

SAVE 2018 INCOME TAXES! LAST MINUTE TAX PLANNING TIPS



Presented by:

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James J. Holtzman, CFP®, is a Wealth Advisor and Shareholder with Legend Financial Advisors, Inc.® and Emerging Wealth Investment Management, Inc.®

Jim has been selected nine consecutive times by *Medical Economics* as one of “The 150 Best Financial Advisors for Doctors in America.”

Mr. Holtzman has been selected five times by *Dental Products Report* as one of “The Best Financial Advisors for Dentists in America”.

Jim has also been previously selected three times by *Pittsburgh Magazine* as one of the Pittsburgh area’s FIVE STAR Wealth Managers, a list that represents the most elite financial advisors in Pittsburgh.

With over 20 years of experience, Jim assists all types of clients with their financial planning and investment needs. Jim’s extensive skill set includes providing financial advice to retirement-focused clients, medical and dental practices, and businesses.

Jim serves as the firm’s Income Tax and Education Funding and Planning Specialist.

Jim’s previous professional experience includes employment with various CPA and Financial Advisory organizations where he provided tax, accounting, auditing and financial consulting services to individuals and businesses. Jim has also provided financial advice to various Fortune 500 and public company executives.

Jim’s areas of concentration include income tax planning, estate planning, stock option exercise planning, insurance, retirement planning and Section 529 Plans.

Mr. Holtzman was selected by *Pittsburgh Business Times* as one of the 2013 Fast Tracker's, which honors leaders in the Pittsburgh area's business community who've had a significant impact on the growth of their organization.

IDENTITY THEFT

TAX RETURN FRAUD

- 1. Criminals Filing Tax Returns On Behalf Of Individuals To Collect Refunds**
- 2. Information Can Be Stolen From Healthcare Providers**

TAX RETURN FRAUD – MISCELLANEOUS INFORMATION

- 1. IRS Never Calls Taxpayer**
- 2. IRS Only Corresponds By Letter (No E-mails)**
- 3. 80.0% Of Taxpayer E-file**
- 4. Use Encrypted Vaults, Password Protected E-mails**
- 5. IRS Form 14039: Identity Theft Affidavit: Complete If Taxpayers Believes They Are A Victim Of Identity Theft**
- 6. Forward E-mail Scams To The IRS At phishing@irs.gov**

IRS CORRESPONDENCE

- 1. IRS Requests To Verify Taxpayer Identities Due To Suspicious Activity.**
- 2. IRS Identity Verification Service Website: idverify.irs.gov.**
- 3. Formal Name Of The Letter Is Letter 5701C.**

IRS2GO APP

- 1. Check Refund Status**
- 2. Sign Up For Helpful Tax Tips**
- 3. IRA Direct Pay**

NEW TAX FORMS

2018 TAX FORM CHANGES

- 1. 1040EZ and 1040A Are Eliminated**
- 2. Shorter Forms**
- 3. Not Postcard-Sized**
- 4. Relocation Of Information**

2018 TAX FORM CHANGES

NEW SCHEDULES

- 1. Schedule 1 – Additional Income and Adjustments To Income**
- 2. Schedule 2 – Excess Advance Premium Tax Credit Repayments And Alternative Minimum Tax**
- 3. Schedule 3 – Non-Refundable Tax Credits**
- 4. Schedule 4 – Other Taxes, Including Self-Employment tax**
- 5. Schedule 5 – Tax Payments And Refundable Tax Credits**
- 6. Schedule 6 – Third Party Designees Other Than Paid Preparers and Foreign Addresses**

MISCELLANEOUS

1st QUARTER 2019 ESTIMATED TAX PAYMENTS

Deadline: April 15, 2019

ANNUALIZED INSTALLMENT METHOD

- 1. Can Reduce Or Eliminate Underpayment Penalty**
- 2. Report Your Income And Deductions In The Quarter That They Occurred**
- 3. Match Your Estimated Income Tax Payments When Income Is Received**
- 4. Income Tax Withholding Can Also Reduce Underpayment Penalty**

