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FEBRUARY ISSUE

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**Affordable Care Act: Tax Facts For
Individuals And Families**

Changes For 2015 Tax Returns



As the 2016 filing gets underway, here are some important changes that could affect your 2015 tax returns.

Key Tax Benefits Renewed

The Protecting Americans from Tax Hikes (PATH) Act extended or made permanent a number of tax benefits that had expired at the end of 2014. This means that eligible taxpayers can claim these benefits on their 2015 returns.

Renewed benefits include:

- ♦ Non-business energy property credit claimed on Form 5695 by homeowners who install energy-efficient windows, doors, furnaces, insulation and other qualifying home improvements.

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This year marks the first time that certain taxpayers will receive new health-care related information forms that they can use to complete their tax return and then keep with their tax records.

Depending upon your specific circumstances, the Health Insurance Marketplace, health coverage providers, and certain employers may provide information forms. These forms can help you accurately report health coverage information for you, your spouse and any dependents when you file your 2015 tax returns. The Marketplace, health coverage providers, and employers will also file these forms with the IRS.

The information forms are:

- ♦ Form 1095-A, Health Insurance Marketplace Statement: This form is provided by the Health Insurance Marketplaces to individuals enrolled in coverage with information about the coverage, who was covered, and when.
- ♦ Form 1095-B, Health Coverage: Health insurance providers send this form to individuals they cover with information about who was covered and when.
- ♦ Form 1095-C, Employer-Provided Health Insurance Offer and Coverage: Certain employers send this form to certain employees, with information about what coverage the employer offered.

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What Our Clients Say About Us

Marcia and her staff make it a professional yet friendly experience.

~DM

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- ◆ Educator expense deduction claimed on Form 1040 Line 23 or Form 1040A Line 16 by teachers and other eligible elementary and secondary educators who pay for various classroom expenses.
- ◆ Tuition and fees deduction claimed on Form 8917 by eligible parents and college students.
- ◆ Qualified charitable distributions, reported on Form 1040 Lines 15a and 15b, by IRA owners, age 70½ or older, who transfer tax-free up to \$100,000 to qualified charities during 2015.

ABLE Accounts for Some People with Disabilities

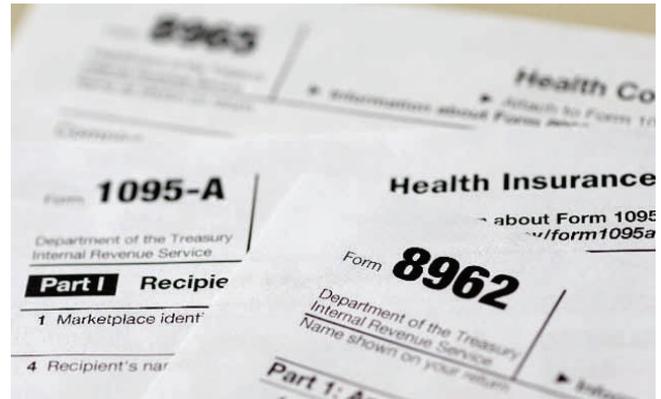
States can now offer specially designed, tax-favored Achieving a Better Life Experience (ABLE) accounts to people with disabilities who became disabled before age 26.

Recognizing the special financial burdens faced by families raising children with disabilities, ABLE accounts are designed to enable people with disabilities and their families to save for and pay for disability-related expenses.

Contributions totaling up to the annual gift tax exclusion amount of \$14,000 in 2015 and 2016 can generally be made to an ABLE account each year. Though contributions are not deductible, distributions are tax-free if used to pay qualified disability expenses.

Call our office with any questions. †

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This is the second year that the Health Insurance Marketplaces have provided Forms 1095-A to enrollees. However, this is the first year that health insurance providers and certain employers have furnished Forms 1095-B and 1095-C to covered individuals.

Taxpayers who have coverage through the Health Insurance Marketplaces will need to wait to file their 2015 tax return until they receive Form 1095-A. Individuals with employer-provided health insurance and other qualifying minimum essential health care coverage do not need to wait to file their 2015 tax return until they receive Forms 1095-B or 1095-C.

While the information on Forms 1095-B and 1095-C may assist in preparation of a tax return, they are not required. Individuals may use other forms of documentation, in lieu of the information on Forms 1095-B and 1095-C, to show insurance coverage, such as insurance cards or payroll statements reflecting health insurance deductions. †

Contact Marcia if you have any questions. †



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 to receive your newsletter by
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