

ROBERT A NEIMAN

CERTIFIED PUBLIC ACCOUNTANT

16556 Gateway Bridge Drive

Delray Beach FL 33446

Phone (516) 680-1653 or (800) 313-2119 or (206) 452-2008

Fax (866) 823-1800

E-Mail: bob@bobneiman.com

Web Site: www.bobneiman.com



December 2014

Tax filing time is again upon us. Please send me your income tax information as soon as possible this year. Even though you may be missing some information, I can still input what you send and fill in the missing items later. Some items to be aware of this year are:

ELECTRONIC FILING REQUIREMENT

Electronic filing of federal individual income tax returns is now mandatory. I have set up a secure encrypted web portal on my web site. After I complete your return, I will place a copy of it in your individual folder on my web portal. I will email you instructions on what pages of the acrobat file to print, sign, and fax back to me. Once I receive the signed form, I will e-file the return with the IRS. You will be required to mail in any balance due.

ACCESSING MY SECURE WEB PORTAL

You can access the secure encrypted portal as follows:

- Log onto my website at www.bobneiman.com
- Go to the Neiman Wealth Management or Robert A Neiman CPA section
- Click on "Secure Client Portal"
- Enter your email address in the "User Name"
- Click on "Forgot Your Password?"
- You will receive an email with a temporary password
- Log into the client portal with your email and temporary password
- Change your password to one you want to use
- In your folder, you will find the files

ORGANIZING YOUR TAX INFORMATION

Please mail the following items: original W-2's (keep copies for yourself), copies of all K-1's, 1099's, mortgage interest deduction papers, escrow (closing or settlement) statements on real estate purchases or sales, yearend brokerage statements for stock, bond, and mutual fund investments, and non-cash contribution receipts. Use your 2013 tax return as a guide as you organize your 2014 information. Tax return processing time and your cost for preparation will be minimized if you have all your information well summarized on several sheets of paper. Please plan on having all your information to me by March 24th to enable me to complete your return by April 15th. **Please send me copies of any IRS audits or correspondence.**

PAY YOUR LAST STATE INCOME TAX ESTIMATE IN DECEMBER?

If you live in a state with a state income tax, consider paying your fourth quarter state estimated tax payment in December to get a deduction on this year's federal income tax return.

NEW HEALTH INSURANCE FORMS FOR 2015

Taxpayers will be receiving some new forms when they file their 2015 tax returns.

1. 1095A – requires a copy from every single client who has purchased insurance from the exchanges,
2. 1095B from the insurance companies which may be provided to tax payers and
3. 1095C from those who provide insurance are required for 2015 1040 taxes.

Please email or fax me these forms when you get them.

FOREIGN INCOME REPORTING

United States citizens and residents are required to report and pay taxes on all their worldwide income including income earned outside the United States. Additionally, any bank, brokerage or other assets held outside the United States are required to be disclosed yearly to the Treasury Department by June 30th. Taxpayers owning an interest in a foreign corporation, partnership, or limited liability company are required to report this information yearly, even if the entity is dormant.

SOCIAL SECURITY RATE AND BASE AMOUNTS

The social security rate remains at 6.2% for both employer and employee for 2015 while the taxable wage base increases to \$118,500. The self-employment social security tax rate remains at 12.4% with ½ of the tax being deductible. The Medicare tax of 1.45% for employees and 2.9% for self-employed persons remains taxable on all wages.

AUTO SUBSTANTIATION RULES

In order to substantiate business use of autos it is necessary to keep a mileage log showing: number of miles driven, date, destination and business purpose of your trip. You must also keep track of all auto expenses as your deduction will be based on the business use percentage (from the log) multiplied by your total auto expenses for the vehicle. As an alternate for 2014, you can take mileage at 56.0 cents per business mile. The mileage allowance for 2015 is 57.5 cents per mile. For vehicles used less than 50% for business, depreciation and lease deductions are limited.

ENTERTAINMENT DEDUCTION AND SUBSTANTIATION

In order to deduct meals and entertainment for business, you must adequately substantiate the expense. It must first be an ordinary and necessary business expense and must not be lavish or extravagant. Information that must be kept to substantiate the expenditure includes: date, place, person(s) entertained and business purpose of the entertainment. The substantiation requirement can be satisfied by recording the information on the receipt or in a journal. However, you must save the receipt for any expense over \$75. Currently, only 50% of meal and entertainment costs are deductible. Therefore a separate account should be maintained for business meals and entertainment expenses.

BUSINESS GIFTS

Business gifts up to \$25.00 per recipient per year are deductible. Amounts in excess of the \$25.00 are not deductible. Records should be kept on who was given gifts and the business purpose.

CHARITABLE CONTRIBUTIONS SUBSTANTIATION

All contributions must now be substantiated by a dated bank record or a dated receipt. No deduction is allowed for most contributions of clothing and household items unless the donated property is in good used condition or better.

INDIVIDUAL RETIREMENT ACCOUNTS

Individuals can contribute to IRA's and Roth IRA's depending on their income. No deduction is allowed for a Roth contribution. However, the income grows tax-free until it is withdrawn. Anyone who is eligible to contribute to an IRA or Roth should do so prior to April 15, 2015.

If you have any questions or would like more information on any of the above items, please feel free to call.

Yours truly,
Bob Neiman