



HONECK ·
OTOOLE

...where people count

1st Quarter 2015

THE BENEFITS OF FILING YOUR TAX RETURN EARLY

Your team here at Honeck O'Toole wants to make sure every client's tax return is prepared and filed on time. Many of our clients send their Tax Organizers and documents well before the March 16 deadline, which is terrific. Thank you! Many other clients wait until that deadline, so on March 16 the floodgates open as we receive hundreds of returns all at once. Then, our team systematically logs, prepares and reviews each individual return, sending follow up questions if needed. With so many returns coming in at one time, it can easily take a month to complete them all.

Don't delay this year!

The earlier we receive your Tax Organizer and supporting documents, the better it is for you. Here's why.

- If you're expecting a refund, you'll get your refund fairly quickly. In many cases, early filers get a quicker refund check than those who wait closer to the April 15 deadline.
- If you're expecting to owe money, you'll know exactly what you owe well before it's due. This gives you more time to prepare for that payment.
- If some information is missing we can partially prepare the return and add the missing item later. You'll still probably be able to file on time.
- Any Tax Organizers and documents we receive AFTER March 16 go to the very back of the line. We may need to extend those returns, and won't know until mid-April if you may have a balance due.
- We WILL need to extend returns if information is received after April 1, 2015.

As you can imagine, the early bird gets the advantage.



continued on page 2

revenews

Ideas to help small businesses and individuals maximize income while minimizing taxes.

HAPPY TAX SEASON

Your team of professionals here at Honeck O'Toole is ready to work the long hours and many days it takes to get your tax returns prepared and filed on time. It seems like every year there are new tax laws and tax forms required, so each return takes just a little longer to complete. Please send your Tax Organizer and supporting documents as soon as possible so we can get started.

Individual Returns:

- **We need ALL your information by March 16, 2015** to file your return by **April 15, 2015**.
- We need all missing items (for the returns received by March 15) before April 10 at the latest.
- If you're unable to meet these deadlines, we can help you file an extension until October 15, 2015. You'll have more time to file, but the IRS and Maine don't allow more time to pay any balances due.

Business Returns:

- **We need your business entity information by February 15, 2015** to file in a timely manner.
- Or, we can extend until September 15, 2015. Sooner is always better!

IMPORTANT! We are required to file all returns electronically. When we send your return to you, please sign and return the included authorization Form 8879 as soon as possible — no later than 5:00 PM on Monday, April 13, 2015 — so we can timely efile your return by Wednesday, April 15. Email the signed form (PDF or photo) to info@honeckotoole.com or fax it to **207-773-2047**. Please don't wait until April 15th to return the authorization form.

Got Your 2014 Tax Year Organizer?

By now, you should have received your annual Tax Organizer in the mail — that handy questionnaire and workbook for gathering all the items we need to properly prepare your income tax returns.

Most clients received the short version at their request, but if you'd like the longer version or you didn't receive your Organizer yet, please call or email us right away: **207-774-0882** or info@honeckotoole.com.

Here are a few other important reasons to prepare and file your tax return early this year.

1. New tax laws will require more time for us to prepare your return properly.

With recent tax law changes, such as the Affordable Care Act (ACA), you may need to complete and file new forms with your individual return. We'll need time to make sure you're complying with the law. (See *additional ACA information on page 3.*)

In addition, you may have a more complex return this year related to your business. We can help you complete required forms or locate required statements that may be new to you this year.

2. You'll have time to track down missing information.

Let's say your tax status changed in 2014 due to a birth, marriage, divorce, home purchase or other event. The sooner we know, the better! We can help you track down certain documents or receipts to support the changes.

3. You may lower your risk of identity theft.

In a *US News & World Report* article, Joe Reynolds, identity fraud product manager at Travelers,

cautioned, "The sooner you file your return, the less opportunity someone else has to file a return in your name." Good to know if you're expecting a nice refund this year.

4. Filing early can help with your college financial aid application or review.

If you're applying for college financial aid, your tax information will be required as part of the process. By filing early, you won't have to supply your tax information. The IRS will automatically link it to your application. One less headache for you!

