

Tax Dates & Updates



- Forms W-2, 1099s and other tax filing forms are required to be mailed by January 31. If you do not receive the forms by February 14, let your tax professional know.
- The IRS began accepting some e-filed individual tax returns on January 30. Some forms will not be ready until late February or early March.
- The IRS expects to issue refunds to taxpayers in less than 21 days from when an e-filed tax return is accepted.

American Taxpayer Relief Act (ATRA) of 2012



At the beginning of January, President Obama signed the American Taxpayer Relief Act (ATRA) of 2012. This bill is retroactively extends many of the sunset provisions as well as permanently patches AMT. What does this mean to you?

- Temporary rates are now permanent on taxable income at or below \$400,000 for individual filers and \$450,000 for married individuals filing jointly.
- The 0% and 15% capital gains rates are made permanent. A 20% rate becomes effective after 2012 for high income taxpayers.

- The 15% tax bracket for married taxpayers equals twice that of single filers.
- AMT exemption amounts are increased to \$50,600 for single taxpayers and \$78,750 for joint filers for 2012. Exemption amounts and phase-out ranges will be indexed for inflation after 2012 resulting in a permanent patch.
- The limitation on itemized deductions for higher income taxpayers has been reinstated for taxpayers whose AGI exceeds \$250,000 (\$275,000 for head of household and \$300,000 for joint filers). After 2012, these thresholds will be adjusted for inflation.
- The \$250 deduction for classroom expenses of elementary and secondary school teachers is reinstated for 2012 and 2013.
- The American Opportunity Credit for post-secondary education is extended for five years through December 31, 2017.
- The rule allowing tax-free IRA distributions (for taxpayers over age 70½) of up to \$100,000 if donated to charity is retroactively extended through 2013. Special transitional rules apply. Note, there is no charitable contribution deduction allowed for IRA distributions to charity.

Did You Know?

Since 2001, Congress has made nearly 5,000 changes to the Tax Code. That's more than a change per day.

Quote Corner

The nation should have a tax system that looks like someone designed it on purpose.

~William Simon