TAX RETURN EXTENSIONS

- 1. File Automatic Six-Month Extension**
- 2. Extension Does Not Give Extension To Pay Taxes**

IRS PAYMENT PLANS

- 1. IRS Has Installment Agreement Plans if the Taxpayer Can't Pay Tax Bill**
- 2. IRS Form 9465: Installment Agreement Request**

FORMS TO SEND IN

- 1. Attach The Following Forms**
 - a. W-2**
 - b. IRS Form 1099-R**
 - c. Generally, Any Form That Reflects Federal Withholding**

- 2. If Filing Electronically, An Electronic Copy Of These Documents Is Created For The IRS**

PERSONAL EXEMPTION

**The Personal Exemption Has Been
Repealed.**

IRA RECHARACTERIZATIONS

- 1. Repealed For Roth IRA Conversion**
- 2. Starts With The 2018 Tax Year**
- 3. Can Still Recharacterize Traditional Or Roth IRA Contribution**

QUALIFIED CHARITABLE DISTRIBUTION

- 1. An IRA Owner Must Be At Least Age 70½**
- 2. \$100,000 Limit**
- 3. Not Included In Taxable Income**
- 4. Satisfies The Required Minimum Distribution**
- 5. No Charitable Deduction**

QUALIFIED BUSINESS INCOME DEDUCTION

- 1. Up To 20% Deduction Of Qualified Business Income**
- 2. Deduction Is On New 1040**
- 3. Self-Employed, LLC, Partnership, S Corporations**
- 4. Limitations To The Deduction**
- 5. Specified Service Businesses have Additional Income Limits**

INCOME TAX TABLES AND WITHHOLDING

TAX RATE SCHEDULE-SINGLE FILERS

2017 Tax Rate	2017 Single Filers – Taxable Income	2018 Tax Rate	2018 Single Filers – Taxable Income
10%	\$0 to \$9,325	10%	\$0 to \$9,525
15%	\$9,326 To \$37,950	12%	\$9,526 To \$38,700
25%	\$37,951 To \$91,900	22%	\$38,701 To \$82,500
28%	\$91,901 To \$191,650	24%	\$82,501 To \$157,500
33%	\$191,651 To \$416,700	32%	\$157,501 To \$200,000
35%	\$416,701 To \$418,400	35%	\$200,001 To \$500,000
39.6%	More Than \$418,400	37%	More Than \$501,001

TAX RATE SCHEDULE-MARRIED FILING

2017 Tax Rate	2017 Married Filing Jointly Taxable Income	2018 Tax Rate	2018 Married Filing Jointly Taxable Income
10%	\$0 To \$18,650	10%	\$0 To \$19,050
15%	\$18,651 To \$75,900	12%	\$19,051 To \$77,400
25%	\$75,901 To \$153,100	22%	\$77,401 To \$165,000
28%	\$153,101 To \$233,350	24%	\$165,001 To \$315,000
33%	\$233,351 To \$416,700	32%	\$315,001 To \$400,000
35%	\$416,701 To \$470,700	35%	\$400,001 To \$600,000
39.6%	More Than \$470,700	37%	More Than \$600,001

TRUSTS AND ESTATES

2017 Tax Rate	Trust And Estate Filers	2018 Tax Rate	Trust And Estate Filers
15%	\$0 to \$2,550	10%	\$0 to \$2,550
25%	\$2,551 To \$6,000	24%	\$2,551 To \$9,150
28%	\$6,001 To \$9,150	35%	\$9,151 To \$12,500
33%	\$9,151 To \$12,500	37%	More Than \$12,501
39.6%	More Than \$12,501		

IRS WITHHOLDING TABLES

- 1. Average Refunds Have Been Less**
- 2. Tax Rate Changes**
- 3. Less Itemized Deductions**
- 4. No Personal Exemption**

RECOGNIZING CAPITAL GAINS

	10% And 12% Tax Brackets	22% Up To 35% Tax Brackets	37.0% Tax Bracket
Short-Term (One Year Or Less)	Ordinary Income Tax Rate		
Long-Term (Longer Than One Year)	0%*	15%*	20%
Dividends	* Qualified - Long-Term Capital Gains Rates. * Non-Qualified - Ordinary Income Tax Rates.		