5. It's just plain awesome to get tax filing out of the way.

Each year a number of our clients tackle their taxes as soon as possible so they can get it done and move on. Some of our clients even send us their materials by mid-February. Maybe that's you this year?

We look forward to receiving your tax information and we thank you in advance for meeting our deadlines.

**To avoid surprises, the sooner we can review your return, the better. Our fees will likely be higher for some clients getting insurance in the marketplace or filing complex returns. ❗*

RETIREMENT ACCOUNT LIMITS RISE IN 2015

If you're squirreling away money for retirement (and we hope you are!), you'll be happy to see the new, higher limits and wider eligibility for retirement accounts. Here's a quick overview.



- The contribution limit for 401(k) retirement accounts rises to \$18,000 in 2015, along with a \$6,000 catch up for those 50 and above. This is an increase of \$500 from 2014 for both limits.
 - 2015 IRA contribution limits remain the same as 2014 at \$5,500 for most people; \$1,000 catch up for those 50 and older. However, there's a slight increase in the contributions income limitations.
- Only one indirect IRA rollover is allowed in any year now. This is where you take the money out for less than 60 days and then put it all back into an IRA.
- Roth IRA account holders also enjoy increased income limitations in 2015 for contributions. It's \$2,000 higher in all categories such as married filing jointly, single individuals, heads of household, etc.
- SEP IRA contributions rise in 2015: If you're self-employed, your maximum contribution limits will rise from \$52,000 in 2014 to \$53,000 in 2015.
- SIMPLE IRA contributions rise in 2015: You can contribute \$500 more in 2015 because the limit is up from \$12,000 (2014) to \$12,500 (2015) plus a \$3,000 over 50 catch up.
- myRA, a new retirement account, is revealed. My Retirement Account (myRA) was created by the U.S. Department of the Treasury to offer employers a way to encourage a "small savings" retirement account. It comes with no fees and guaranteed growth. ❗

TAX NEWS

“Achieving a Better Life Experience Act (ABLE) of 2014”: accounts for disability expenses

A new law, which applies to tax years beginning after December 31, 2014, allows individuals to create a tax-free ABLE account (or on behalf of a disabled dependent) to save for disability-related expenses such as education, housing, transportation, employment support, health and others. Contributions to ABLE accounts are made on an after-tax basis and they grow, tax-free, to be used for qualifying expenses. Each disabled person is limited to one ABLE account. Total individual annual contributions to an ABLE account can be up to the gift tax exclusion (\$14,000 in 2015). Eligible individuals must be blind or disabled and must have become so before turning age 26, and must be entitled to benefits under Social Security income programs. Contact us to learn more.

“Tax Increase Prevention Act of 2014”: extends certain expiring tax provisions for 2014

Recent legislation extended a number of tax breaks scheduled to expire at the end of 2013. For instance, the credit for nonbusiness energy property has been extended. These other “extender” examples may affect your 2014 tax return:

Individual:

- \$250 above-the-line deduction for teachers and other school professionals paying for school materials out of pocket
- An exclusion up to \$2 million of discharged principal residence indebtedness from gross income
- Deduction for mortgage insurance premiums deductible as qualified residence interest
- The options to take an itemized deduction for State and local general sales taxes instead of an itemized deduction for State and local income taxes.
- Above-the-line deduction for qualified tuition and related expenses

Business:

- 15-year straight line cost recovery for qualified building and leasehold improvements
- Accelerated depreciation and a 50% bonus depreciation
- Section #179 increase in expensing up to \$500,000 in capital equipment 📌

DISCLAIMER

Any accounting, business, or tax advice contained in this communication is not intended as a thorough, in-depth analysis of specific issues, nor a substitute for a formal opinion, nor is it sufficient to avoid tax-related penalties. If desired, Honeck O'Toole would be pleased to perform the requisite research and provide you with a detailed written analysis. Such an engagement may be the subject of a separate engagement letter that would define the scope and limits of the desired consultation services.

