANNING"

THIS LUNCH & LEARN EVENT PROVIDES AN OVERVIEW OF WHAT ESTATE PLANNING IS AND THAT IT IS FOR EVERYONE. TO ATTEND THIS NO COST EVENT, JUST CALL AND RESERVE YOUR SPACE. PARTICIPATION IS LIMITED TO 12. LUNCH IS PROVIDED.

New Standard Mileage Rates Now Available; Business Rate to Rise in 2015

The Internal Revenue Service issued the 2015 optional standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes.

Beginning on Jan. 1, 2015, the standard mileage rates for the use of a car, van, pickup or panel truck will be:

- 57.5 cents per mile for business miles driven, up from 56 cents in 2014
- 23 cents per mile driven for medical or moving purposes, down half a cent from 2014
- 14 cents per mile driven in service of charitable organizations

The standard mileage rate for business is based on an annual study of the fixed and variable costs of operating an automobile, including depreciation, insurance, repairs, tires, maintenance, gas and oil. The rate for medical and moving purposes is based on the variable costs, such as gas and oil. The charitable rate is set by law.

Taxpayers always have the option of claiming deductions based on the actual costs of using a vehicle rather than the standard mileage rates.

A taxpayer may not use the business standard mileage rate for a vehicle after claiming accelerated depreciation, including the Section 179 expense deduction, on that vehicle. Likewise, the standard rate is not available to fleet owners (more than four vehicles used simultaneously).