***To The Extent Taxable Income Remains In These Brackets. Consult Your Tax Advisor About How This Applies To Your Situation.**

INVESTMENTS

WORTHLESS INVESTMENTS

- 1. Treated As Sold On The Last Day Of The Year**
- 2. No Markets For That Particular Investment Can Be Available**

REVISED IRS FORM 1099

- 1. Don't File Tax Return Too Early**
- 2. Estimated One In Eight IRS 1099-DIV Forms Will Need To Be Reissued**
- 3. Why? Qualified Or Non-Qualified Dividends**

COST BASIS REPORTING FROM BROKERAGE FIRMS

- 1. Stocks Bought On Or After January 1, 2011**
- 2. Mutual Funds Bought On Or After January 1, 2012**
- 3. Options, Fixed Income, Bought On Or After January 1, 2013**
- 4. IRS Form 1099-B Report Cost Basis and Purchase Dates**

CAPITAL LOSS CARRYOVER

Review Prior Year Tax Return

ITEMIZED DEDUCTIONS

STANDARD DEDUCTION

<u>Standard Deductions</u>	<u>2017</u>	<u>2018</u>
Married/Joint	\$12,700.00	\$24,000.00
Single	\$6,350.00	\$12,000.00
Head Of Household	\$9,350.00	\$18,000.00
Dependents	\$1,050.00	\$1,050.00
Married/Separate	\$6,350.00	\$12,000.00

For dependents with earned income, the deduction is greater of \$1,050.00 or earned income +\$350.00 (up to \$6,350.00)

<u>ADDITIONAL STANDARD DEDUCTION</u>	<u>2017</u>	<u>2018</u>
Married, Older Than Age 65 (Per Person) or Blind	\$1,250.00	\$1,250.00
Single, Older Than Age 65 (Per Person) or blind	\$1,550.00	\$1,550.00

ITEMIZED DEDUCTIONS

- 1. 46 Million Taxpayers Itemized In 2016**
- 2. Estimated 13 Million Taxpayers Will Itemize in 2018**

MORTGAGE INTEREST

- 1. Applies To Mortgage Entered Into After December 15, 2017.**
- 2. Deduction For Interest Is Limited To The First \$750,000.00 Of Debt.**
- 3. Existing Mortgages Of Balances Up To \$1,000,000.00 Are Grandfathered.**
- 4. Applies Up To Two Homes.**

HOME EQUITY INTEREST

- 1. Eliminates Interest Deduction For Home Equity Indebtedness**
- 2. Home Equity Indebtedness – Not Used For Acquiring, Building, Or Substantially Improving The Residence**
- 3. No Grandfathering For Existing Debt**

PERSONAL CASUALTY LOSSES

- 1. No Longer Deductible**
- 2. If The President Declares A Disaster, Then 10.0% Of AGI Rules Still Applies.**

STATE AND LOCAL INCOME TAXES AND REAL ESTATE TAXES

1. \$10,000.00 Cap For The Following:

- a. State Income Taxes**
- b. Local Income Taxes**
- c. Real Estate Taxes**
- d. Personal Property Taxes**

2018 MILEAGE DEDUCTION

1. **Medical Care: 18.0 Cents Per Mile**
2. **Charitable Work: 14.0 Cents Per Mile**
3. **Business Related: 54.5 Cents Per Mile**

MEDICAL EXPENSE OPPORTUNITIES

I. Provide Accountant With The Following:

- I. Pre-Medicare Medical Insurance Premiums**
- II. Medicare Part B Premiums**
- III. Medicare Part D Premiums**
- IV. Medigap Insurance Premiums**
- V. Medicare Advantage Plan Insurance Premiums**
- VI. Non-Reimbursed Medical Expenses**
- VII. Long-Term Care Insurance Premiums**

CHARITABLE DEDUCTION

- 1. Donation Guides In IRS Publication 526 And 561 For Non-Cash Gifts**
- 2. Review Prior Year Tax Return For Charitable Contribution Carryover**

