



Interactive Brokers

presents

2015 Year end U.S. Tax Planning

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Webinar begins @ 3:00PM EST



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Focus

On individual returns

Partnerships (LLCs) and trusts have many of the same considerations, but must consider the ultimate taxpayer.



Nothing is general...

Each planning idea requires you to know where you stand.

2014/2015 AGI and estimated taxable income

2014/2015 tax bracket

2014/2015 limitations

Open opportunities to utilize.



2015 Congressional Action

Last year I left this page blank on purpose – although the extender bill did pass on December 20

2015 Congress has been no better and once again the page is blank, however I expect that again an extender bill will pass sometime in December.

I suspect that 2016 will be a repeat of 2014 and 2015.

We may have change coming after the election and with Paul Ryan as Speaker of the House.



What's Expiring?

Expired provisions:

- 52 tax provisions expired at the end of 2013 and 51 of these were extended at the 11th hour (December 20, 2014) for 2014.
- These provisions promptly expired again at midnight December 31, 2014. Making another “extender” bill for 2015 necessary



What provisions are important to individuals?

Election to deduct state and local sales tax instead of state income tax- very important in:

FL, TX, WA, SD, NV, WY, AK

At least 2 big election states here, FL and TX. This will most likely be extended in an election year

Tax free traditional IRA distributions to charities

donor must be at least 70.5

\$100,000 limit



Major Business Provisions

Bonus depreciation

50% in first year

Section 179 deduction

\$25,000 vs. \$500,000

Research and Development Credit



Business items to note

If you are a schedule C Filer:

(Self – Employed individual or Single Member LLC)

If you are a Schedule E Filer:

(Rental Real Estate or Partnership, LLC, S-Corp ownership)

BE AWARE!!!



Business Items

Document! Document! Document!



Business Items

Mileage

Home Office

Real Estate Professionals

Do you have basis in the investment to take a loss?

Spousal LLCs must file if not in a Community Property State



2015 Tax Brackets

Rate	MFJ	Single
10%	\$0 - \$18,450	\$0 - \$9,225
15%	\$18,450 - \$75,900	\$9,225 - \$37,450
25%	\$74,900 - \$151,200	\$37,450 - \$90,750
28%	\$151,200 - \$230,450	\$90,750 - \$189,300
33%	\$230,450 - \$411,500	\$189,300 - \$411,500
35%	\$411,500 - \$464,850	\$411,500 - \$413,200
39.6%	\$464,850 +	\$413,200 +



2016 Tax Brackets

Rate	MFJ	Single
10%	\$0 - \$18,550	\$0 - \$9,275
15%	\$18,550 - \$75,300	\$9,275 - \$37,650
25%	\$75,300 - \$151,900	\$37,650 - \$91,150
28%	\$151,900 - \$231,450	\$91,150 - \$190,150
33%	\$231,450 - \$413,350	\$190,150 - \$413,350
35%	\$413,350 - \$466,950	\$413,350 - \$466,950
39.6%	\$466,950 +	\$415,050 +



Beginning Phase out Thresholds

Itemized deductions:

Single: \$258,250

MFJ: \$309,900

Personal exemptions:

Single: \$258,250

MFJ: \$309,900



What do the Phase outs mean?

Of itemized deductions – an average increase in
marginal tax rate of .99% for the 33% bracket
marginal tax rate of 1.05% for the 35% bracket
marginal tax rate of 1.19% for the 39.6% bracket



What do the Phase outs mean?

Of Personal exemptions: an average increase in

Marginal tax rate of 1.03% per exemption in
the 33% bracket

Marginal tax rate of 1.09% per exemption in
the 35% bracket



Things to consider

2015 – Stays the same for 2016

401K elective deferral : \$18,000

over 50: \$23,000

2015 – IRA Contribution:

\$5,500 or \$6,500 for those over 50

2015 – SEP

\$53,000 unlike IRAs account must be open at end of the year – funded before filing of return.



Things to do

Clean house

Is there a loss in your portfolio that really isn't going to recover? **SELL IT** and use the loss to offset other gains.

Remember that losses in excess of gains of up to \$3,000 can be taken against other ordinary income.



Things to do

Watch your phase out points:

Itemized deductions

Exemptions

If you are close to phase out points, think about timing your income – in the phase out one year – out the next.



Cocktail Party Talk

Always consider where you are getting information –
not everything works for everyone

Current hot topic is how to supercharge your 401K,
but it requires that your 401K accept excess
contributions and allows in-service distributions –
few do. (WSJ 11/1/14, Forbes 11/3/14)



Reporting dates

All dates are on or about:

1099R – for IRA accounts 1/31/16

Consolidated 1099 2/16/16

Dividend report

Form 8949 worksheet

5471 – for IRA accounts 5/31/16

Remember to check for AMENDED forms.



NEW Dates

Change is coming: For the 2016 filing season, partnerships, LLCs and trusts will now have a filing date of March 15, rather than April 15. This change is an effort to get information to the ultimate taxpayers for these entities sooner.



Final comments

E-filing

Don't "net" items

Look for more CP 2000 notices

Same-sex filings – have you looked at prior years to amend?



Questions?

Questions

Other topics for webinars.



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