MEET OUR SEASONAL TEAM

We're very pleased to welcome our seasonal tax professionals to help us process, complete and file more tax returns than ever in a very short time. We're fortunate to have the same talented people as last year — including Jerry Yurko, Julie Sengelmann, Julie Bennett and Elliot Vrana — back to help us! Plus we have a new seasonal support staff person, Kelly Atwood.

This brings us to three women named Kelly in our office, plus two named Julie and two men named John.

Please be patient with the front desk when we ask which person you're trying to reach.

Thanks!

NEW MILEAGE RATES FOR 2015

New standard mileage rates have been established for 2015:

- **\$0.575** for business mileage
- **\$0.23** for medical and moving mileage
- **\$0.14** for charitable mileage

AFFORDABLE CARE ACT (ACA) TAX FORM REMINDER!

You may have received a new ACA Form 1095-A in January. **Please be sure to include it with your information.** This is the Health Insurance Marketplace Statement you'll use to submit Form 8962: Premium Tax Credit (PTC), if applicable to you. Or you may need help with the special calculation of modified adjusted gross income to calculate the Individual Shared Responsibility Payment penalty if you don't have coverage.

Please contact us immediately if you received Form 1095-A and you have questions about the calculations and requirements. 📌

CLIENTS IN THE NEWS...

Philip Rhinelander

XPRESS COPY

When Philip Rhinelander opened an independent local printing shop in 1978, he couldn't have predicted the way printing would evolve over the years. And he wasn't daunted by IBM's 1978 forecast that by the year 2000 we'd be a paperless society.



Instead, Philip's company thrived by giving customers what they wanted and needed (and still need!): exceptional posters, engineering prints, programs, bindery and mounting services and more. In addition, XPress Copy has become known as a benevolent business that supports local arts and non-profits. Philip told us, *"Having experienced life as a teacher in the arts, I started out bending over backwards to offer non-profit discounts and participate on the board of directors of various local theatre and music groups. I realized that if I took all the various non-profits and treated them not as a group of separate charities, schools and artists, but as one large corporation, they would comprise XPress Copy's biggest customer. And as our largest customer, they should be given the lowest discount pricing. That started our most successful program whereby any individual or group benefitting our community can get a fixed, whopping big discount for their printing."*

When it comes to serving medium-sized businesses in the area, the fact that XPress Copy is a local, independent shop seems to give them an advantage over national competitors. People want the personal service they offer. Philip noted, *"We're doing well today and we're absolutely delighted with Honeck O'Toole's assistance, especially John Martin's expertise. He's a treasure!"*

Visit www.XCopy.com for information on their services. 📄

CLIENT PROFILES

Dave Goldberg

INDUSTRIMUM IDEA MFG.

There are advertising agencies and public relations firms... and there are interactive media companies and public affairs consultants. But it's rare to find a combination of all these disciplines in a single agency. That's why Industrium is unique in Maine. Dave Goldberg, one of the four agency partners along with Don Fibich, Derek LaVallee and Dan Ventura, told us, *"There's a term we use — integrated agency — which means we're agnostic regarding the services we apply to each client's problem or opportunity. It's incumbent upon us to understand the business or marketing issue and then apply the right mix of things we do, in an integrated fashion. It produces better results for our clients."*



For example, Industrium recently completed a public diplomacy campaign for the UAE (United Arab Emirates) to introduce the strong bi-lateral relationship between the UAE and the U.S., to D.C. and New York audiences. Dave said, *"This sounds like a public affairs problem, but we told the story through video, digital content and print media; an integrated public affairs campaign."* (See <http://uaeusaunited.com>.)

Industrium's clients include *"a nice mix of category leaders here in Maine"* such as Geary's, Mercy Healthcare, Verrill Dana, Wreaths Across America, Yale Cordage and Camden National Bank, as well as the Presidential Commission to Eliminate Child Abuse and Neglect Fatalities, Con-way, Wabash National, and the big pharmaceutical firm UCB. Visit www.Industrium.com to learn more. 📄

We welcome your questions about taxes, financial planning, college planning, making the most of QuickBooks, or anything else related to your money. During tax season, we're incredibly busy, so it may take a little longer for us to get back to you. **We appreciate your patience! Thank you.**

Call for Assistance Anytime!



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