**PRIOR YEAR STATE AND
LOCAL INCOME TAXES**

**2017 Fourth Quarter Estimated State Or Local Income Tax Payment
Made After December 31, 2017, Can Be Deducted On Your 2018
Federal Tax Return**

TAX RETURN PREPARATION

- 1. A CPA Can Provide Income Tax Planning**
- 2. Respond To Any Tax Notices**
- 3. IRS Estimates That It Can Take 20-25 Hours To Prepare Tax Return**
- 4. Tax Return Preparation Costs Are No Longer Deductible**

INVESTMENT RELATED EXPENSES

No Longer Deductible

SALES TAX

- 1. Option Of Claiming The Greater Of:**
 - I. State And Local Income Taxes Or**
 - II. State And Local General Sales Taxes**
- 2. Could Be Beneficial If Resident Of Low Tax Rate State Or No Tax State**
- 3. Could Be Beneficial If Taxpayer Made Large Purchase**

MORTGAGE INSURANCE DEDUCTIONS

- 1. First Mortgage Or Refinanced Mortgage After January 1, 2007**
- 2. File On Line 13 Of Schedule A**
- 3. Form 1098 In Box 4**
- 4. Adjusted Gross Income Phase-Out**

2018 LONG-TERM CARE INSURANCE FEDERAL TAX DEDUCTION LIMITS

<u>Taxpayer's Age At End Of Tax Year</u>	<u>Deductible Limit</u>
40 Or Less	\$ 420.00
More Than 40 But Not More Than 50	\$ 780.00
More Than 50 But Not More Than 60	\$ 1,560.00
More Than 60 But Not More Than 70	\$ 4,160.00
More Than 70	\$ 5,200.00

MONTHLY PREMIUMS FOR MEDICARE PARTS B & D

INCOME RELATED ADJUSTMENT AMOUNTS

MAGI * Single	MAGI * Joint	MAG * Married filing separately	Part B monthly premium paid to Medicare	Part B income- related adjustment amount paid to Medicare	Part D monthly premium (average) paid to insurer	Part D income- related adjustment amount paid to Medicare	Total Parts B & D premium
≤ \$85,000	≤ \$170,000	≤ \$85,000	\$134.00	\$0.00	\$40.00	\$0.00	\$174.00
\$85,001 - \$107,000	\$170,001 - \$214,000		\$134.00	\$53.50	\$40.00	\$13.00	\$240.80
\$107,001 - \$160,000	\$214,001 - \$320,000		\$134.00	\$133.90	\$40.00	\$33.60	\$342.10
\$160,001 - \$214,000	\$320,001 - \$428,000	\$85,001 - \$128,000	\$134.00	\$214.30	\$40.00	\$54.20	\$443.50
> \$214,000	> \$428,000	> \$128,000	\$134.00	\$294.60	\$40.00	\$74.80	\$544.80

*** MAGI: Modified Adjusted Gross Income**

**These do not include premiums for Medicare Advantage
or Medicare supplement plans**

FOREIGN ACCOUNTS

IRS FORM TD F 90-22.1 – REPORT OF FOREIGN BANK AND FINANCIAL ACCOUNTS (FBAR)

- 1. Need To File If Taxpayer Has More Than \$10,000.00 At Any Time In An Account During The Year Overseas.**
- 2. Deadline: June 30, 2019 - No Extensions Granted**
- 3. File Separately (Not With Individual Tax Return)**
- 4. Penalty: Non-Willful: \$10,000.00**
- 5. Penalty: Willful: Greater Of \$100,000.00 or 50.0% Of Account Balances**

IRS FORM 8938 – STATEMENT OF FOREIGN FINANCIAL ASSETS

- 1. Report The Ownership Of Specific Foreign Financial Assets**
- 2. Single: More Than \$50,000.00 On Last Day Of Year Or More Than \$75,000.00 On Any Day Of The Year**
- 3. Married Filing Joint: More Than \$100,000.00 On Last Day Of Year Or More Than \$150,000.00 On Any Day Of The Year**
- 4. Due Date: April 15, 2019 Or October 15, 2019 If Personal Tax Return Is Extended.**
- 5. File With Individual Tax Return.**
- 6. Penalty (Includes Criminal Penalties)**
 - a. Up To \$10,000.00 For Failure To Disclose**
 - b. Additional \$10,000.00 For Each 30 Days Of Non-Filing After IRS Notice Up To \$60,000.00**

RETIREMENT ACCOUNTS

IRS FORM 5498

- 1. IRA Trustee Or Custodian Reports Activity**

- 2. Reports The Following:**
 - a. Contributions**

 - b. Transfers In Or Rollovers In**

 - c. Roth IRA Conversion**

 - d. Mailed By May 31**

 - e. Required Withdrawals/Distributions**

IRS FORM 5498-SA

Reports Annual Contributions To Health Savings Account

IRA CONTRIBUTIONS

I. 3 Types Of IRAs

A. Deductible IRA

B. Non-Deductible IRA

C. Roth IRA

II. 2018 Deadline: April 15, 2019

III. 2018 IRA Contribution Limit: \$5,500.00

IV. 2018 IRA Catch-Up Contribution Limit: \$1,000.00

TRADITIONAL IRA DEDUCTIBILITY SCHEDULE - COVERED BY AN EMPLOYER-SPONSORED RETIREMENT PLAN

	2018 Modified Adjusted Gross Income	2018 Deduction
Single	Up TO \$63,000	\$5,500
	\$63,000 - \$73,000	Partial
	Above \$73,000	No Contribution
Married Filing Joint	Up to \$101,000	Full \$5,500
	\$101,000 - \$121,000	Partial
	Above \$121,000	No Contribution

**TRADITIONAL IRA DEDUCTIBILITY SCHEDULE -
NOT COVERED BY AN
EMPLOYER-SPONSORED RETIREMENT PLAN**

	2018 Modified Adjusted Gross Income	2018 Deduction
Single	Unlimited	\$5,500
Married Filing Joint	Unlimited	\$5,500

ROTH IRA ELIGIBILITY

	2018 Modified Adjusted Gross Income	2018 Contribution
Single	Up To \$120,000	\$5,500
	\$120,000 - \$135,000	Partial
	Above \$135,000	No Contribution
Married Filing Joint	Up to \$189,000	Full \$5,500
	\$189,000 - \$199,000	Partial
	Above \$199,000	No Contribution

SELF-EMPLOYED RETIREMENT ACCOUNTS

INDIVIDUAL 401(k) PLAN

- I. For Self-Employed Individuals**
- II. Established By 12/31/18**
- III. Contribution Deadline: 10/15/19**
- IV. Higher Contribution Than SEP IRA (In Most Cases)**
- V. 2 Part Calculation**
 - I. Salary Deferral: 100% Of The First \$18,500.00 (\$24,500.00 If Age 50+) Of Net Self-Employment Income**
 - II. Profit Sharing Contribution: 20.0% Of Net Self-Employment Income**
- VI. 2018 Maximum Contribution: \$55,000.00 (\$61,000.00 If Age 50+)**

SEP IRA

- I. Can Be Established Before 10/15/19 For 2018 Tax Year**
- II. Contribution Deadline Is 10/15/19 For 2018 Tax Year**
- III. 20.0% Of Net Self-Employment Income**
- IV. Contribution Limit: \$55,000.00**
- V. No Catch-Up Contribution**

HEALTH SAVINGS AND FLEXIBLE SPENDING ACCOUNTS

FLEXIBLE SPENDING ACCOUNTS

- I. Set Up By Employer**
- II. Pre-Tax Through Payroll.**
- III. \$2,650.00 Contribution Limit Per Year.**
- IV. 2 Options:**
 - I. Use It Or Lose It By March 15 Of The Following Year Or,**
 - II. \$500.00 Carryover But Use It Or Lose It For The Rest Of The Funds By December.**

HEALTH SAVINGS ACCOUNT (HSA)

- 1. High Deductible Health Insurance Plan.**

- 2. Tax Benefits**
 - a. Pre-Tax Deductions**
 - b. Tax Deferred Earnings**
 - c. Tax Free Withdrawal If Used For Covered Medical Expenses**

HEALTH SAVINGS ACCOUNT (HSA) IRS LIMITS

2018 IRS LIMITS

	<u>Single Plan</u>	<u>Family Plan</u>
Maximum Contribution Limit	\$3,450.00	\$6,900.00
Minimum Deductible	\$1,350.00	\$2,700.00
Maximum Out-Of-Pocket	\$6,650.00	\$13,300.00
Catch-Up Contribution (55+)	\$1,000.00	\$1,000.00

HEALTH SAVINGS ACCOUNT

- 1. Non-Qualified Withdrawal: Taxable And 20.0% Penalty Before 65**
- 2. No Penalty For Non-Qualified Withdrawal After 65**
- 3. Age Limit For Contributions: 65 Unless Delaying Medicare Enrollment**

ALTERNATIVE MINIMUM TAX (AMT)

ALTERNATIVE MINIMUM TAX (AMT) - EXEMPTION

1. Married Filing Joint:

1. 2017: \$84,500.00
2. 2018: \$109,400.00

2. Single:

1. 2017: \$54,300.00
2. 2018: \$70,300.00

ALTERNATIVE MINIMUM TAX (AMT) – EXEMPTION PHASE-OUT

1. Married Filing Jointly:

- 1. 2017: \$160,900.00**
- 2. 2018: \$1,000,000.00 - \$1,437,600.00**

2. Single:

- 1. 2017: \$120,700.00**
- 2. 2018: \$500,000.00 - \$781,200.00**

SOCIAL SECURITY

SOCIAL SECURITY TAX WITHHOLDING

- 1. Excess Social Security Withholding**
- 2. Maximum Withholding: \$7,960.80
(\$128,400.00 X 6.20%)**
- 3. Credit On Federal Tax Return**

SOCIAL SECURITY INCOME TAX PLANNING

Filing Status	Adjusted Gross Income (AGI) Plus Provisional Income	Amount Of Social Security Subject To Tax
Married Filing Jointly	Under \$32,000	0%
	\$32,000 - \$44,000	Up to 50%
	Over \$44,000	Up to 85%
Single	Under \$25,000	0%
	\$25,000 - \$34,000	Up to 50%
	Over \$34,000	Up to 85%

EDUCATION PLANNING

COVERDELL EDUCATION SAVINGS ACCOUNT

- I. Maximum Contribution Is Permanently Set At \$2,000.00.**
- II. Tax-Free Treatment Of Elementary And Secondary School Expenses.**

SECTION 529 PLAN STATE TAX DEDUCTIONS

- 1. State Residents Review Any Deduction Benefits**
- 2. Pennsylvania Allows A Deduction Of \$15,000.00 Per Beneficiary**

STUDENT LOAN INTEREST DEDUCTION

Maximum Deduction: \$2,500.00

Modified Adjusted Gross Income Phase-Outs

Married Filing Jointly

\$130,000.00 – 160,000.00

Others

\$65,000.00 – 80,000.00

AMERICAN OPPORTUNITY TAX CREDIT

I. Undergraduate

II. 40.0% Is Refundable

AMERICAN OPPORTUNITY TAX CREDIT

**Maximum Credit:
\$2,500.00 Per Student Per Year, For First Four Years Of Qualified Expenses Paid**

Modified Adjusted Gross Income Phase-Outs

**Married Filing
Jointly**

\$160,000.00 – \$180,000.00

Single

\$80,000.00 – \$90,000.00

LIFETIME LEARNING CREDIT

**Maximum Credit:
20% Of First \$10,000.00 (Per Tax Return) Of Qualified Expenses Paid**

Modified Adjusted Gross Income Phase-Outs

**Married Filing
Jointly**

\$112,000.00 – \$132,000.00

Single Filer

\$56,000.00 – \$66,000.00

CREDITS

ENERGY CREDIT FOR INDIVIDUALS

- 1. Energy Efficiency Improvements To Their Existing Residence**
- 2. 10% OF Qualifying Expenses Up To Lifetime Credit Limit Is \$500.00.**

ELECTRIC-DRIVE AUTOMOBILES

- 1. Incentives For Purchase Of Electric-Drive And Plug-In Hybrid Electric Vehicles.**
- 2. \$2,500.00 - \$7,500.00 Non-Refundable Credit.**
- 3. Energy Department Website Lists Vehicles That Apply.**

CHILD TAX CREDIT

- 1. \$2,000.00 Per Qualifying Child (From \$1,000.00)**
- 2. For Children Under Age 17**
- 3. \$500.00 Credit For Qualifying Dependents But Not Qualifying Child**
- 4. Phaseouts Apply:**
 - a. \$400,000.00 For Couples (\$110,000.00 – Current)**
 - b. \$200,000.00 For All Other Taxpayers (\$55,000.00 – Current)**

CHILD AND DEPENDENT CARE CREDIT

- I. 20.0% - 35.0% Credit Rate Is Permanent.**
- II. Credit Reduces From A High Of 35.0% To 20.0% As Adjusted Gross Income (AGI) Increases.**
- III. AGI Above \$43,000.00, 20.0% Credit Applies**
- IV. \$3,000.00 Cap On Expenses For One Qualifying Child**
- V. \$6,000.00 For Two Or More Qualifying Children**
- VI. Dependent Under Age 13.**

HEALTH INSURANCE

BOX 12 OF YOUR W-2 – HEALTH INSURANCE

- 1. Box 12, Code DD Of Your W-2 Will Report The Cost Of Your Employer's Group Health Insurance Coverage**
- 2. Includes Employer And Employee Contribution**
- 3. Purpose Is Not To Report Tax Information**
- 4. Purpose Is To Provide Information On The Cost Of Overall Healthcare Coverage**

AFFORDABLE CARE ACT TAX FORMS

- 1. Form 1095-A: Health Insurance Purchased On Exchange.**
- 2. Form 1095-B Or 1095-C: Health Insurance Purchased Outside The Exchange Or From Employer**
- 3. Form 8965: Choose Health Coverage Exemption Or Penalty Calculation If Exemptions Don't Apply**
- 4. Form 8962: Reflects Premium Tax Credit From Health Insurance Exchange**

HEALTH INSURANCE PREMIUMS FOR SELF-EMPLOYED

- 1. Deducted Before Adjusted Gross Income**
- 2. More Favorable Than Itemized Deduction**

KIDDIE TAX

KIDDIE TAX

- 1. Applies To Non-Earned Income Over A Specific Threshold**
- 2. Will Be Taxed Under Trust Tax Rates.**
- 3. Used To Be Taxed At The Parent's Tax Rates**

KIDDIE TAX

Unearned Income	Tax Treatment
Less Than \$1,050.000	No Tax
\$1,050.00 - \$2,100.00	Child's Income Tax Rate
More Than \$2,100.00	The Higher Of The Trust Income Tax Rate Or The Child's Income Tax Rate

ADDITIONAL MEDICARE TAXES

ADDITIONAL MEDICARE TAX ON WAGES

- 1. Implemented In 2013**
- 2. Single Filers: Wages Are More Than \$200,000.00**
- 3. Married Filing Joint Filers: Wages Are More Than \$250,000.00**
- 4. Tax Rate: .90%**
- 5. Employee Is Responsible**
- 6. Employer Continues To Pay Half The Base Rate Of 2.9%**
- 7. Self-Employed Individuals Will Be Liable Too**

MEDICARE TAX ON UNEARNED INCOME

- 1. Implemented In 2013.**
- 2. Tax Rate: 3.8%.**
- 3. Tax Applies To Whichever Is Less:**
 - I. Net Investment Income Or,**
 - II. Amount That Your Modified Adjusted Gross Income Exceeds The Threshold.**
- 4. Unearned Income Defined:**
 - I. Capital Gains**
 - II. Interest**
 - III. Dividends**
 - IV. Rental Income**
 - V. Passive Investor**

MEDICARE TAX ON UNEARNED INCOME

The Threshold Amounts

Single Filers	Married Filing Jointly	Married Filing Separately
\$200,000.00	\$250,000.00	\$125,000.00



CONTACT INFORMATION



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